

Purpose in motion

Annual Report 2024-25

RIL PROPERTY PLC



Revitalised with renewed focus and fresh energy – we enter a new chapter of purpose-driven growth. As we embark on this next phase of the journey, we strategise for long-term success; embracing innovation, unlocking opportunities, and strengthening our foundations to deliver sustainable value across our portfolio–for our investors, partners, communities, employees, and the nation.

This is our Purpose in Motion



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About Our Third Integrated Report

This is our third Integrated Annual Report, which outlines the progress we made in driving sustainable value creation throughout the Financial Year concluded on 31 March 2025. The Report presents a comprehensive overview of our strategic direction, environmental and social commitments, governance structure, and financial outcomes–underscoring our continued transition towards integrated, stakeholder-oriented reporting.

Our reporting seeks to go beyond compliance, offering insights into the integrated thinking and resource stewardship that drive long-term value for our stakeholders. The narrative reflects how we embed sustainability into our operations.

Scope and Boundary

This Report covers the performance of R I L Property PLC and its subsidiaries, including United Motors Lanka PLC (UML) and Panasian Power PLC (PAP) for the reporting period 1 April 2024 to 31 March 2025. The content predominantly focuses on commercial real estate, supplemented by strategic developments in automotive and renewable energy. All financial information is reported in Sri Lankan Rupees (LKR), unless specified otherwise.

We maintain an annual reporting cycle for both financial and non-financial disclosures. Any changes in data from the previous year are transparently restated and contextualized in the relevant sections.

Reporting Frameworks and Standards

This Report has been prepared in accordance with the following globally and locally recognised standards and guidelines:

Financial Reports

- Listing Rules of Colombo Stock Exchange (CSE)
- Sri Lanka Accounting Standards (SLFRSs/LKASs)
- Companies Act No. 7 of 2007 and amendments thereto
- Regulations and Directions of the Department of Inland Revenue

Integrated and Narrative Reporting

- The International Integrated Reporting <IR> Framework of the International Financial Reporting Standards (IFRS) Foundation
- Guidelines for the presentation of Annual Reports issued by CA Sri Lanka

Governance Reporting

- Companies Act No. 7 of 2007 and amendments thereto
- Listing Rules of Colombo Stock Exchange (CSE)
- Code of Best Practice on Corporate Governance (CA Sri Lanka, 2023)

Sustainability Reporting

- GRI Universal Standards (2021 Update)
- Gender Parity Reporting Framework (CA Sri Lanka)
- Non-Financial Reporting Guidelines (CA Sri Lanka)

See pages 163 to 271 for financial reports and pages 282 to 283 for the GRI content index.

Materiality and ESG Integration

We have adhered to the principles of materiality and adopted an integrated ESG approach that prioritizes issues of high significance to our stakeholders and the long-term success of our business, embedding financial, environmental, social, and governance considerations into the core of our strategy and decision-making processes. Aligned with the six capitals of integrated reporting, our initiatives are designed to address the most relevent ESG priorities for our oparating context.

We adopt globally recognized standards, including the GRI standards, to guide our use of indicators, assumptions, and metrics in evaluating ESG performance. In line with the precautionary principle, we take proactive measures to mitigate environmental risks, ensure regulatory compliance, and respond effectively to the evolving impacts of climate change. Any restatements of figures and statements, along with their underlying rationales, are transparently disclosed within relevant sections of the Report where applicable.

External Assurance

This Report has been prepared in accordance with all applicable regulatory and statutory requirements, ensuring all relevant material aspects have been fairly presented. Our financial statements are audited by Ernst & Young, while audits of subsidiaries are conducted by Deloitte (UML) and Ernst & Young (PAP). Non-financial disclosures are aligned with international standards and best practices, with internal controls ensuring reliability and consistency.

Forward-Looking Statements

This Report contains forward-looking statements based on current expectations and projections. Readers can identify these statements through words such as forecast, anticipate, expect, estimate, intend, project, believe and other terms of similar meaning. While these statements represent our judgements and future expectations at the time of preparing this report, risks, uncertainties, or unforeseen developments may cause actual outcomes to differ materially. These statements are not guarantees of future performance and are provided without obligation or liability.

Feedback and Accessibility

The full report is available in interactive PDF format on our website:
www.rilproperty.lk/investors
We welcome your feedback to enhance future reports. Please share your suggestions through the enclosed stakeholder feedback form.

How to read This Report

This Integrated Report is designed for ease of navigation and clarity of insight. It is structured as follows:

Strategic Overview

Strategy and Resource Allocation	Page 52
Value Creation Model	Page 46
Operating Environment	Page 48

Performance Review

Chairman's Message	Page 29
CEO's Review	Page 32
Capital Performance	Page 65
Awards and Accolades	Page 26

Governance & Risk Management

Corporate Governance	Page 99
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Sustainability and Outlook

Stakeholder Engagement	Page 50
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Icons have been used throughout the Report to highlight the six capitals: financial, manufactured, intellectual, human, social and relationship, and natural capital.



Financial Capital



Intellectual Capital



Manufactured Capital



Human Capital

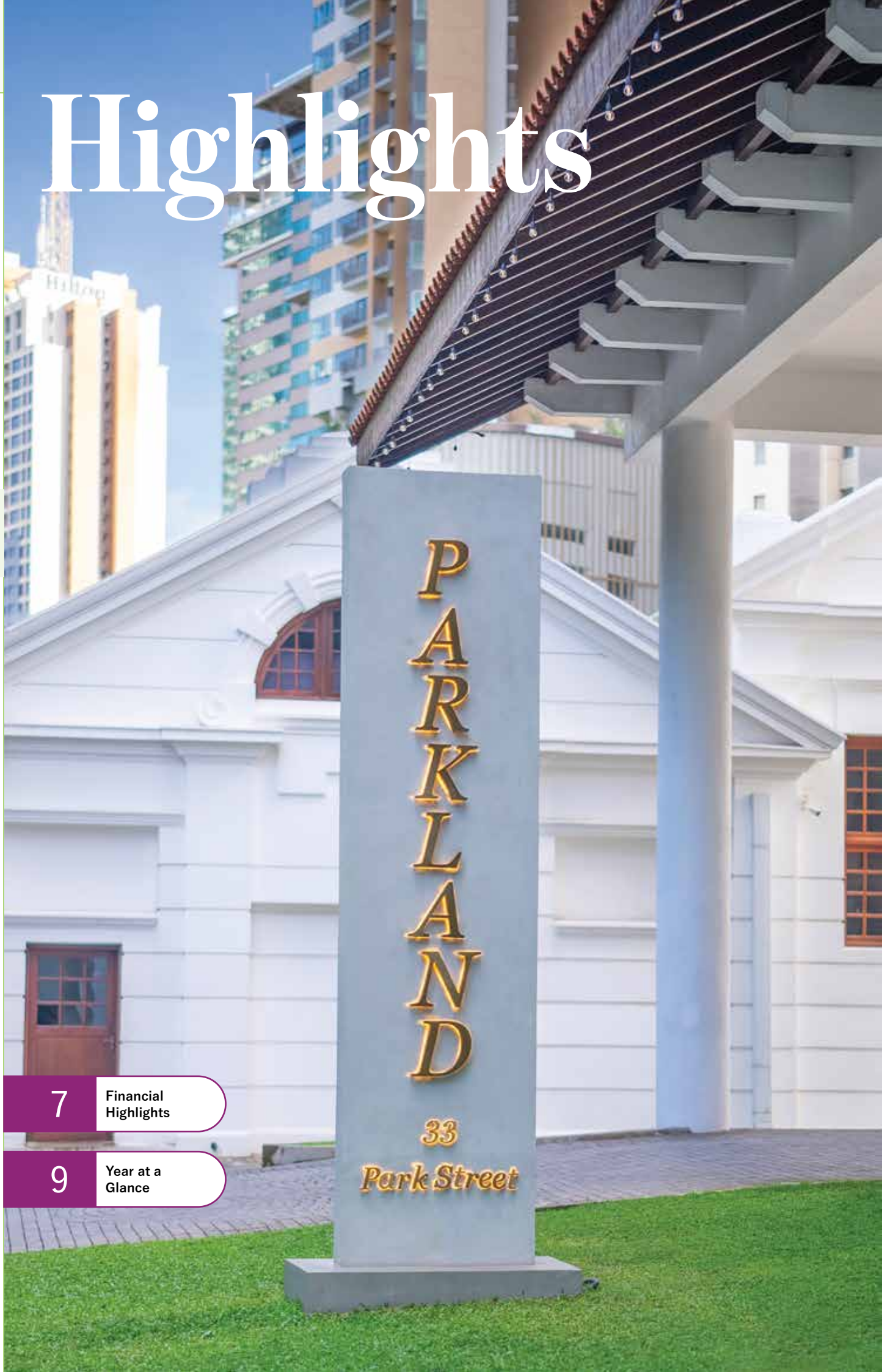


Social and Relationship Capital



Natural Capital

Highlights



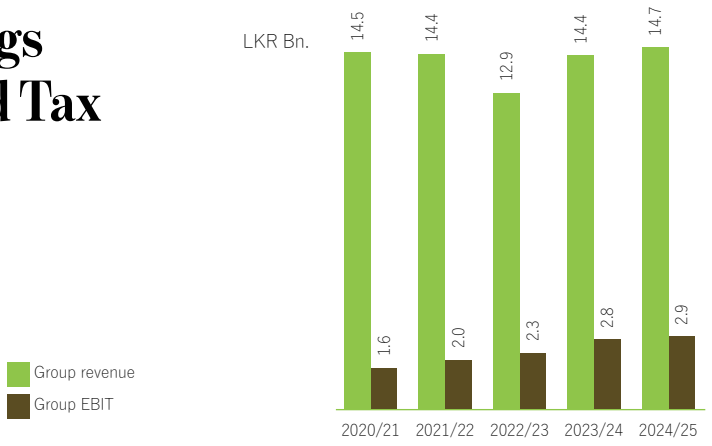
7 Financial Highlights

9 Year at a Glance

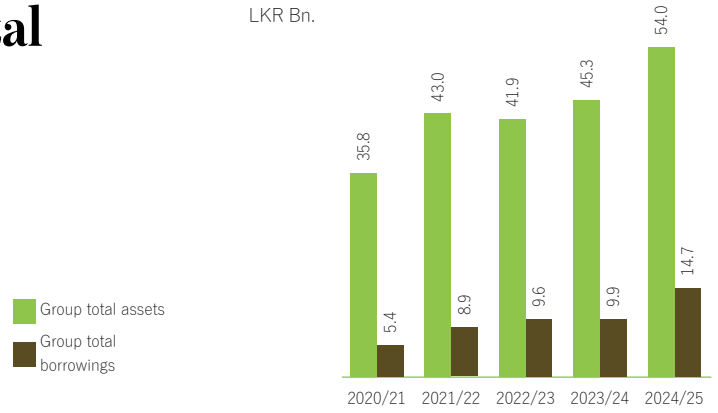
Financial Highlights

		GROUP			COMPANY		
		2025	2024	Change %	2025	2024	Change %
EARNING HIGHLIGHTS AND RATIOS							
Revenue	LKR Mn	14,727	14,353	3	1,457	1,288	13
Gross profit	LKR Mn	5,768	4,826	20	1,274	1,154	10
Results from operating activities	LKR Mn	2,315	2,395	(3)	1,849	1,860	(1)
Profit before tax	LKR Mn	1,918	1,190	61	1,610	1,305	23
Profit after tax	LKR Mn	1,523	733	108	1,348	993	36
Profit attributable to owners of the parent	LKR Mn	1,405	832	69	1,348	993	36
Gross profit margin	%	39.17	33.62	16	87.44	89.57	(2)
Operating profit margin	%	15.72	16.69	(6)	126.86	144.42	(12)
Net profit margin	%	10.34	5.10	103	92.47	77.11	20
Earning per share (EPS)	LKR	1.76	1.04	69	1.68	1.24	36
Return on assets (ROA)	%	2.82	1.62	74	5.21	4.05	29
Return on capital employed (ROCE)	%	6.70	7.53	(11)	8.95	9.37	(5)
Interest cover	Times	2.98	1.80	66	5.66	3.00	89
FINANCIAL POSITION HIGHLIGHTS & RATIOS							
Stated capital	LKR Mn	7,360	7,360	–	7,360	7,360	–
Share in issue	Mn	800	800	–	800	800	–
Reserves & retained earnings	LKR Mn	14,279	12,880	11	11,377	10,137	12
Equity attributable to equity holders of the parent	LKR Mn	21,639	20,240	7	18,737	17,497	7
Non controlling interest	LKR Mn	7,460	7,260	3	–	–	–
Total assets	LKR Mn	54,029	45,304	19	25,863	24,490	6
Total debt	LKR Mn	14,661	9,905	48	3,454	3,782	(9)
Debt to equity	%	67.75	48.93	38	18.43	21.62	(15)
Gearing	%	33.50	26.48	27	15.56	17.77	(12)
Current assets	LKR Mn	17,156	11,015	56	1,047	576	82
Current liabilities	LKR Mn	13,468	7,321	84	1,221	908	35
Inventory	LKR Mn	6,496	4,326	50	18	18	–
Current asset ratio	Times	1.27	1.50	(15)	0.86	0.63	35
Quick asset ratio	Times	0.79	0.91	(13)	0.84	0.61	37
Net asset per share	LKR	27.05	25.30	7	23.42	21.87	7
MARKET/SHARE INFORMATION							
Market value per share	LKR	–	–	–	15.30	6.30	143
Company's market capitalisation	LKR Mn	–	–	–	12,240	5,040	143
Market price to book value	%	–	–	–	65	29	127
Price earning ratio	Times	–	–	–	9.08	5.08	79
Dividend per share	LKR	–	–	–	0.55	0.20	175
Dividend yield ratio	%	–	–	–	4	3	13
Dividend payout ratio	%	–	–	–	33	16	103

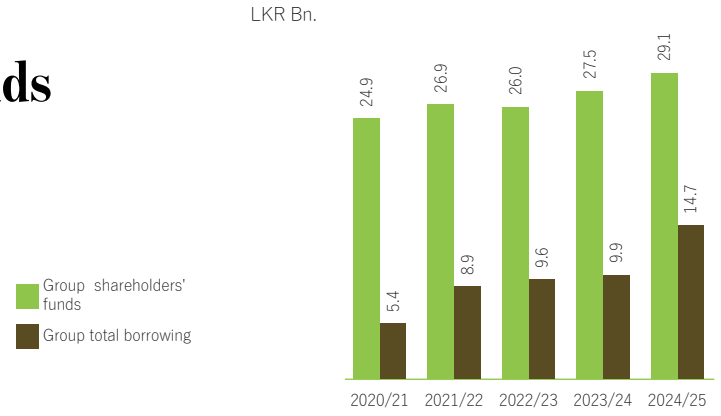
Revenue vs Earnings Before Interest and Tax (EBIT)



Total Assets vs Total Borrowings



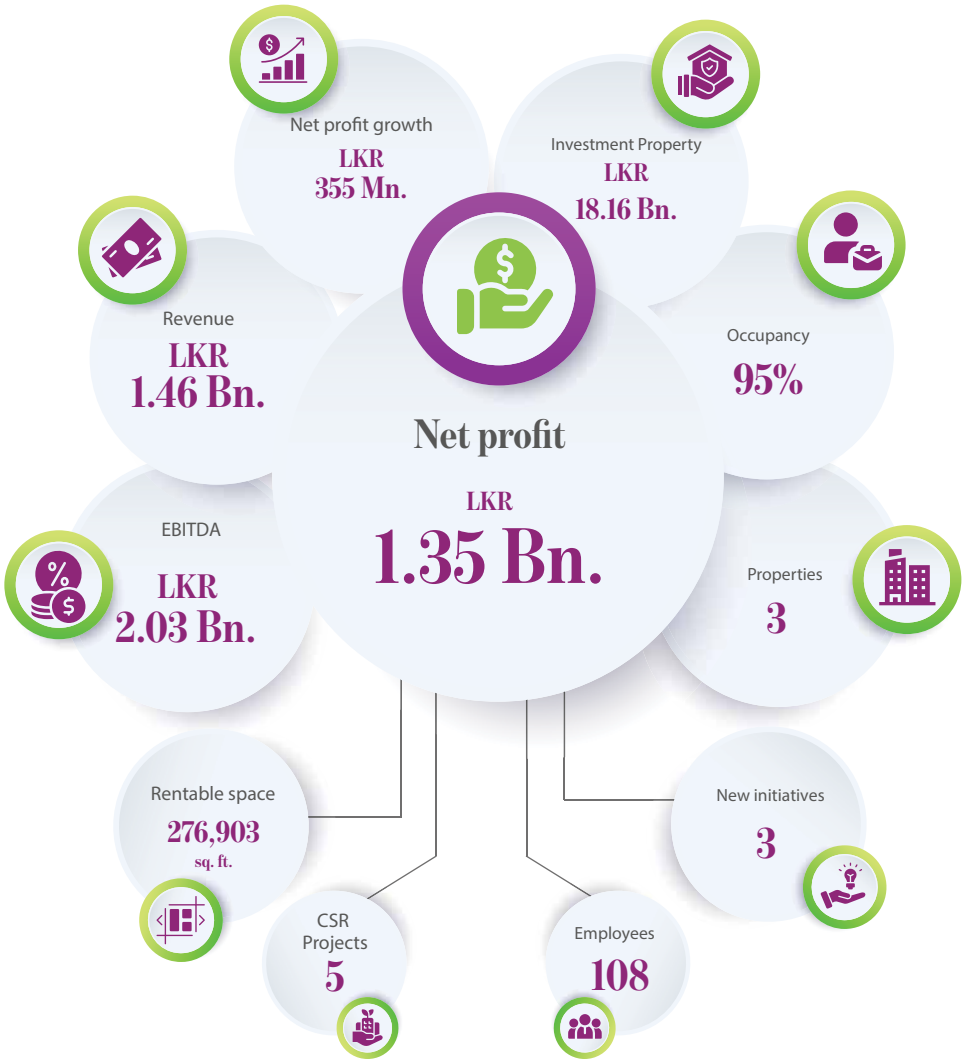
Borrowing vs Shareholders' Funds



Share Capital vs Shareholders' Funds



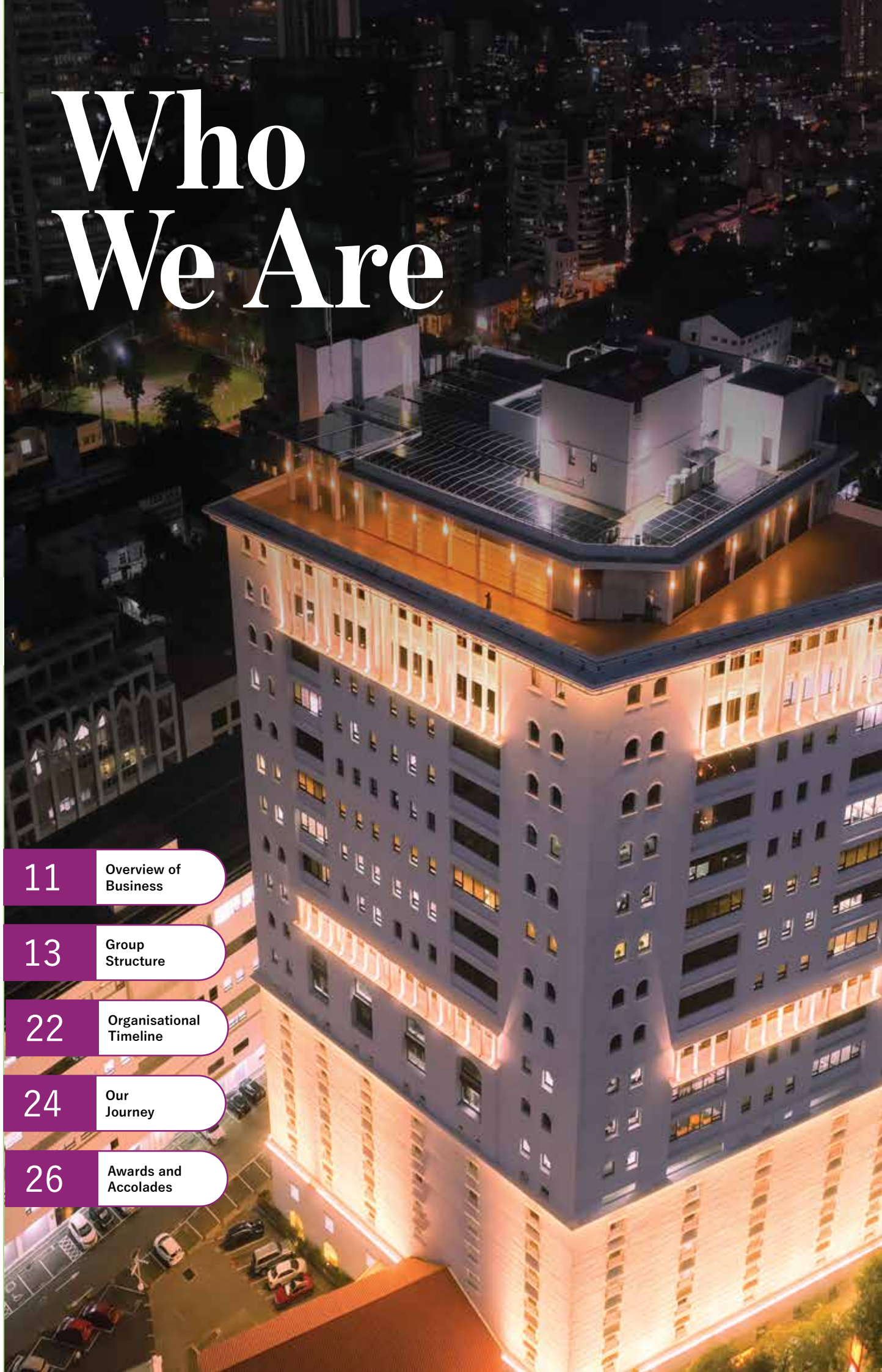
Year at a Glance 2024/25



Recognitions

- Gold award at TAGS awards 2024
- Best Management Practices Company Awards 2025
- TopWeb.lk Awards for March 2025
- Received official confirmation of the carbon footprint assessment
- CA Sri Lanka TAGS compliance badge
- ISO 50001-2018
- Green Building certification under GREENSL®

Who We Are



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Overview of Business

GRI 2-1, 2-2, 2-6

R I L Property PLC remains a premier commercial real estate solutions provider in Sri Lanka, renowned for our expertise in developing and managing Grade "A" office spaces within the heart of Colombo's Central Business District. Anchored by its flagship property, *PARKLAND*, the Company has built a strong reputation in the industry for its high service standards, architectural excellence, and tenant-centric approach. The buildings incorporates environmentally conscious design principles that promote energy efficiency and sustainability, reinforcing R I L's commitment to responsible development and long-term value creation.

In the Financial Year 2024/25, *PARKLAND* offered a total rentable area of 276,903 sq. ft., achieving a 95% occupancy rate.

Complementing our core business, R I L continues to provide end-to-end real estate services, including comprehensive facilities management and ongoing maintenance of both its own and third-party properties , whilst also pursuing targeted investments aligned with long-term growth objectives. Our wholly owned subsidiary, *PARKLAND* Integrated Solutions (Private) Limited, leads these initiatives, delivering a seamless and integrated service ecosystem for our clients.

Looking ahead, R I L is laying the groundwork for selective portfolio expansion–not only within the commercial office segment but also by exploring strategic opportunities in adjacent high-impact sectors. As such, we have particularly focused on the renewable energy domain, where synergies with Group entities such as Panasian Power PLC (PAP) are being leveraged to create long-term value. PAP's growing footprint in domestic solar energy and utility-scale renewable projects positions R I L to gradually integrate green energy into its real estate assets and support the country's transition to a low-carbon economy.

Additionally, our expansion efforts will include leveraging on the transformative agenda that United Motors Lanka PLC (UML) is driving in line with national priorities. The recent award of a local assembly license for double cabs marks a significant milestone, expected to generate substantial opportunities in the year ahead. This initiative enhances affordability for both government and private sector fleets while positioning UML as a forward-thinking contributor to national industrial capability. Recognizing the environmental footprint of the internal combustion engine (ICE) vehicle segment, UML is actively embedding sustainability into its operations. With guidance from external experts, UML is aligning with global ESG standards–focusing on responsible product sourcing, energy efficiency, and waste reduction. These efforts not only reflect a broader Group-wide commitment to sustainability but also complement R I L's ambition to foster a greener, more resilient economic future.

This forward-thinking approach reflects R I L's commitment to not just operational excellence, but also to Environmental, Social, and Governance (ESG) leadership. Through our ISO 50001:2018 certification, the Company continues to innovate in energy efficiency and climate resilience.

Grounded in client-centricity, innovation, and environmental stewardship, R I L remains a trusted partner to Sri Lanka's leading enterprises. Guided by our purpose in motion, we continue to evolve into a more diversified and resilient business, ligned with the nation's economic transformation.

Defining us Driving us

Our Values



Committed to you

We are committed to delivering the highest standards, ensuring seamless and exceptional experiences for our stakeholder



Act for tomorrow

We act by integrating sustainability into every aspect of our business, paving the way for a thriving future



Growing as one

We grow by embracing synergy, fostering mutual success and creating value for everyone involved



Above and beyond

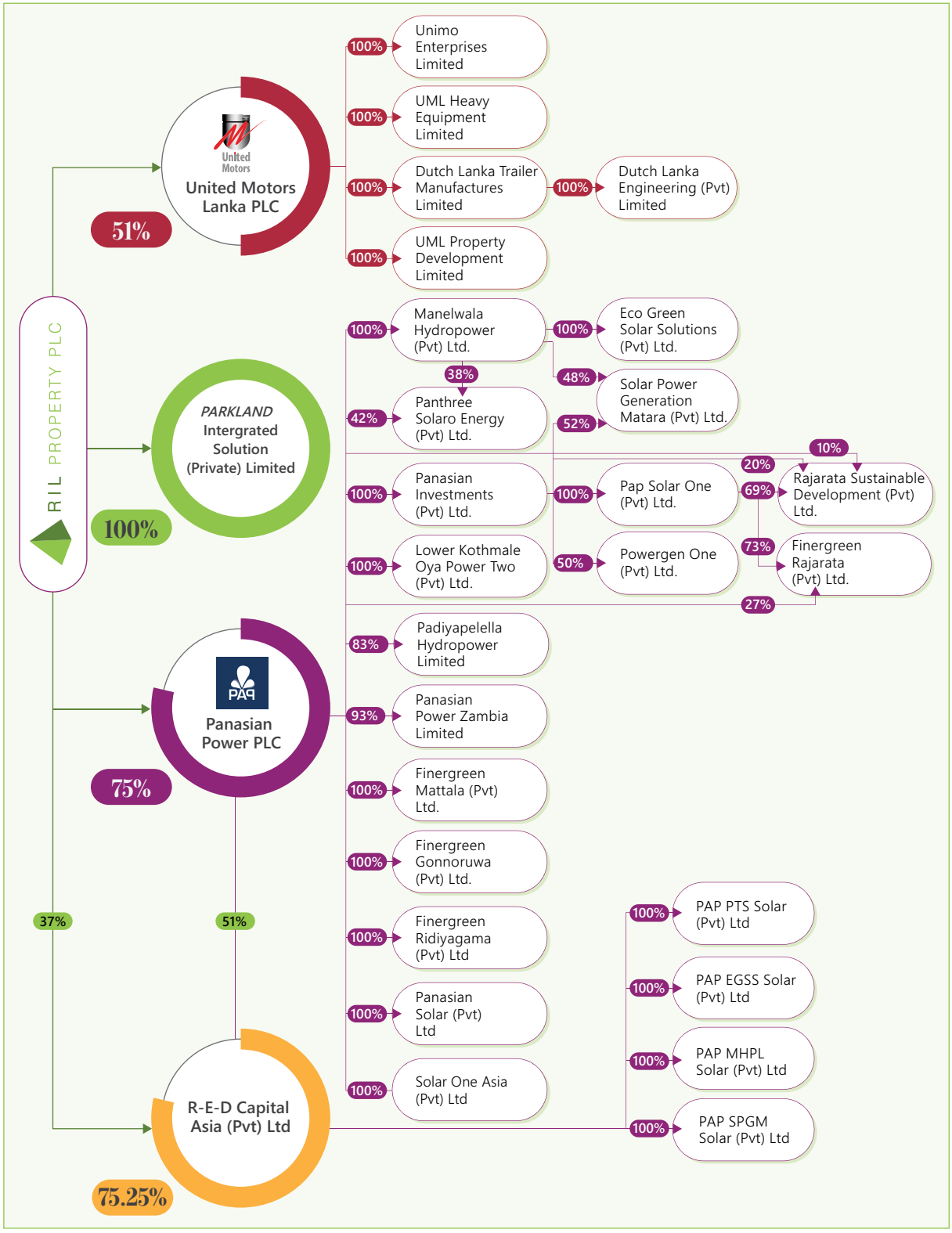
We lead with innovation and proactivity, constantly pursuing boundaries to create new opportunities and drive impactful change



Open and true

We operate with integrity, upholding openness and ethical practices, in every aspect of business

Group Structure



Company	Activities	Board of Directors
R I L Property PLC No. 33, Park Street, Colombo 02 **Relationship** Parent **Registration Number** PV/PB 68365 PQ	Develops and manages Grade "A" commercial office spaces in selected core markets in the Central Business District (CBD) whilst offering multifaceted real estate solutions including facilities management, leasing, land acquisition, project management services, consulting, and strategic investment.	**Mr. A. Herath (Appointed w.e.f. 1 July 2024) - Chairman** Ms. L. K. A. H. Fernando – Chief Executive Officer/Executive director Ms. L. E. M. Yaseen Ms. C. G. Ranasinghe Professor. N. D. Gunawardena Ms. M. C. Pietersz Ms. V. S. Weerasekera (Appointed w.e.f. 8 April 2024) Mr. D. T. S. H. Mudalige (Appointed w.e.f. 29 January 2025) Mr. M. N. R. Fernando (Appointed w.e.f. 29 January 2025) K. P. Ariyaratne (Resigned w.e.f. 31 December 2024) Mr. S. G. Wijesinha (Resigned w.e.f. 31 August 2024) Mr. L. W. D. Abeyarathne (Resigned w.e.f. 1 April 2024) Ms. C. R. Kariyawasam (Resigned w.e.f. 28 June 2024)

Company	Activities	Board of Directors
PARKLAND **Integrated Solutions (Private) Limited** 33, Park Street, Colombo 02 **Relationship** Subsidiary **Registration Number** PV00291507	*PARKLAND* Integrated Solution Private Limited is the newly incorporated fully owned subsidiary which is the facilities management arm of R I L focusing on assisting potential clients on their facilities management and project management requirements.	**Ms. L. K. A. H. Fernando** Professor. N. D. Gunawardena Ms. C. G. Ranasinghe

Company	Activities	Board of Directors
United Motors Lanka PLC No. 100, Hyde Park Corner, Colombo 02 **Relationship** Subsidiary **Registration Number** PQ 74	United Motors Lanka PLC (UML) is the distributor for brand new Mitsubishi and Fuso vehicles, genuine spare parts of brands represented by the Group, and provides after sales services to its customers and through its branch network. UML also imports and distributes DFSK trucks and LiuGong concrete mixing equipment from China. The Company also markets Valvoline Lubricants, Prestone auto chemical products from USA, and Simoniz car care products from UK. It also imports and distributes Formlabs, Creality, Ultimaker 3D printing equipment, customises 3D prototyping, and conducts 3D certificate courses for beginners. The Company operate a 2MW roof-mounted solar power project in Ratmalana and Orugodawatte.	**Mr. M. P. D. Cooray – Chairman** Mr. C. Yatawara – Group Chief Executive Officer/Executive director Ms. L. K. A. H. Fernando Mr. S. A. Chapman Ms. M. C. Pietersz Mr. T. B. A. Jayasekara – Executive Director – Finance Mr. V. Govindasami Mr. A. Herath (Appointed w.e.f. 15 July 2024) Mr. A. Jonathan Alles (Appointed w.e.f. 01 September 2024) Mr. B. P. Singhage (Appointed w.e.f. 01 January 2025) Mr. J. Takami (Resigned w.e.f. 04 November 2024) Mr. A. Athukorala (Resigned w.e.f. 28 June 2024) Mr. R. H. Yaseen (Resigned w.e.f. 31 December 2024)

Company	Activities	Board of Directors
Unimo Enterprises Limited No. 100, Hyde Park Corner, Colombo 02 **Relationship** Sub-subsidiary **Registration Number** PB 218	The Company is engaged in the import and distribution of Perodua vehicles from Malaysia, JMC commercial vehicles from China, and Yokohama tyres from Japan. The Company is also engaged in the assembly and marketing of DFSK 580 and DFSK i – Auto SUVs from Indonesia, and DFSK Glory multipurpose vehicles (MPV) and Z100 vehicles from China. The Company also imports and distributes Greaves power generators from India.	**Mr. M. P. D. Cooray – Chairman** Mr. C. Yatawara – Group Chief Executive Officer/Executive director Mr. R. H. Yaseen Ms. L. K. A. H. Fernando Mr. T. B. A. Jayasekara Mr. A. Athukorala (Resigned w.e.f. 28 June 2024)

Company	Activities	Board of Directors
UML Heavy Equipment Limited No. 100, Hyde Park Corner, Colombo 02 **Relationship** Sub-subsidiary **Registration Number** PB 5403	The Company is engaged in the import and distribution of JCB earth moving equipment and power generators from India	**Mr. M. P. D. Cooray – Chairman** Mr. C. Yatawara – Group Chief Executive Officer/Executive director Ms. L. K. A. H. Fernando Mr. T. B. A. Jayasekara Mr. B. Singhage Mr. C. Perera (Appointed w.e.f. 01 January 2025) Mr. P. Ellepola (Resigned w.e.f. 31 December 2024) Mr. G. Pilapitiya (Resigned w.e.f. 31 May 2024)

Company	Activities	Board of Directors
UML Property Developments Limited No. 100, Hyde Park Corner, Colombo 02 **Relationship** Sub-subsidiary **Registration Number** PB 253	Development of Company-owned properties. It has also constructed a warehouse and leased it to United Motors Lanka PLC	**Mr. M. P. D. Cooray – Chairman** Mr. C. Yatawara – Group Chief Executive Officer/Executive Director Mr. T. B. A. Jayasekara

Company	Activities	Board of Directors
Dutch Lanka Trailer Manufactures Limited Nattandiya Road, Dankotuwa **Relationship** Sub-subsidiary **Registration Number** PB 175	Export oriented Manufacturers of Trailers and Trailer Applications for Port and Road Sector.	**Mr. M. P. D. Cooray – Chairman** Mr. C. Yatawara Mr. P. Haturusinghe Mr. C. Perera (Appointed w.e.f. 1 January 2025)

Company	Activities	Board of Directors
Dutch Lanka Engineering (Pvt) Limited No. 17/D/1, LINDEL Industrial Estate, Pattiwila Road, Sapugaskanda	Manufacturing, Selling, providing services & repairs of Trailers	**Mr. M. P. D. Cooray – Chairman** Mr. C. Yatawara Mr. P. Haturusinghe Mr. C. Perera (Appointed w.e.f. 1 January 2025)
Relationship Sub-subsidiary		
Registration Number PB 7006		

Company	Activities	Board of Directors
Panasian Power PLC Level 04, BTL Shipping House, No. 45/2, Braybrooke Street, Colombo 02	The principal activity of the Company is to produce hydropower for the national grid. The capacity of the power potential is 3,000 kW and is situated in Rathnapura.	**Mr. L. H. A. L. Silva – Chairman** Mr. P. K. Pathmanatha – Chief Executive Officer/Executive Director Ms. D. Sooriyaarachchi Ms. L. K. A. H. Fernando Mr. W. W. M. S. B. K. G. Kamburadeniya Ms. M. C. Pietersz Ms. N. M. C. P. Ranatunga (Appointed w.e.f. 15 January 2025)
Relationship Subsidiary		
Registration Number PV 9959 PB/PQ		

Company	Activities	Board of Directors
Manelwala Hydropower Level 04, BTL Shipping House, No. 45/2, Braybrooke Street, Colombo 02	The principal activity of the Company is to produce hydro power to the national grid. The capacity of the power potential is 2,400 kW and is situated in Walapane.	Mr. L. H. A. L. Silva Mr. P. K. Pathmanatha Mr. W. A. I .R. Perera
Relationship Sub-subsidiary		
Registration Number PV 10137		

Company	Activities	Board of Directors
Padiyapelella Hydropower Limited Level 04, BTL Shipping House, No. 45/2, Braybrooke Street, Colombo 02	The principal activity of the Company is to produce hydropower for the national grid. The capacity of the power potential is 4,500 kW and is situated in Padiyapelella	Mr. L. H. A. L. Silva Dr. Z. A. M. Thahir Mr. P. K. Pathmanatha Ms. L. K. A. H. Fernando
Relationship Sub-subsidiary		
Registration Number PV 64694 PB		

Company	Activities	Board of Directors
Lower Kothmale Oya Power Two (Pvt) Ltd. Level 04, BTL Shipping House, No. 45/2, Braybrooke Street, Colombo 02 **Relationship** Sub-subsidiary **Registration Number** PV 81275	The principal activity of the Company is to produce hydropower for the national grid. The power project is yet to be constructed	Mr. L. H. A. L. Silva Mr. S. K. S. H. K. Suriyaarachchi Mr. P. K. Pathmanatha Mr. Y. M. K. Yapa Bandara Mr. W. A. I. R. Perera Mr. P. A. D. S. K. Amarasekara (Resigned w.e.f. 26 February 2025)
Panasian Investments (Pvt) Ltd. Level 04, BTL Shipping House, No. 45/2, Braybrooke Street, Colombo 02 **Relationship** Sub-subsidiary **Registration Number** PV 84223	Engineering, Procurement and Construction (EPC) supplier for rooftop solar power plants, and is the sole distributor of the Sungrow solar power equipment in Sri Lanka	Mr. L. H. A. L. Silva Mr. P. K. Pathmanatha Ms. Y. C. R. Weudagedara
Solar Power Generation Matara (Pvt) Ltd. Level 04, BTL Shipping House, No. 45/2, Braybrooke Street, Colombo 02 **Relationship** Sub-subsidiary **Registration Number** PV 00205195	The principal activity of the Company is to produce solar-power for the national grid. The capacity of the power potential is 2,000 kW and is situated in Matara.	Mr. L. H. A. L. Silva Mr. P. K. Pathmanatha Mr. W. A. I. R. Perera
Pap Solar One (Pvt) Ltd. Level 04, BTL Shipping House, No. 45/2, Braybrooke Street, Colombo 02 **Relationship** Sub-subsidiary **Registration Number** PV 128774	The Company is operating 3,930 kW rooftop solar projects in Kohuwala, Kolonna, and six projects in the Kurunegala Distric	Mr. P .K. Pathmanatha Ms. Y. C. R. Weudagedara

Company	Activities	Board of Directors
Rajarata Sustainable Development (Pvt) Ltd. Level 04, BTL Shipping House, No. 45/2, Braybrooke Street, Colombo 02	The principal activity of the Company is to produce solar-power for the national grid. The capacity of the power potential is 2,500 kW and is situated in Anuradhapura.	Mr. P .K. Pathmanatha Ms. L. K. A. H. Fernando

Relationship
Sub-subsidiary

Registration Number
PV 00206952

Company	Activities	Board of Directors
Finergreen Rajarata (Pvt) Ltd. Level 04, BTL Shipping House, No. 45/2, Braybrooke Street, Colombo 02	The principal activity of the Company is to produce solar-power for the national grid. The capacity of the power potential is 2,500 kW and is situated in Anuradhapura	Mr. P. K. Pathmanatha Ms. S. K. M. D. Wijesekara

Relationship
Sub-subsidiary

Registration Number
PV 00209489

Company	Activities	Board of Directors
Powergen One (Pvt) Ltd. No. 263, Vijaya Kumarathunga Mawatha, Colombo 05	The Company is operating 1000kWp rooftop Solar PV Project in Boralesgamuwa	Mr. L. H. A. L. Silva Ms. L. K. A. H. Fernando Mr. P. L. C. Jinadasa Ms. C. A. Peries Mr. T. D. Perera (Alternate Director of P. L. C. Jinadasa)

Relationship
Join Venture

Registration Number
PV 128379

Company	Activities	Board of Directors
Panthree Solaro Energy (Pvt) Ltd. Level 04, BTL Shipping House, No. 45/2, Braybrooke Street, Colombo 02	The principal activity of the Company is to produce solar-power for the national grid. The capacity of the power potential is 3,000 kW and is situated in Matara, Maho and Pannala.	Mr. L. H. A. L. Silva Mr. P. K. Pathmanatha Mr. W. A. I. R. Perera

Relationship
Sub-subsidiary

Registration Number
PV 00202822

Company	Activities	Board of Directors
Eco Green Solar Solutions (Pvt) Ltd. Level 04, BTL Shipping House, No. 45/2, Braybrooke Street, Colombo 02	The principal activity of the Company is to produce solar-power for the national grid. The capacity of the power potential is 1,000 kW and is situated in Beliatta.	Mr. L. H. A. L. Silva Mr. P. K. Pathmanatha Mr. Y. M. K. Yapa Bandara Mr. W. A. I. R. Perera
Relationship Sub-subsidiary		
Registration Number PV 129828		

Company	Activities	Board of Directors
Finergreen Gonnoruwa (Pvt) Ltd. Level 04, BTL Shipping House, No. 45/2, Braybrooke Street, Colombo 02	SPV Company established for implementing 10Mw ground mounted solar PV powear plant situated in Gannoruwa	Mr. P. K. Pathmanatha Mr. Y. M. K. Yapa Bandara
Relationship Sub-subsidiary		
Registration Number PV 00268543		

Company	Activities	Board of Directors
Finergreen Mattala (Pvt) Ltd. Level 04, BTL Shipping House, No. 45/2, Braybrooke Street, Colombo 02	SPV Company established for implementing 10Mw ground mounted solar PV powear plant situated in Gannoruwa	Mr. P. K. Pathmanatha Ms. Y. C. R. Weudagedara
Relationship Sub-subsidiary		
Registration Number PV 00268544		

Company	Activities	Board of Directors
Finergreen Ridiyagama (Pvt) Ltd. Level 04, BTL Shipping House, No. 45/2, Braybrooke Street, Colombo 02	SPV Company established for implementing 10Mw ground mounted solar PV power plant situated in Ridiyagama	Mr. P. K. Pathmanatha Ms. Y. C. R. Weudagedara
Relationship Sub-subsidiary		
Registration Number PV 00268569		

Company	Activities	Board of Directors
Panasian Solar (Pvt) Ltd. (Winsol Renewables (Pvt) Ltd name was changed w.e.f 8 May 2024) Level 04, BTL Shipping House, No. 45/2, Braybrooke Street, Colombo 02 **Relationship** Sub-subsidiary **Registration Number** PV 00270643	Engineering, Procurement and Construction (EPC) supplier for rooftop solar power plants	Mr. L. H. A. L. Silva Mr. P. K. Pathmanatha Ms. S. K. M. D. Wijesekara
Panasian Power Zambia Limited Plot No. 5, Handsworth Park, Lusaka **Relationship** Sub-subsidiary **Registration Number** 120180009477	Principal activities of the Company are electricity power generation, transmission and distribution. The project is still at pre-approval stage.	Mr. L. H. A. L. Silva Ms. L. K. A. H. Fernando Mr. P. K. Pathmanatha Mr. A. Miyanadeniya
Solar One Asia (Pvt) Ltd. Level 4, BTL Shipping House, No. 45/2, Braybrooke Street, Colombo 02 **Relationship** Sub-subsidiary **Registration Number** PV00296346	To develop renewable energy projects and to cary on the business of generation, distribution, sale and supply of electrical energy to feed the National grid, CEB and LECO	Mr. P. K. Pathmanatha Ms. L. K. A. H. Fernando
R-E-D- Capital Asia (Pvt) Ltd. Level 04, BTL Shipping House, No. 45/2, Braybrooke Street, Colombo 02 **Relationship** Subsidiary **Registration Number** PV00286382	To develop renewable energy projects and to cary on the business of generation, distribution, sale and supply of electrical energy to feed the National grid, CEB and LECO	Mr. P. K. Pathmanatha Ms. L. K. A. H. Fernando

Company	Activities	Board of Directors
PAP PTS Solar (Pvt) Ltd. Level 04, BTL Shipping House, No. 45/2, Braybrooke Street, Colombo 02	The principal activity of the Company is to produce solar-power for the national grid. The capacity of the power potential is 5MW and is situated in Maho. Project is under construction stage.	Mr. P. K. Pathmanatha Ms. L. K. A. H. Fernando

Relationship
Sub-subsidiary

Registration Number
PV00286332

Company	Activities	Board of Directors
PAP MHPL Solar (Pvt) Ltd. Level 04, BTL Shipping House, No. 45/2, Braybrooke Street, Colombo 02	The principal activity of the Company is to produce solar-power for the national grid. The capacity of the power potential is 10MW and is situated in Ampara and Kurunegala. Project is under construction stage.	Mr. P. K. Pathmanatha Ms. L. K. A. H. Fernando

Relationship
Sub-subsidiary

Registration Number
PV00286329

Company	Activities	Board of Directors
PAP EGSS Solar (Pvt) Ltd. Level 04, BTL Shipping House, No. 45/2, Braybrooke Street, Colombo 02	The principal activity of the Company is to produce solar-power for the national grid. The capacity of the power potential is 15MW and is situated in Anuradhapura. Baddegama and Hiyare. Project is under construction stage.	Mr. P. K. Pathmanatha Ms. L. K. A. H. Fernando

Relationship
Sub-subsidiary

Registration Number
PV00286330

Company	Activities	Board of Directors
PAP SPGM Solar (Pvt) Ltd. Level 04, BTL Shipping House, No. 45/2, Braybrooke Street, Colombo 02	The principal activity of the Company is to produce solar-power for the national grid. The capacity of the power potential is 5MW and is situated in Matara. Project is under construction stage.	Mr. P. K. Pathmanatha Ms. L. K. A. H. Fernando

Relationship
Sub-subsidiary

Registration Number
PV00286331

Organisational Timeline

GRI 2-1, 2-2, 2-6

2018

- Completed the refurbishment and expansion work at *PARKLAND 1*
- Commenced integration of renewable energy systems at *PARKLAND 1* through a LKR 19 Mn. investment in solar energy
- Achieved a 72% occupancy rate at *PARKLAND 1*

2017

- Achieved 100% occupancy at *PARKLAND*.
- The Company was successfully listed on the Main Board of the Colombo Stock Exchange (CSE).
- Acquired a majority 51% shareholding in United Motors Lanka PLC (UML).

2016

- Changed from a private limited Company to a limited liability entity

2015

- Obtained freehold rights for the land on which *PARKLAND* was constructed from Readywear Industries (Private) Limited
- FoodBuzz (Private) Limited becomes a wholly owned subsidiary of R I L
- Property situated along Morgan Road is acquired for investment purposes
- Operations commenced at *PARKLAND*

2012

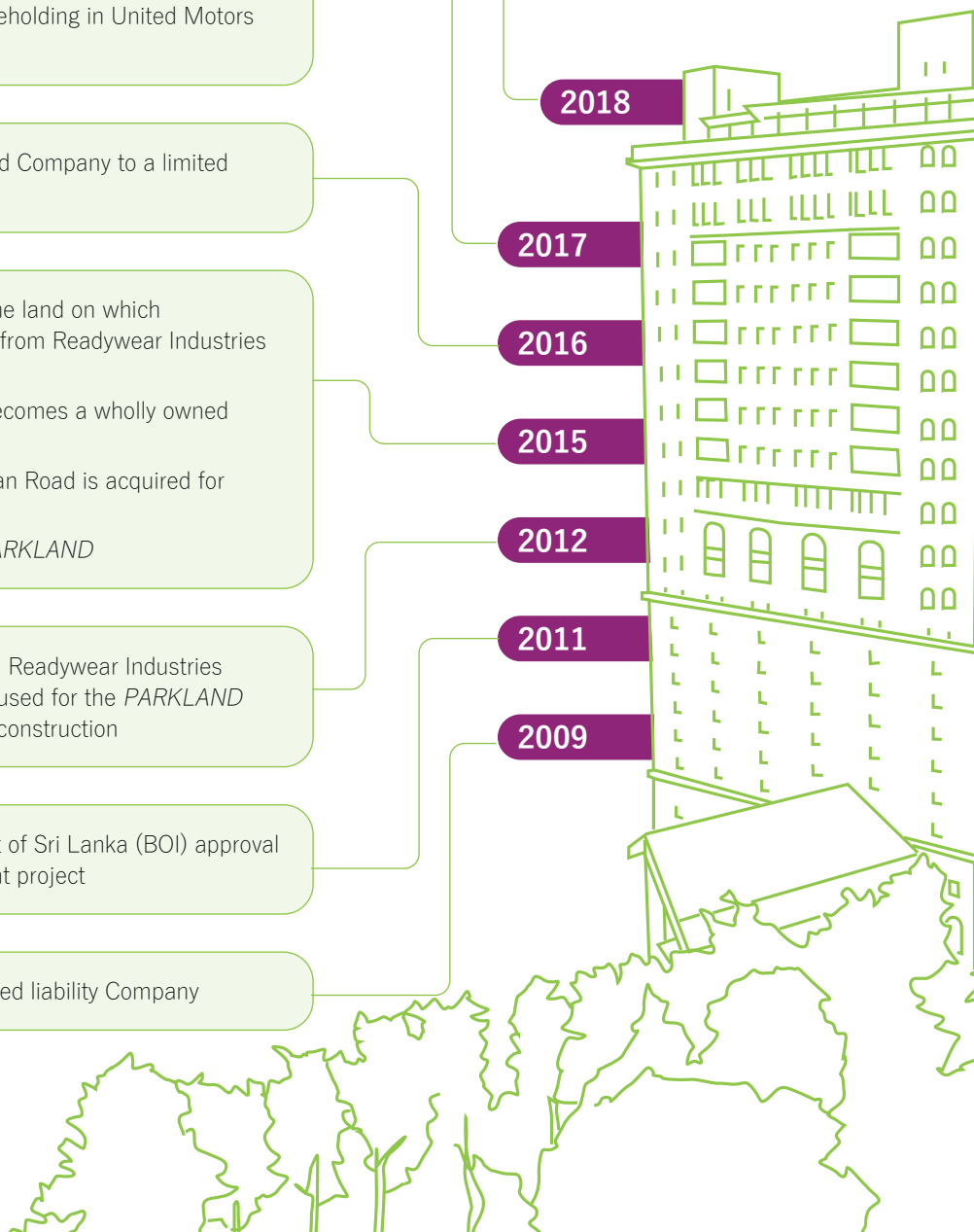
- Secured leasehold rights from Readywear Industries (Private) Limited for the land used for the *PARKLAND* complex and proceeded with construction

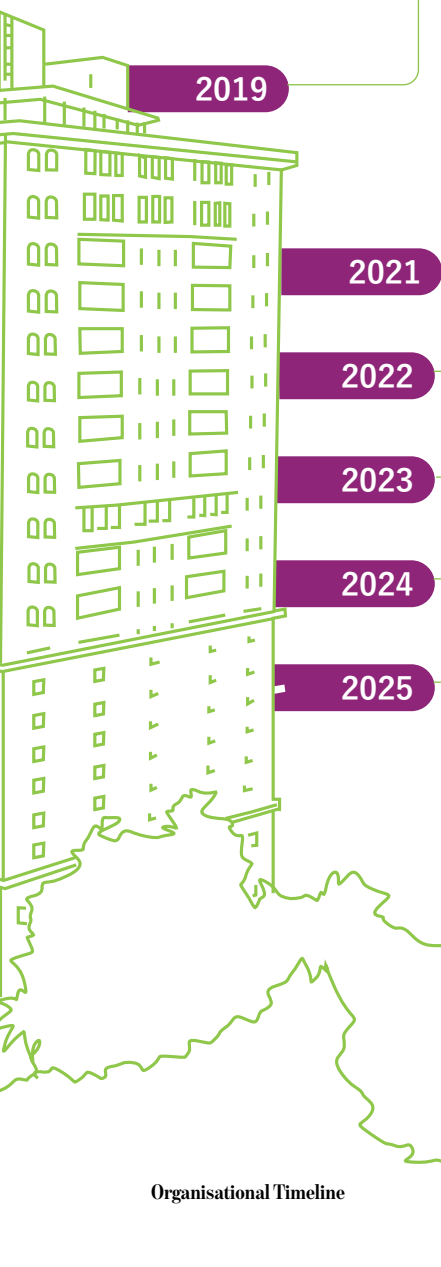
2011

- Received Board of Investment of Sri Lanka (BOI) approval to set up a mixed development project

2009

- Incorporated as a private limited liability Company





2019

- Increased *PARKLAND 1* occupancy to 88%
- Attained 100% renewal rate of existing leases at *PARKLAND*
- Completed the maiden construction management project in the Central Business District (CBD) valued at LKR 275 Mn.

2021

- Launched our first shared workspace venture “CO WORK”

2022

- Achieved a 95% occupancy rate at *PARKLAND* despite facing a challenging macroeconomic environment
- Divested the 100% stake in FoodBuzz (Pvt) Ltd
- Acquired a 74% stake in Panasian Power PLC (PAP)

2023

- Awarded with GREENSL® Gold status for promoting and supporting sustainability
- Assessed and certified for ISO 50001: 2018

2024

- R I L was recognised as a “Training Partner of the Institute of Chartered Accountants of Sri Lanka”
- Commenced integration of renewable energy systems at *PARKLAND* through a LKR 41 Mn. investment in solar energy
- Achieved 100% occupancy at *PARKLAND 2* and an overall occupancy rate of 94%
- Incorporation of a fully owned subsidiary, *PARKLAND* Integrated Solutions (Private) Limited

2025

- Increased Panasian Power PLC (PAP) stake to 75%
- Refurbishment of the existing common dining area at the 20th floor, *PARKLAND*
- Introduction of green leases by *PARKLAND*
- Successfully complete the integration of renewable energy systems through an investment in solar energy at *PARKLAND* roof top.
- Acquired a 37% stake in R-E-D Capital Asia (Pvt) Ltd and expanded the footprint in renewable energy landscape.

Organisational Timeline

Our Journey

GRI 2-6, 2-22

Since inception in 2009, R I L Property PLC has navigated a dynamic and often challenging business landscape with ingenuity and a relentless focus on value creation. From our modest beginnings to becoming a listed entity on the Colombo Stock Exchange, R I L's journey has been defined by its pursuit of excellence, innovation, and a strong client-centric ethos.

At the heart of our identity is *PARKLAND*, a Grade "A" commercial property located in the Central Business District. As our flagship property, *PARKLAND* stands as a symbol of our commitment to delivering premium, energy-efficient, and modern office spaces that are both functional and sustainable. Our continuous investment in infrastructure-ranging from ISO 50001-certified energy systems to the latest digital facilities management tools-underscores our drive for operational excellence.

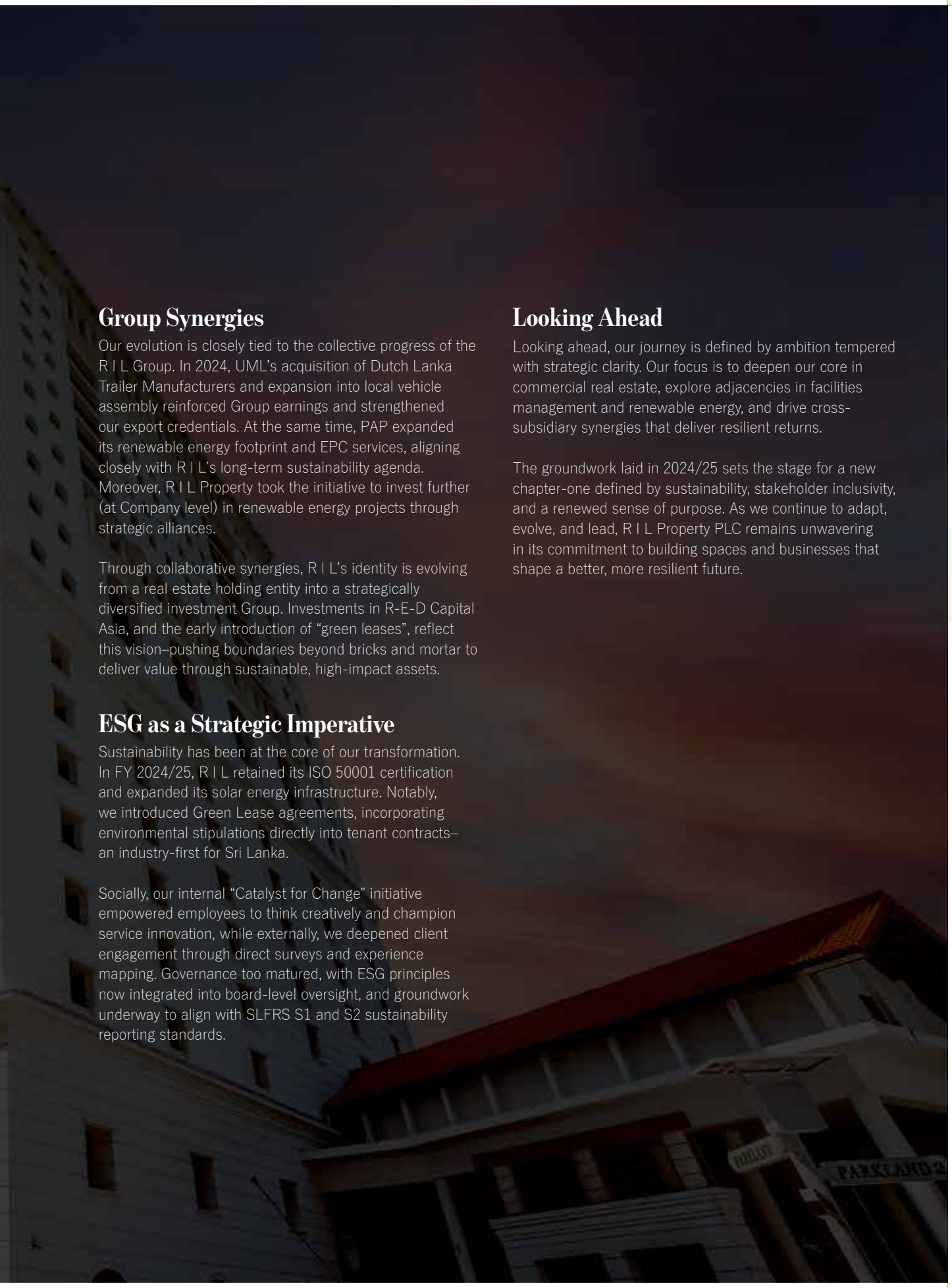
In 2024, we achieved a 95% occupancy rate across our property portfolio, affirming our ability to retain and attract a high-quality tenant base even in a competitive market. We modernised building management systems, introduced smart digital enhancements, and expanded our solar power capacity initiatives that met 11% of *PARKLAND* total energy requirement.

A new phase of Strategic Realignment

The year under review marked a pivotal transition for R I L Property PLC. With Sri Lanka's economy slowly stabilising after several years of volatility, we embraced a renewed posture of strategic expansion. We shifted from resilience-mode to growth-mode-realigning our operating model and revisiting our value propositions.

Investments in technology and the relaunch of the CoWork initiative were central to our realignment. These steps not only optimised operational costs but also allowed us to tailor our offerings to the evolving needs of hybrid and smaller-format tenants. Our agile response to market trends-such as the demand for flexible workspace-demonstrates our leadership in reshaping the commercial real estate landscape in Sri Lanka.

We also took steps to institutionalise governance and oversight. A Group-wide Subsidiary Governance Policy was introduced to ensure standardised practices across our growing portfolio, including our subsidiaries-United Motors Lanka PLC (UML) and Panasian Power PLC (PAP).



Group Synergies

Our evolution is closely tied to the collective progress of the R I L Group. In 2024, UML's acquisition of Dutch Lanka Trailer Manufacturers and expansion into local vehicle assembly reinforced Group earnings and strengthened our export credentials. At the same time, PAP expanded its renewable energy footprint and EPC services, aligning closely with R I L's long-term sustainability agenda. Moreover, R I L Property took the initiative to invest further (at Company level) in renewable energy projects through strategic alliances.

Through collaborative synergies, R I L's identity is evolving from a real estate holding entity into a strategically diversified investment Group. Investments in R-E-D Capital Asia, and the early introduction of "green leases", reflect this vision–pushing boundaries beyond bricks and mortar to deliver value through sustainable, high-impact assets.

ESG as a Strategic Imperative

Sustainability has been at the core of our transformation. In FY 2024/25, R I L retained its ISO 50001 certification and expanded its solar energy infrastructure. Notably, we introduced Green Lease agreements, incorporating environmental stipulations directly into tenant contracts–an industry-first for Sri Lanka.

Socially, our internal "Catalyst for Change" initiative empowered employees to think creatively and champion service innovation, while externally, we deepened client engagement through direct surveys and experience mapping. Governance too matured, with ESG principles now integrated into board-level oversight, and groundwork underway to align with SLFRS S1 and S2 sustainability reporting standards.

Looking Ahead

Looking ahead, our journey is defined by ambition tempered with strategic clarity. Our focus is to deepen our core in commercial real estate, explore adjacencies in facilities management and renewable energy, and drive cross-subsidiary synergies that deliver resilient returns.

The groundwork laid in 2024/25 sets the stage for a new chapter-one defined by sustainability, stakeholder inclusivity, and a renewed sense of purpose. As we continue to adapt, evolve, and lead, R I L Property PLC remains unwavering in its commitment to building spaces and businesses that shape a better, more resilient future.

Awards and Accolades

Great place to work (GPTW)
Certification in 2021 for exceptional workplace experience



Green building certification under GREENSL® rating system for built environment

Annual Report Gold Award 2021
by the Institute of Chartered Accountants of Sri Lanka

Gold Award at TAGS AWARDS 2023 by the Institute of Chartered Accountants of Sri Lanka





Annual Report Gold Award 2024
by the Institute of Chartered Accountants of Sri Lanka

GREENSL® rated building award 2022 by the Green Building council of Sri Lanka

ISO 50001:2018 for the Facilities Management of *PARKLAND* complex

SAFA best presented Annual Report Awards 2021



TAGS awards 2022 by the Institute of Chartered Accountants of Sri Lanka

TopWeb.lk Awards for March 2025 by LK Domain Registry



Annual Report Gold Award 2019 by the Institute of Chartered Accountants of Sri Lanka

SAFA best presented Annual Report Awards 2020





Best Management Practices Company Awards 2025 by Institute of Chartered Professional Managers of Sri Lanka

Leadership



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Chairman's Message

R I L adopted a multi-faceted strategy to safeguard performance and resilience. We optimized our cost structures and enhanced operational efficiencies, ensuring leaner and more agile processes.

In 2024, at the Company level, R I L achieved 95% occupancy rate, illustrating our resilience and the consistent demand for our core real estate portfolio.

The year 2024/25 marked a transformative period for R I L Property PLC, as we embarked on a journey of unlocking new opportunities–redefining our strategic path and rebuilding our operational resilience. During the year, we leveraged on the slow yet steady stabilization of the economy marked by declining interest rates, easing inflation, and relative currency stability. We were able to seize this opportunity to reset and recalibrate our priorities. As such, we focused on re-strengthening our core competencies in real estate, and collaborating along with our subsidiaries PAP and UML into a more cohesive Group strategy, as we amalgamated shared resources, strengths and expertise. Together, we began laying the groundwork for long-term, value-driven growth across our diversified portfolio.

Operating context

In 2024, Sri Lanka's economy witnessed economic and sociopolitical stabilization in the aftermath of the past few turbulent years. The external environment became more conducive for business growth, investments and expansions with inflation declining, the rupee appreciating modestly, and political conditions remaining relatively stable. These favourable conditions were vital to our performance and enabled us to proactively modernize our infrastructure, enhance our financial discipline, and build upon our existing presence in the renewable energy sector–both through our subsidiary and selective direct investments into new ventures. Our ability to navigate the recovering economic terrain has been a key differentiator in our strategy this year.

Navigating challenges

In spite of encouraging signs of recovery, the operating landscape presented some challenges whilst the spillover effects of the economic crisis created talent retention challenges with ongoing emigration of skilled professionals. In response, R I L adopted a multi-faceted strategy to safeguard performance and resilience. We optimized our cost structures and enhanced operational efficiencies, ensuring leaner and more agile processes. While a competitive landscape is an inherent aspect of our industry, what truly sets us apart is our ability to thrive through an unwavering focus on customer satisfaction. Our team plays a pivotal role in strengthening tenant retention by delivering tailored, high-touch services–an approach that reflects R I L's deep commitment to understanding and evolving with client needs. Where we observe many businesses actively seeking to reduce fixed costs, we recognize the importance of moving beyond traditional lease models to offer greater flexibility to potential tenants.

At the Group level, we strengthened inter-company collaboration, enabling the sharing of expertise and capital through targeted investments–reinforcing the overall resilience of our subsidiaries.

Performance

In 2024, at the Company level, R I L achieved 95% occupancy rate, illustrating our resilience and the consistent demand for our core real estate portfolio. Meanwhile, our investments in modernization and customer-centric upgrades yielded tangible improvements in client retention and satisfaction.

At the Group level, both PAP and UML commenced to rebound from the constraints of the previous years, which yielded positive results. As such, PAP's renewable energy expansions as well as UML's operations began to create new channels of value creation. As a holding Company, we made strategic capital and expertise investments where feasible–enhancing cross-entity synergies and unlocking return on investment across our business units. The results reaffirm our belief in operating as a cohesive Group to deliver enhanced stakeholder value.

Strategy, Governance and Risk Management

As part of our property portfolio enhancement strategy, we introduced facility management services and invested in infrastructure modernization–steps that not only elevate the tenant experience but also position us to leverage opportunities in emerging development corridors such as the Port City.

Seeking to enhance stewardship across the organization, we strengthened our governance and risk management frameworks in alignment with our evolving strategic priorities. The Board composition restructuring that took place in the year brought in fresh perspectives and domain expertise across key sectors such as renewable energy, finance, digital infrastructure, investments and strategic planning. This enables R I L Property PLC to integrate the planned growth goals. Meanwhile, we enhanced our risk management capabilities by implementing an enhanced enterprise risk management (ERM) system, bolstered by ERP tools and early warning mechanisms to support proactive identification and mitigation of risks. Additionally, we appointed an independent external professional firm for our internal audit function that contribute to value creation whilst promoting a strong culture of ethics and integrity through clear codes of conduct, whistleblower mechanisms, and regular policy updates.

Dividend

The Board decided to declare a dividend of LKR 0.55 per share, for the Finacial Year ended 2024/25. Although the Company's Articles do not call for shareholder approval for the payment of dividend, in the interest of good governance, the Company will be seeking the shareholders' approval at the upcoming Annual General Meeting.

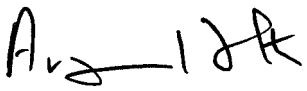
Appreciation

The growth we experienced during the year would not have been possible without visionary leadership of our Board and the dedication of our team. I would like to extend my heartfelt gratitude to our stakeholders, Board of Directors, management team, and employees for their steadfast support and dedication throughout this journey of revitalization. A special note of thanks goes to our outgoing directors for their valuable contributions and guidance, which have been instrumental in shaping our trajectory. I am also grateful to our shareholders, tenants and business partners for their steadfast support and faith in our inherent resilience and capabilities.

Future Outlook

We look ahead with cautious optimism at the evolving macroeconomic environment–supported by stable interest rates and the potential for continued policy consistency. Looking ahead, our strategic growth goals include not only accelerating our expansion into high-potential markets and pursuing strategic partnerships and acquisitions, but also optimizing our Company and Group assets to drive greater efficiency. We aim to enhance our footprint while exploring business adjacencies that offer complementary revenue opportunities.

Parallelly, we remain committed to reinforcing synergies across the Group to generate high yields through enhanced efficiencies and business growth across all entities in a cohesive manner. We will continue on this new phase of growth with clarity, purpose, and renewed energy to create sustained value for all our stakeholders.



A. Herath
Chairman

4 June 2025



CEO's Review

In this dynamic and challenging environment, we are proud to have maintained a 95% overall occupancy rate during the year at our flagship property, *PARKLAND* - a testament to our unwavering commitment to client satisfaction and operational excellence and a clear reflection of the confidence our clients place in us.

To strengthen Group-wide alignment and oversight, we introduced a comprehensive Subsidiary Governance Policy during the year

The year 2024 marked a positive phase of renewed momentum for R I L Property PLC, as we reactivated our growth engine and repositioned ourselves to capture the benefits of a gradually stabilizing external environment. The resurgence of macroeconomic stability, provided fertile ground for us to regain momentum and realign our operational focus.

Navigating the External Landscape

Sri Lanka's recovering economy provided a supportive backdrop that enabled us to shift from a cautious approach to one of strategic re-engagement. As interest rates moderated and consumer confidence began to return, we identified timely opportunities to revitalize core operations, invest in infrastructure, and fine-tune our organizational capabilities. While the macroeconomic context remained fragile in parts, our proactive stance enabled us to drive performance while remaining resilient in the face of lingering uncertainties.

Operational Performance

The commercial office space sector is an ever-growing and highly competitive industry, marked by rapid new developments and constantly evolving consumer expectations. In this dynamic and challenging environment, we are proud to have maintained a 95% overall occupancy rate during the year at our flagship property, *PARKLAND* - a testament to our unwavering commitment to client satisfaction and operational excellence and a clear reflection of the confidence our clients place in us. Our performance was further bolstered by a focused strategy centered on technological enhancement, asset modernization, and operational efficiency.

During the year, we remained acutely attuned to the evolving needs and preferences of our clients, which guided a series of thoughtfully executed infrastructure enhancements. These included the complete refurbishment of the 20th floor dining space to create a more contemporary and comfortable setting, and the relocation of CoWork operations to upgraded, purpose-designed spaces on the 5th floor to better align with the dynamic workstyles of our tenants. We also introduced a new café into our portfolio – a step in line with our belief in supporting emerging businesses and growing together. This addition has proven to be a win-win, offering clients a welcoming space to relax, recharge, and connect within the workplace environment.

At *PARKLAND*, we remain committed to integrating practical technology solutions that enhance the seamless experience we deliver to our clients. As a Grade A commercial property, maintaining modern, intelligent infrastructure is essential. In line with this, we piloted sensor-based lighting, implemented a smart parking system, and expanded fibre-optic connectivity across our premises. These upgrades not only improved operational efficiency but also enhanced convenience and responsiveness for tenants, reinforcing our positioning as a future-ready workplace destination.

Additionally, our extension of facilities management services into individual tenant spaces further streamlined operations and reinforced our service-first approach. Combined with disciplined cost containment strategies and our consistently high occupancy levels, these initiatives directly contributed to a strong 13% growth in topline revenue for the year.

With finance costs easing in response to declining Prime Lending Rates, our bottom line showed marked improvement. Profit After Tax recorded a significant increase at LKR 1,348 Mn. reaffirming the effectiveness of our strategic and operational recalibrations.

Risk Management and challenges

While 2024 marked a year of resurgence for R I L Property PLC, the broader operating environment continued to pose a number of structural and emerging challenges, which we navigated with a focus on preserving resilience and sustaining performance. Despite Sri Lanka entering a phase of gradual macroeconomic stabilisation, residual shocks–such as fluctuating interest rates, currency depreciation, and persistent liquidity constraints–continued to exert pressure, particularly on the real estate sector, affecting consumer affordability and investment appetite.

Our subsidiaries played a pivotal role in reinforcing the Group's growth trajectory.

These dynamics, coupled with signs of stress within parts of our tenant base, highlighted the importance of maintaining a flexible leasing strategy, which we addressed by proactively restructuring lease terms and intensifying efforts to attract stable, long-term tenants from resilient sectors, while diversifying our tenant profile and enhancing value-added services.

Concurrently, frequent shifts in fiscal and trade policies, including taxation and regulatory changes, created a climate of policy uncertainty that complicated long-term planning and investment decisions; in response, we engaged with industry associations and integrated scenario planning into our strategic outlook, adopting a modular and compliance-ready approach to investments.

Additionally, the national trend of skilled emigration posed a challenge in retaining talent, in areas critical to our service-intensive operations.

Group Synergies and Subsidiary Contributions

Our subsidiaries played a pivotal role in reinforcing the Group's growth trajectory. United Motors Lanka PLC (UML) made notable headway, leveraging newly secured local vehicle assembly licenses and streamlined workshop operations. The acquisition of Dutch Lanka Traders marked a strategic expansion of UML's footprint and further strengthened its value proposition.

Simultaneously, Panasian Power PLC (PAP) advanced its renewable energy footprint by winning key tenders and securing a pipeline of high-impact projects. This not only reflects PAP's growing sectoral resilience but also complements our long-term sustainability goals. Our investment in PAP has already begun yielding tangible synergies, particularly in the areas of green energy integration and sustainable infrastructure development.

In line with our strategic focus on sustainable growth, we continued to support our subsidiary, PAP. During the year, we also made a direct investment into renewable energy projects managed by R-E-D Capital Asia (Private) Limited, a subsidiary of PAP. While still in the early stages, this investment reflects our commitment to diversifying our portfolio and aligning with long-term sustainability goals. Should these projects achieve their intended outcomes, they are expected to contribute positively to our overall financial performance over time.

To strengthen Group-wide alignment and oversight, we introduced a comprehensive Subsidiary Governance Policy during the year. This framework enhances our ability to monitor performance, engage in key strategic and financial decisions, and reinforce consistent standards across all entities. It reflects our ongoing commitment to accountability, transparency and continuous improvement across the Group.

Sustainability and ESG concerns

Guided by our core value 'Act for Tomorrow', we continue to embed sustainability into our everyday operations, recognising our responsibility to contribute to a greener future. As such, we made significant improvements in the process of embedding Environmental, Social, and Governance (ESG) principles across our operations.

On the environmental front, we expanded our renewable energy capacity and retained our ISO 50001 certification, while integrating energy-efficient developments into our core offerings. True to our core value 'Leading the Way', we continue to remain at the forefront of redefining the commercial real estate landscape in Sri Lanka. Ushering in a new era of environmentally responsible workspaces, we are proud to have been the first to introduce the concept of Green Leases during the year. By embedding sustainability principles directly into our lease agreements, we are fostering greater accountability and collaboration between landlord and tenant in driving energy efficiency, waste reduction, and eco-conscious operations across our portfolio.

On the social front, guided by our core value 'Committed to You', we deepened our focus on client engagement by actively seeking feedback through surveys and one-on-one interactions, enabling us to respond to client needs, resolve pain points, and enhance overall satisfaction. This commitment to service excellence remains central to how we operate.

Complementing this, our 'Catalyst for Change' initiative reflected our core value 'Growing as One', empowering employees at all levels to drive innovation, streamline processes, and invest in their own personal and professional development. Rooted in the principles of self, service, and support, the initiative fostered a culture of collaboration, continuous improvement, and shared progress across the organization.

From a governance perspective, ESG considerations are now firmly embedded in board-level oversight and strategic decision-making. Recognising the growing importance of environmental and social responsibility, the Board has established a dedicated Sustainability Committee to provide focused direction and deeper engagement on ESG matters. This structure ensures that sustainability is not only a part of our operational ethos but also a key driver of long-term value creation.

We are also looking into establishing clear, measurable ESG targets aligned with the Nationally Determined Contributions (NDCs), marking a decisive step toward achieving net-zero emissions and long-term sustainability, with strategic and framework design support from a third-party entity.

As an organization, we are fully committed to meeting the evolving global standards in corporate reporting. In line with this, we have already commenced groundwork to align with the upcoming SLFRS S1 and S2 sustainability disclosure standards–well ahead of their effective dates–demonstrating our dedication to transparency, accountability, and long-term value creation.

Appreciations

The progress and growth we achieved over the past year would not have been possible without the visionary leadership of our Board and the unwavering commitment of our team.

I extend my sincere gratitude to our Board of Directors, management team, and employees for their dedication and resilience during this period of transformation. I also wish to express my appreciation to our shareholders, tenants, and business partners for their continued trust and confidence in our long-term potential.

A special note of thanks is due to our outgoing directors, whose valuable insights and contributions have played a key role in shaping our journey.

Future Outlook

Looking ahead, we are energized by the progress made and guided by a renewed sense of purpose that propels us forward. With our strategy in motion, we are actively pursuing innovation and long-term value creation across our business interests. Real estate development remains a core focus, complemented by strategic investments in renewable energy – both of which reflect our commitment to building resilient, future-ready platforms.

Our efforts will centre on deepening value creation, fostering synergies across subsidiaries, and exploring high-potential adjacencies that align with our sustainability priorities and governance standards. The groundwork laid in 2024 has equipped us with the clarity, agility, and discipline needed to move forward with confidence.

With a strong foundation, an inclusive stakeholder approach, and purposeful execution, we are well-positioned to shape a more impactful and sustainable future.



L. K. A. H. Fernando
Chief Executive Officer/Executive Director

4 June 2025
Colombo

Board of Directors



Mr. A. Herath
Independent Non-Executive Director

Date of appointment to the Board	01 July 2024
Sub-Committee Roles	
Board Related Party Transactions Review Committee	Member
Board HR and Remuneration Committee	Member
Board Nominations and Governance Committee	Member
Details of other Directorships	Please refer pages 118 to 121 for details
Shareholding in the Company	Nil

Nature of Expertise

Arjuna served as the Senior Partner and Head of Consulting for Sri Lanka and Maldives at Ernst & Young (EY) at the time of his retirement.

In his career preceding Ernst & Young, he was the Marketing Development Manager at Ceylon Tobacco Company and Director Corporate Finance at Merchant Bank of Sri Lanka. Arjuna served as a Board Member of the Sri Lanka Accounting and Auditing Standards Monitoring Board and as a Commissioner of the Securities and Exchange Commission of Sri Lanka. He also served as a member of the Company Law Advisory Commission.

Arjuna was selected as one of the 20 leading men and women from our world of business in 2014 by Lanka Monthly Digest in its fifth edition of captains of commerce & industry in Sri Lanka in recognition of his outstanding work for the corporate sector in the country.

Mr. Herath is a distinguished senior Chartered Accountant and is a Past President of the Institute of Chartered Accountants of Sri Lanka. He was actively involved in the international fora in the field of accounting and is a Past President of the South Asian Federation of Accountants and was a Board Member of the Confederation of Asia Pacific Accountants.

He is the first Sri Lankan to Chair a Committee of the International Federation of Accountants (IFAC), the apex body of the accounting profession and was the Chair of the Professional Accountancy Organization Development Committee of the IFAC.

Academic and Professional Qualifications

- Fellow member of the Institute of Chartered Accountants of Sri Lanka
- Bachelor of Science degree from the University of Colombo
- MBA from the University of Strathclyde in the United Kingdom
- Master of Arts in Financial Economics from the University of Colombo



Ms. L. K. A. H. Fernando
Chief Executive Officer/Executive Director

Date of Appointment to the Board	12 June 2009
Sub-committee Roles	Nil
Details of other Directorships	Please refer pages 118 to 121 for details
Shareholding in the Company	Nil

Nature of Expertise

Hiroshini brings significant operational, administrative and strategic expertise to the board in a broad commercial portfolio spanning banking, renewable energy and automobile and real estate sectors.

Transitioning R I L Property from its founder-led roots to the listed corporate space in 2017, Hiroshini has shaped a strong Company culture that encourages compliance and upholds governance best practices. As the Chief Executive Officer, Hiroshini is a proponent of organic and inorganic growth strategies in transforming R I L's core business and strategic portfolio of investments. Hiroshini adopts a holistic approach to team building at R I L Property that is centered on values, diversity and empowerment.

Academic and professional qualifications

- Fellow member of the Institute of Chartered Accountants, Sri Lanka
- Fellow member of Institute of Certified Management Accountants, Sri Lanka
- Member of the Association of Chartered Certified Accountants (UK)



Ms. L. E. M. Yaseen
Non-Independent Non-Executive Director

Date of appointment to the Board	12 June 2009 (Re –appointed by the Shareholders on 17 September 2018)
Sub–Committee Roles	
Board Related Party Transaction Review Committee	Member
Details of other Directorships	Please refer pages 118 to 121 for details
Shareholding in the Company	5.73%

Nature of Expertise

Lorraine Yaseen is a strategic investor in both public and private equity with 30 years of investment management experience. Her entrepreneurial and strategic initiatives span diverse sectors including real estate, manufacturing, apparel and food and beverages. Her exposure as an astute long-term investor includes significant transactions resulting in change of control which take into account capital market strategy, governance and market regulatory requirements.

As a founding investor and board member appointed from the Company's inception in 2009, Lorraine has been instrumental in spearheading the Company's flagship *PARKLAND* development. Her leadership skills drove the design concept from idea stage to reality. The Company and the Board benefit from her wide ranging tactical perspectives evidenced by a track record of successful direct equity investments and ventures.



Ms. C. G. Ranasinghe
Independent Non-Executive Director

Date of appointment to the Board	1 September 2016
Sub–Committee Roles	
Board Related Party Transactions Review Committee	Chairperson
Board Audit and Risk Committee	Member
Details of Other Directorships	Please refer pages 118 to 121 for details
Shareholding in the Company	Nil

Nature of Expertise

Chiranga possesses extensive legal expertise spanning over 25 years. Apprenticing first at Gunawardene & Ranasinghe Associates, she joined F.J. & G. De Saram in 1995 as a Professional Assistant gaining exposure in several disciplines of law including commercial law, banking and finance, real estate and investment projects, mergers and acquisitions.

She currently heads Corporate Law Chambers, an independent legal practice active across Business and Commercial Law, Banking and Finance, Land Laws and Conveyancing, Company Law and Company Secretarial Practice, Civil Litigation and Commercial Arbitration.

Academic and professional qualifications

- Attorney-at-Law
- Master of Laws from the University of Colombo
- Diploma in Human Resources Management from the Institute of Personnel Management of Sri Lanka



Professor N. D. Gunawardena
Independent Non-Executive Director

Date of appointment to the Board	1 November 2018
Sub–Committee Roles	
Board HR and Remuneration Committee	Chairman
Board Audit and Risk Committee	Member
Details of other Directorships	Please refer pages 118 to 121 for details
Shareholding in the Company	Nil

Nature of Expertise

As a Project Management Consultant, Professor Niranjan has over 25 years of experience in the Construction Industry and has been involved with a large number of building construction projects during this period.

At present, he serves as the Vice-Chancellor of the University of Moratuwa. During his career, he has served as the Head of the Department of Interdisciplinary Studies, Dean, Faculty of Business and Deputy Vice-Chancellor at the University of Moratuwa.

Academic and professional qualifications

- Chartered Engineer
- Corporate Member of the Institute of Engineers Sri Lanka
- Fellow member of the Institute of Project Managers, Sri Lanka (IPMSL)
- BSc. in Engineering from the University of Moratuwa
- MSc. in Construction Technology
- PhD in Project Management from Loughborough University of Technology, United Kingdom



Ms. M. C. Pietersz
Independent Non – Executive Director

Date of appointment to the Board	25 March 2021
Sub–Committee Roles	
Board Audit and Risk Committee	Chairperson
Board Related Party Transactions Review Committee	Member
Board Nominations and Governance Committee	Member
Details of other Directorships	Please refer pages 118 to 121 for details
Shareholding in the Company	Nil

Nature of Expertise

Coralie counts over 30 years of senior level experience in corporate finance, accounting and auditing in both private and public sectors. She served as Finance Director of Finlays Colombo, Hapugastenne Plantations PLC and Udapussellawa Plantations PLC. Prior to that she functioned as the Group CFO at Richard Pieris & Company PLC, a role that entailed responsibility for the finance function of this diversified Group, which included five listed companies. Coralie holds directorships in a number of listed entities.

Academic and professional qualifications

- An associate member of the Institute of Chartered Accountants in England and Wales
- Fellow member of the Institute of Chartered Accountants of Sri Lanka
- Fellow member of the Institute of Certified Management Accountants of Sri Lanka.
- BSc (Hons) in physics from the University of Sussex
- MBA from Heriot-Watt University, Edinburgh



Ms. V. S. Weerasekera
Non-Independent Non – Executive Director

Date of appointment to the Board	08 April 2024
Sub–Committee Roles	
Board Audit and Risk Committee	Member
Board Nominations and Governance Committee	Member
Details of other Directorships	Please refer pages 118 to 121 for details
Shareholding in the Company	Nil

Nature of Expertise

Vindhya's career commenced as a Junior Lawyer under the mentorship of Dr. K. Kanag-Isvaran, President's Counsel. Over a span of 27 years, she has accumulated vast experience in both the legal and corporate domains, holding senior positions of authority. Notably, Vindhya has played pivotal roles in esteemed organizations such as Sri Lanka Cricket, Dole, a multinational leader in the fruit and vegetable produce sector, as well as in a prominent conglomerate listed on the Colombo stock exchange, which has a diversified portfolio encompassing financial services, technology, production and real estate. She also served as the Director of Legal and Corporate Affairs at the Colombo Port City Economic Commission. The Colombo Port City is the largest Public-Private Partnership (PPP) investment project in Sri Lanka, a role which underscored her expertise and leadership within the legal and corporate realms, highlighting her instrumental role in a significant initiative within Sri Lanka's investment landscape.

She currently serves as a Partner at SW Legal, a legal firm offering an extensive range of corporate legal services.

Academic and professional qualifications

- Attorney-at-Law of the Supreme Court of Sri Lanka
- Bachelor of Laws (LLB) Graduate from the University of Colombo
- Master of Laws (LLM) in International Trade Law from the University of Wales
- Post Attorney Diploma in Intellectual Property Law from the Sri Lanka Law College in collaboration with the Asia Pacific Institute, Washington DC, USA



Mr. M. N. R. Fernando
Independent Non-Executive Director

Date of appointment to the Board	29 January 2025
Sub–Committee Roles	
Board Nominations and Governance Committee	Chair
Board Audit and Risk Committee	Member
Board HR and Remuneration Committee	Member
Details of other Directorships	Please refer pages 118 to 121 for details
Shareholding in the Company	Nil

Nature of Expertise

Mr. Nanda Fernando is a distinguished business consultant at Professional Business Consultants (Pvt) Ltd and an influential corporate leader, serving on the boards of prominent companies.

Renowned for his strategic vision and exemplary leadership, Mr. Fernando has an exceptional track record of driving business growth, enhancing financial performance, and fostering operational excellence. His expertise has been instrumental in maximizing stakeholder value and elevating productivity across diverse industries.

With a career spanning over four decades, Mr. Fernando served 36 years at Sampath Bank, from its inception. During the last 7 years at Sampath Bank, he was the Chief Executive Officer and Managing Director. During his tenure, he played a pivotal role in steering the bank to new heights of success, leveraging his deep expertise in financial management, risk mitigation, and stakeholder engagement.

A thought leader in his field, Nanda underwent training at Harvard Business School and the National University of Singapore. He has also made significant contributions to the banking sector as the Chairman of the Bankers Technical Advisory Committee of the Sri Lanka Bankers Association.

Mr. Fernando's extensive experience in the banking and financial sectors encompasses business development, regulatory compliance, team leadership, and talent development. As a certified leadership trainer, he regularly conducts high-impact strategic workshops for senior management at leading universities and corporations in Sri Lanka and internationally.

An esteemed alumnus of St. Thomas' College, Mount Lavinia, Mr. Fernando is recognized as a visionary leader who blends strategic foresight with practical execution to create sustainable business value.

Academic and professional qualifications

- Senior Fellow of the Institute of Bankers Sri Lanka
- Master of Business Administration from Sikkim Manipal University, India



Mr. D. T. S. H. Mudalige
Independent Non-Executive Director

Date of Appointment to the Board	29 January 2025
Sub–Committee Roles	
Board Related Party Transactions Review Committee	Member
Board HR and Remuneration Committee	Member
Details of other directorships	Please refer pages 118 to 121 for details
Shareholding in the Company	Nil

Nature of Expertise

Mr. Sujeewa Mudalige possess over 25 years of experience in the accounting and finance field. He recently retired as the CEO/Managing Partner of PwC (Sri Lanka & Maldives).

Sujeewa serves as an independent non-executive director in many public and private entities. He is currently serving in many regulatory bodies such as BOI, NMRA and SEC.

He has also served as the president of Institute of Chartered Accountants of Sri Lanka during the period 2010- 2011.

He was recently awarded an honorary Doctorate in Business by the University of Plymouth (UK) recognising his outstanding contribution to accounting and finance.

Academic and professional qualifications

- Fellow member of Institute of Chartered Accountants (SL)
- Fellow member of Chartered Institute of Management Accountants (UK)
- Fellow member of Association of Chartered Certified Accountants (UK)
- Fellow member of Certified Public Accountants (Australia)



Ms. Y. C. R. Weudagedara
Company Secretary

Appointed as the Company Secretary in 2017, Roshini Weudagedara currently serves as the Company Secretary for the Company as well as one of it's subsidiaries, Panasian Power PLC Group.

Roshini commenced her professional career at M/s Julius & Creasy, one of Sri Lanka's leading law firms,where she received comprehensive training in both the legal and Company secretarial fields. Over the course of her career, she has overseen the Company secretarial functions of a diverse portfolio of listed and unlisted companies, gaining wide-ranging experience in corporate governance and regulatory compliance.

She is an Attorney-at-Law and holds a Bachelor of Science in Biological Sciences from the University of Colombo. She also holds a Master of Business Administration (MBA) from the University of Suffolk.

Management Team



Mr. W. A. I. R. Perera
Chief Finance Officer



Ms. Y. C. R. Weudagedara
Company Secretary



Mr. Y. M. K. Yapa Bandara
Senior Manager Engineering



Mr. U. P. A. B. Karunanayaka
Senior Manager Information Technology



Ms. S. K. M. D. Wijesekara
Senior Manager Corporate Strategy



Ms. K. B. J. W. N. Mendis
Senior Manager Legal/ Data Protection Officer



Ms. K. D. C. Rodrigo
Senior Manager Human Resources (Payroll)



Mr. B. T. Eswatta
Senior Manager Business Operations



Mr. D. T. Kumanayaka
Manager Finance



Ms. D. N. Mayadunne
Manager Human Resources



Mr. N. V. Y. M. Navimana
Manager Security and Administration



Mr. K. S. Ranjan
Assistant Manager Engineering & Maintenance



Ms. W. A. A. K. Dias
Accountant



Mr. W. K. A. De Alwis
Assistant Manager Corporate Strategy

Business Model



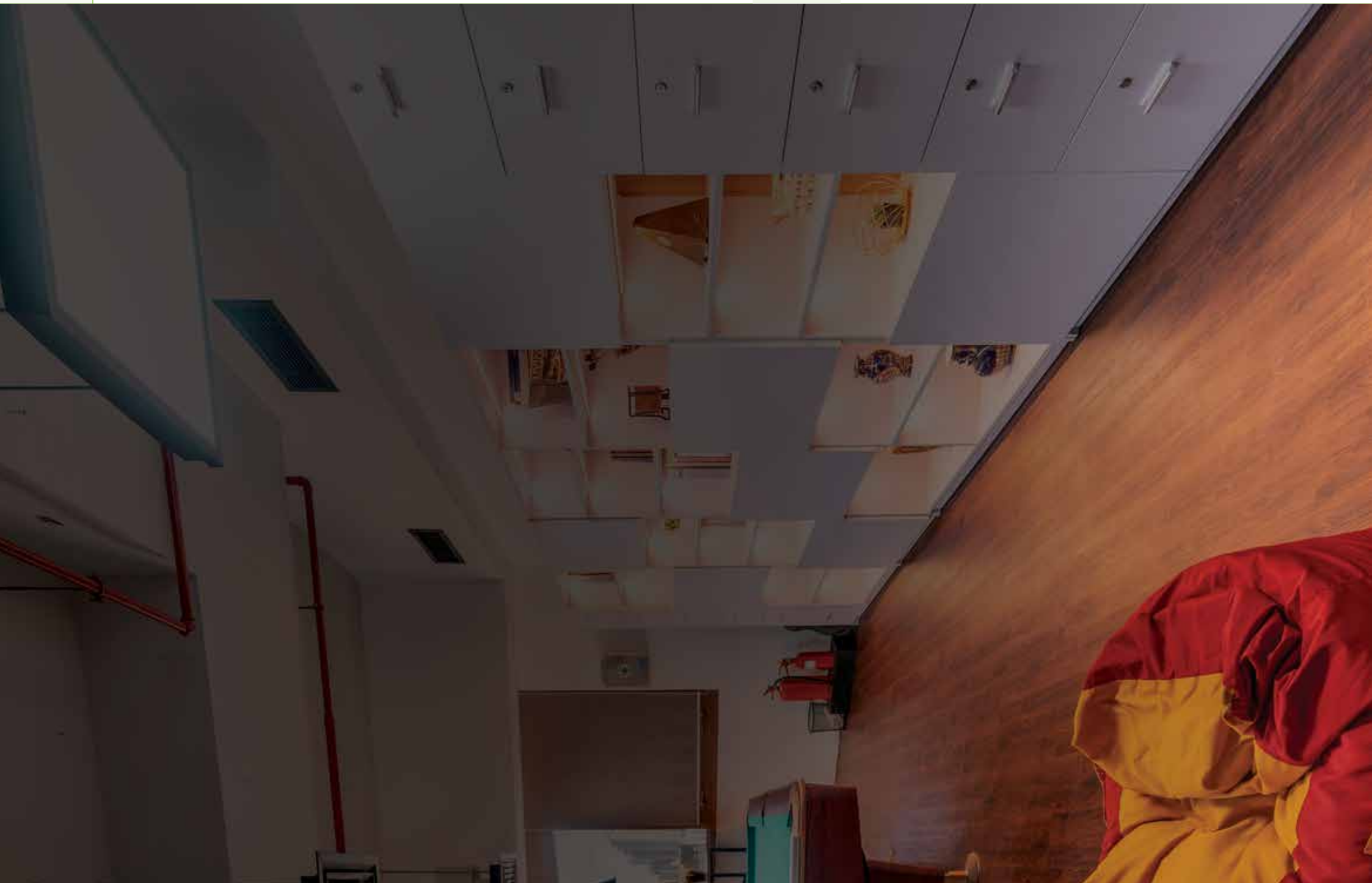
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Value Creation Model

Inputs

Financial Capital
Financial sources used to support business operations

Intellectual Capital
Cumulative knowledge, experience, brand, culture, and technology, amassed through years of operations

Manufactured Capital
Physical assets and infrastructure that support the delivery of high-quality commercial real estate solutions

Human Capital
Resilient, inclusive, and future-ready workforce

Social and Relationship Capital
Trust based relationships, we foster and maintain within our business

Natural Capital
Renewable and non-renewable resources that support our operations and our environmental impact

Core business and other related activities



Natural Capital

Measurement	Unit	2024/25	2023/24
Controlled GHG Emission	Status	✓	✓
GHG Emission	tCO_2e	**726**	807
Water Consumption	m3	**30,600**	26,803
Electricity Consumption	kWh	**3,419,313**	3,310,061
Renewable Energy Consumption	Percentage	**11**	10
Waste Management			
Paper Waste	Status	✓	✓
Electronic Waste	Status	✓	✓
Food Waste	Status	✓	✓
Plastic Waste	Status	✓	✓
Certification and Accreditation			
ISO-50001	Status	✓	✓
Green Building	Status	✓	✓
Trees Planted	Number	**378**	Nil

Intellectual Capital

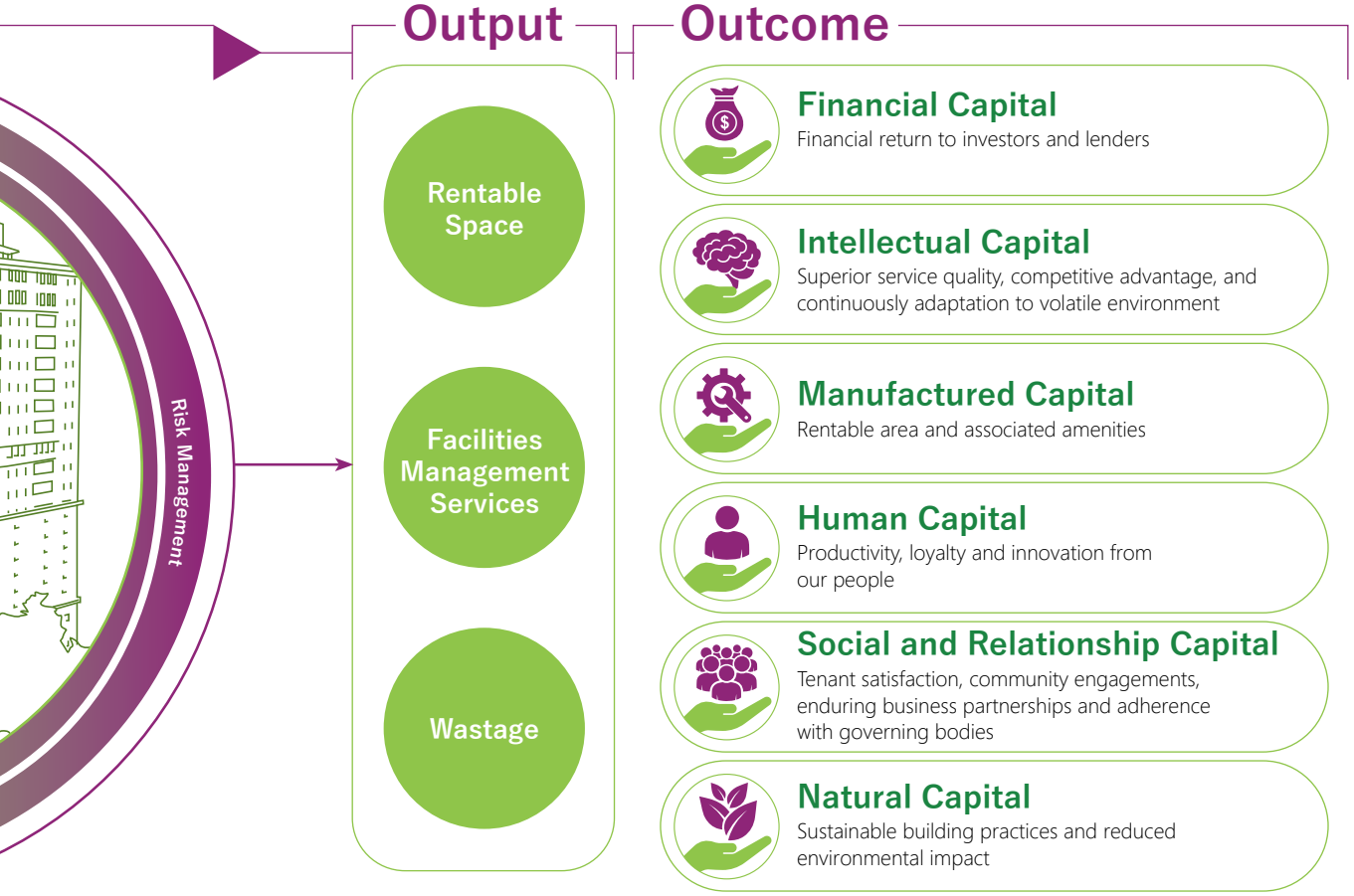
Measurement	Unit	2024/25	2023/24
Our People	Number	**108**	98
Investment in Intangible Assets	LKR '000	**1,207**	2,227

Social and Relationship Capital

Measurement
No. of Tenants
Retention Rate
Occupancy Rate
Non Compliances
CSR Programs
Number of Participants for CSR
Total Engagement Hours
Trusted Long-term Suppliers
Customer Survey

Financial Capital

Measurement
Total Equity
Total Debt
Financial Investments
Total Assets



	Unit	2024/25	2023/24
	Number	**58**	56
	Percentage	**80**	79
	Percentage	**95**	94
	Number	**Nil**	Nil
	Number	**5**	2
	Number	**342**	325
	Hours	**566**	450
	Number	**119**	116
	Status	✓	✓

	Unit	2024/25	2023/24
	LKR Bn	**18.7**	17.5
	LKR Bn	**3.5**	3.8
	LKR Bn	**0.7**	0.4
	LKR Bn	**26**	25

Manufactured Capital

Measurement	Unit	2024/25	2023/24
Investment Property Value	LKR Bn	**18.2**	17.2
Rentable Area	sq. ft.	**276,903**	280,858
Parking Capacity	Slots	**390**	390
Capital Expenditure			
CoWork	LKR Mn	**2.8**	0.2
Dining Area	LKR Mn	**60.6**	7.5
Paving Blocks	LKR Mn	**6**	Nil
Cafe Area	LKR Mn	**2.9**	Nil
Solar	LKR Mn	**2**	41

Human Capital

Measurement	Unit	2024/25	2023/24
Employees Tenured over 5 years	Number	**41**	36
Revenue per Employee	LKR Mn	**13.3**	13.1
Number of Employees	Number	**108**	98

Operating Environment

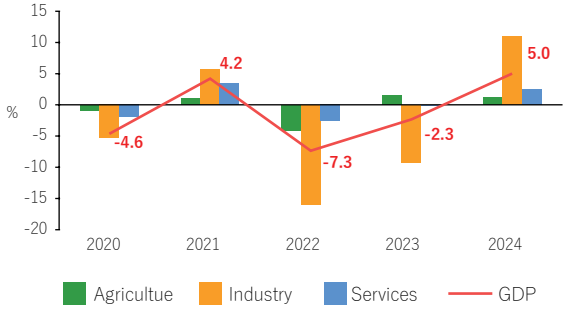
Global outlook

In 2024, the global economic environment remained uncertain, driven mainly by shifting trade policies and rising geopolitical tensions that increased geoeconomic fragmentation. The IMF's January 2025 World Economic Outlook reported that the global growth moderated slightly to 3.2% in 2024, with a subdued outlook of 3.3% for 2025 and 2026. Meanwhile, evolving policy shifts in the United States–such as a focus on import substitution, potential reciprocal tariffs, and reduced international commitments–have added to global instability. In this challenging environment, emerging economies like Sri Lanka must remain agile to navigate changes in global trade, investment flows, and financial conditions.

Economic Growth

Sri Lanka's economy recorded a strong recovery in 2024, achieving 5.0% real GDP growth after two years of contraction. The revival of the manufacturing, construction, and service sectors along with some growth in the agricultural sector steered this recovery. GDP at current market prices rose to LKR 29,898.6 Bn, and GDP per capita increased to USD 4,516. The strengthening economy, alongside currency appreciation, provided a more stable and favorable environment for business activity and investment during the year.

Annual Real GDP Growth Rates (a)



(a) Based on the GDP estimates (base year 2015)

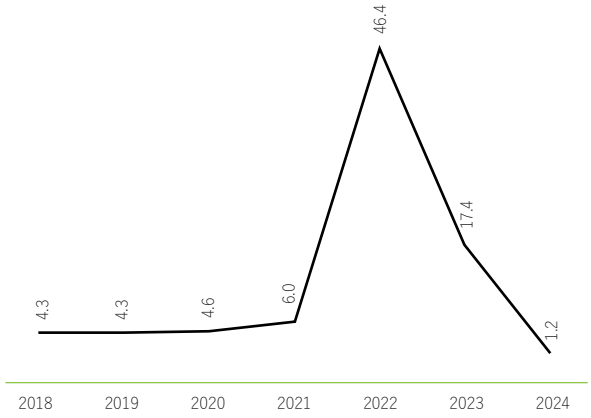
Source: Department of Census and Statistics

Inflation

Inflation in Sri Lanka followed a broadly declining trend in 2024, ultimately entering deflationary territory by the second half of the year. Following a momentary increase in the early part of 2024, due to a combination of factors including Value Added Tax (VAT), removal of VAT exemptions, and food price pressures – inflation moderated later driven by reductions in electricity tariffs in March and July, the easing of global commodity prices, and the strengthening of the Sri Lankan rupee. As at the end of the year headline inflation measured by the Colombo Consumer Price Index (CCPI) had fallen to -1.7%, down from 4.0% at the end of 2023, whereas the National Consumer Price Index (NCPI) declined to -2.0% from 4.2% over the same period. The annual average inflation also dropped sharply, with CCPI-based inflation at 1.2% and NCPI-based at 1.6%, compared to 17.4% and 16.5% respectively in 2023.

Inflation

%



Interest Rates

During the year under review, market interest rates in the country reflected a downward trajectory reaching single digits later. The Central Bank of Sri Lanka implemented a total policy rate reduction of 775 basis points since June 2023, with 125 basis points of that occurring during 2024. A key policy shift occurred in November 2024 with the introduction of the Overnight Policy Rate (OPR), transitioning from a dual to a single policy rate system.

Benchmark interest rates such as the Average Weighted Call Money Rate (AWCMR) declined and stabilized around 8.00% by year-end, reflecting improved liquidity conditions. Lending rates followed a similar trend, with the Average Weighted Prime Lending Rate (AWPR)–a key reference for corporate borrowing–declining by 3.2 percentage points during the year. Rates on new loans (AWNLR) and outstanding loans (AWLR) also dropped by 3.6 and 2.3 percentage points, respectively.

On the deposit side, the Average Weighted Deposit Rate (AWDR) and Average Weighted Fixed Deposit Rate (AWFDR) declined by 4.1 to 5.6 percentage points, while rates on new deposits saw a reduction of 4.5 to 4.8 percentage points.

Despite the overall decline in nominal interest rates, real interest rates remained positive due to subdued inflation and deflationary trends in the second half of the year. The continued easing of monetary policy has set the stage for more accommodative financial conditions in 2025, benefiting borrowers and supporting investment-led growth across sectors, including commercial real estate.

Exchange Rate

The Sri Lankan rupee appreciated by 10.7% in 2024, ending the year at LKR 292.58 per USD, supported by strong inflows from remittances, tourism, and exports, The Central Bank made record net purchases of USD 2.85 Bn. to build reserves, helping to moderate the appreciation. The rupee also strengthened against major currencies such as the euro, pound, and yen. A stable, appreciating currency environment supported cost predictability and business confidence.

Real Estate sector analysis

In 2024, the real estate sector in Sri Lanka, especially the Western Province and Colombo district, witnessed mixed yet resilient performance. The Central Bank's Condominium Market Survey indicated that the Price Index for New Condominiums in Colombo increased by 15.8% year-on-year and 1.1% quarter-on-quarter in Q4 2024, reflecting strong capital appreciation and continued investor interest.

Nevertheless, the Condominium Property Sales Volume Index indicated contrasting dynamics with a quarter-on-quarter increase of 4.4%, but a contraction by 22.7% year-on-year. This suggested a rebound in transaction activity following a subdued market earlier in the year. Meanwhile, Colombo retained its position as the central real estate hub, accounting for 54% of national condominium sales, followed by Gampaha and Kalutara. This geographic concentration underscores the continuing demand for well-located, urban real estate assets.

The asking price index for land in Colombo surged by 19.1% year-on-year, and house prices increased by 2.6%, highlighting upward pressure across asset classes. The asking prices for condominiums grew by 1.2% year-on-year yet indicated a slight quarter-on-quarter dip of 1.2%. This reflected short-term correction in pricing possibly due to seasonal effects or market recalibration.

Buyer behaviour patterns showed that Sri Lankan residents remained the dominant buyer Group while dual citizen purchases also increased. This indicates a return of confidence amongst investors. Purchases made for both investment purposes and immediate occupancy increased, whereas purchases for future residence and rental purposes remained stable. Meanwhile, the dominant price band remained between LKR 25 Mn. to LKR 50 Mn., capturing 49% of transaction volume. From a financing perspective, developers relied of pre-sale deposits (36%), followed by bank loans (35%) and equity contributions (29%), indicating a cautious but stabilised funding landscape for vertical developments.

The Grade "A" commercial office segment in Colombo displayed tentative signs of recovery in 2024, supported by improved macroeconomic conditions, a stronger currency, and easing interest rates. Leasing demand was led by sectors such as ICT, professional services, and start-ups, with a gradual return to physical workspaces. Concurrently, the Co-working model gained traction as businesses sought cost-effective and flexible occupancy solutions in response to evolving workforce expectations. While overall vacancy levels remained elevated relative to pre-pandemic norms, tenant interest was more focused on centrally located, well-managed Grade "A" properties with integrated amenities.

Looking ahead, moderate growth in office absorption is expected in the short term, with projects such as the Colombo Port City anticipated to enhance the sector's medium-to-long-term potential by positioning Sri Lanka as a competitive destination for international business and financial services.

Stakeholder Engagement

Stakeholder engagement continues to shape our strategy, reflecting our commitment to building transparent and responsive relationships. In line with our core value of being Open and True, we believe that fostering trust through honesty and openness is essential to achieving long-term success.

Our approach to stakeholder engagement

We maintain a well-defined and systematic stakeholder engagement mechanism to ensure consistency, transparency, and mutual value creation. Our structured approach to stakeholder engagement is resented below:



Key stakeholder Groups and engagement

Stakeholder Group	Engagement channel	Frequency	Purpose of engagement	Key outcomes
Tenants	One-on-one meetings, surveys, 24/7 hot line	Ongoing	To understand workspace needs, service feedback and enhance tenant satisfaction	Enhanced workplace experience and improved tenant retention rate
Employees	Open-door policy, engagement surveys, whistleblower policy, appraisals, Grievance mechanism, training and development programs, employee engagement activities	Ongoing	To foster collaboration and gather feedback	Empowered employees and employee retention
Business partners/supplier	Procurement discussions, supplier evaluation and review meetings.	Ongoing/ Periodic	To ensure reliability, uphold standards, align on sustainability goals	Enhanced supplier trust through ethical, consistent practices.
Regulators	Formal submissions, compliance reviews, awareness sessions,	As required	To ensure legal and regulatory compliance, uphold good governance and stay ahead of regulatory changes	Fully compliant with the requirements
Community	CSR initiatives with growing ESG focus, community partnerships, inclusive events.	Periodically	To align with social impact and sustainability goals	Stronger community ties through aligned CSR efforts.
Financial Institutions	Compliance and covenant reporting, Financial reports, strategic updates,	Periodic/ As required	To maintain confidence, ensure compliance and financial clarity	Sustained credit strength and optimized financing terms.
Shareholders/ investors	Shareholder meetings, Market disclosures , Integrated annual reports, dedicated communications policies	Annually/ As needed	To provide transparency, maintain confidence and communicate strategic direction	Enhanced transparency and investor trust

Embedding ESG into Stakeholder Engagement

As we embark on our ESG journey with the development of a comprehensive strategy, key aspects of stakeholder engagement in this endeavour includes the below:

- Expanding stakeholder dialogue on climate resilience, energy efficiency, and green building certifications.
- Partnering with suppliers and tenants to co-create low-carbon solutions, including increased use of solar power and enhanced waste management practices.
- Supporting employee well-being and inclusion, while upskilling teams on ESG competencies.
- Collaborating with financial institutions to explore sustainability-linked financing models.
- Enhancing transparency by disclosing ESG metrics through globally recognized frameworks

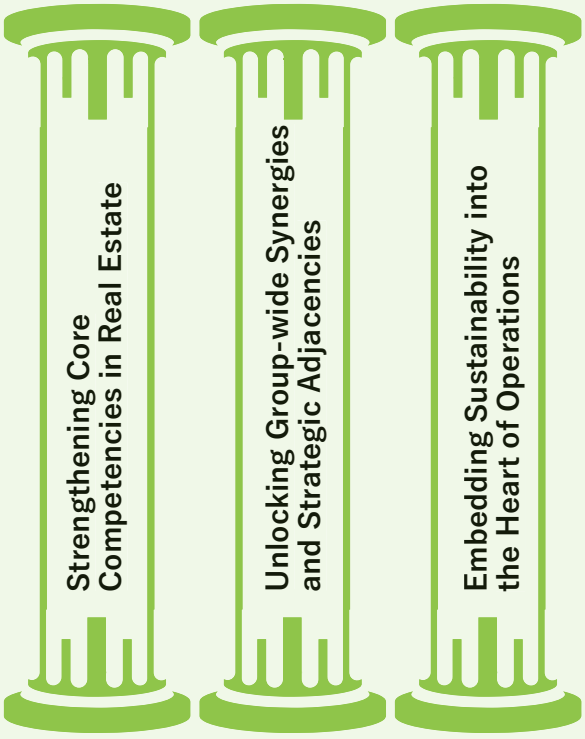
We will continue to build on our stakeholder engagement practices, using insights to drive shared value and ensure that our actions remain aligned with the expectations and aspirations of our stakeholders.

Strategy and Resource Allocation

Our strategy is built upon a principled framework of resilience, adaptability, and long-term value creation. We remain committed to shaping our future through a structured and disciplined approach to strategic planning and resource allocation.

In a volatile economic and social landscape, we believe that success depends on clarity of purpose, cross-functional integration, and a deep commitment to sustainability. Our strategy seeks to align these fundamentals across the Group's core and adjacent businesses.

Our strategy for long-term value creation is rooted in three strategic pillars:



While these three key pillars set the ultimate tone of our strategic direction, we focus on five key interdependent aspects of our business approach to unlock potential in a viable manner in the long-term.

Customer-Centric Real Estate Excellence

We place tenant needs at the heart of our property model. Whether through workspace design, leasing flexibility, or facility management innovation, our strategy prioritises delivering high-value, human-centric spaces in dynamic urban locations.

Integrated Group Synergies

We view R I L not as a collection of independent entities but as a unified platform of synergistic businesses. Our strategy deliberately fosters horizontal integration–leveraging shared services, capital, and capabilities between core real estate, mobility (via UML), and renewable energy (via PAP) to multiply Group-wide impact.

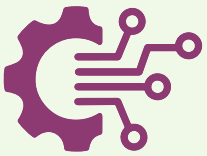
Capital Efficiency and Financial Resilience

We employ a disciplined approach to capital allocation–prioritising projects with high strategic fit, sustainability returns, and value-accretive potential. Our gearing strategy, investment evaluation, and risk buffers are designed to ensure agility without compromising long-term solvency.



Sustainability as Strategic Infrastructure

Environmental, Social, and Governance (ESG) principles are not parallel to our strategy–they are embedded within it. Guided by our evolving ESG Framework and aligned with SLFRS S1 and S2, we make decisions that account for climate impacts, stakeholder equity, and ethical governance as non-negotiable elements of value creation



Digital and Operational Agility

We embrace digital infrastructure as a means to future-proof our operations. Data-driven decision-making, smart facility management systems, and integrated digital tools are essential to optimising both tenant satisfaction and internal efficiency.

Strategic Resource Allocation

In determining our resource allocation priorities, R I L Property PLC concentrate on the below key areas, which we utilize as lenses to guide us towards a more sustainable mechanism of unraveling potential to create lasting value:

Strategic Relevance
We allocate capital and talent toward initiatives that advance our position in high-opportunity segments–such as premium commercial spaces, renewable infrastructure, or value-aligned adjacencies

Sustainability and Long-Term Impact
All investments are assessed for their environmental and social return. This includes deploying capital to solar integration, green-certified assets, and low-carbon tenant solutions.

Synergy and Cross-Platform Leverage
We direct resources to initiatives that catalyse Group-level returns. For example, joint developments between subsidiaries, shared back-office functions, or common procurement strategies receive priority to maximise return on investment and scale advantages.

Risk Alignment and Scenario Planning
Every investment undergoes stress-testing against macroeconomic volatility, regulatory changes, and operational risks. Our enhanced Enterprise Risk Management (ERM) framework integrates early-warning systems and governance checkpoints to ensure resilience under uncertainty.

Stakeholder Alignment
We consider how capital decisions serve broader stakeholder expectations–including shareholders, tenants, regulators, and community partners.
Our allocation strategy reflects a shared value ethos.

Future Outlook

Formalise ESG-linked capital allocation policies.

Expand sustainability-informed product and service lines.

Explore new investment verticals aligned with our core pillars.

Strengthen Board-level and executive oversight of strategic alignment and performance.

Our Approach to Sustainability

Sustainability is pivotal to R I L Property's long-term value creation strategy. We are well-aware that business success is built not only on financial performance but also on our capacity to operate responsibly, protect natural resources, and promote inclusive social development. This shapes our Environmental, Social, and Governance (ESG) approach – designed to facilitate a more resilient, equitable, and sustainable future.

Sustainability governance

We proactively foster a robust governance framework to drive our sustainability aspirations. At present, we are in the design stage of our ESG framework aligned with local regulatory requirements and global standards. Meanwhile, our Environmental, Social and Governance Sustainability Policy guides our approach to sustainability.

The Board Sustainability Committee retains oversight of the Company's ESG direction, while the ESG Steering Committee is responsible for the purposeful integration of emerging issues and stakeholder concerns across the ESG agenda.

As such, our governance structure is fully compliant with mandatory regulatory frameworks, whilst we voluntarily adopt further guidelines to ensure transparency, accountability and stakeholder inclusiveness.

ESG responsibilities in value creation

Our value creation process is embedded in integrated thinking, and our ESG considerations are reflected in the six capitals, which enable us to comprehend the inter-links between environmental responsibility, social impact, and ethical governance across the business.

Natural capital

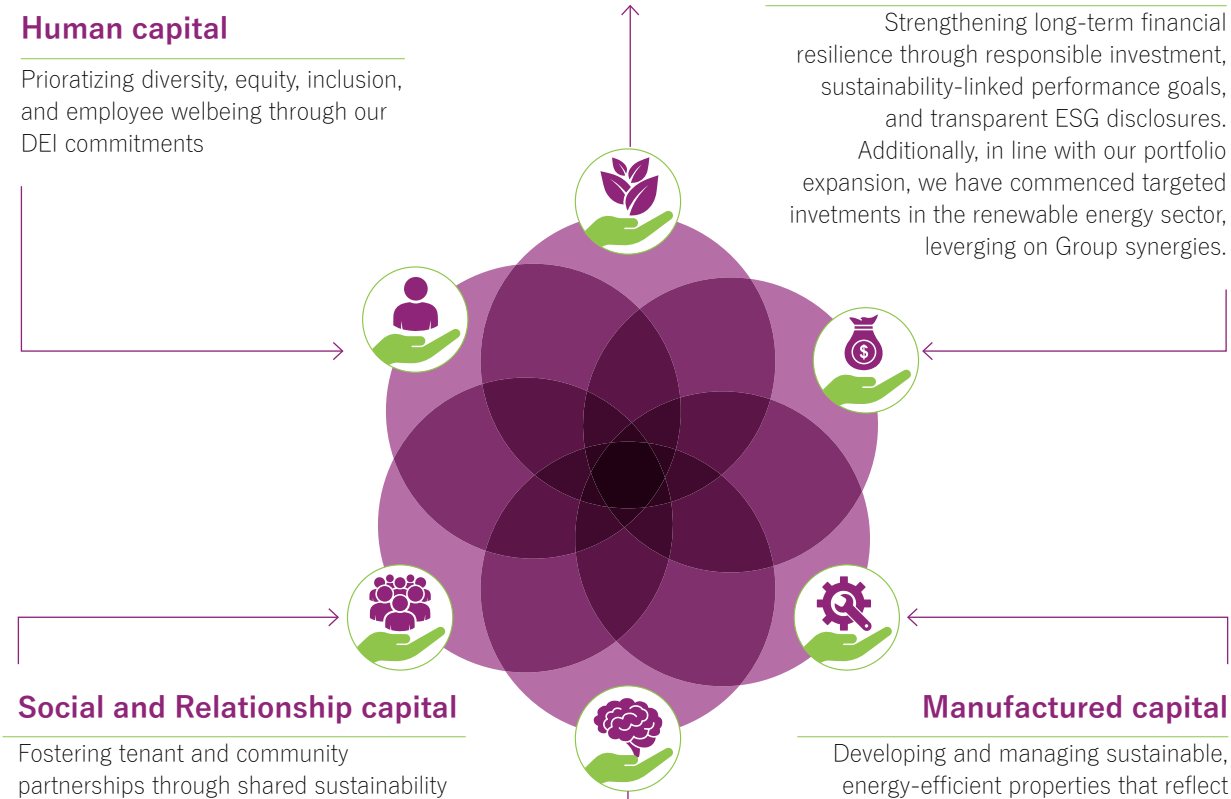
Improving energy management, water management and waste management across our buildings.

Financial capital

Strengthening long-term financial resilience through responsible investment, sustainability-linked performance goals, and transparent ESG disclosures. Additionally, in line with our portfolio expansion, we have commenced targeted invetments in the renewable energy sector, leverging on Group synergies.

Human capital

Prioratizing diversity, equity, inclusion, and employee welbeing through our DEI commitments



Social and Relationship capital

Fostering tenant and community partnerships through shared sustainability initiatives.

Manufactured capital

Developing and managing sustainable, energy-efficient properties that reflect green building standards and climate-conscious design, and Investing in renewable energy infrastructure.

Intellectual capital

Fostering a culture of continuous learning, innovation, and ethical leadership to unlock potential sustainably.

This approach enables us to leverage on ESG opportunities and effectively manage risks in an overarching manner, alongside purposeful alignment with stakeholder expectations and regulatory requirements.

Alignment with SLFRS S1 and S2

As part of our commitment to global best practices and national regulatory developments, we are preparing to align our sustainability disclosures with the Sri Lanka Sustainability Disclosure Standards – SLFRS S1 and SLFRS S2, issued by the Institute of Chartered Accountants of Sri Lanka.

SLFRS S1 – Outlines general requirements for the disclosure of sustainability-related financial information, encompassing governance, strategy, risk management, and metrics and targets. It provides a comprehensive basis for identifying and reporting on sustainability-related risks and opportunities that enable primary users of general purpose financial reports to make informed decisions with regard to providing resources to the entity.

SLFRS S2 – Focuses on climate-related disclosures. It mandates detailed reporting on climate related governance, strategy, risk management, and metrics and targets. It provides a comprehensive basis for identifying and reporting on climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

These standards are based on the International Sustainability Standards Board's (ISSB) global framework–IFRS S1 and S2–and have been adapted to align with the specific context and requirements of Sri Lanka. As part of the phased implementation approach led by CA Sri Lanka, top 100 listed companies in the Colombo Stock Exchange are expected to comply from 2025, with broader adoption culminating in full compliance by 2030.

Aligning with these standards, enable R I L Property PLC to strengthen our ESG disclosures and ensure primary users of financial reports receive transparent, consistent, and relevant information that supports decisions relating to providing resources for the Company.

ESG framework development

We have partnered with KPMG to craft an ESG framework that aligns with our strategic direction. We launched this initiative in January 2025, and the rollout will occur within the span of a year in key phases:

Once complete, this framework will enable more structured ESG performance tracking, disclosure, and integration into strategic and operational decision-making.

Sustainability objectives

Even though, our ESG framework is still under development, we have already incorporated ESG-linked KPIs into individual employee performance targets, in line with our internal accountability goals. In addition, environmental related standards such as ISO 50001 and Green Building requirements guide our performance expectations in energy management and sustainable infrastructure.

Engaging stakeholders in ESG

Mindful of the fact that sustainability is a social concern, we engage our tenants, regulators and the community in our efforts to create long-term environmental and social value. From a governance perspective, we comply with CSE listing rules, and disclose our ESG policy on our website.

More information on stakeholder engagement is presented in the Social and Relationship, Human and Natural Capital chapters on pages 76 and 91 of this report.

Future Outlook

While we prepare to unlock future opportunities for growth, we seek to weave sustainability into our strategic planning, governance, employee performance and stakeholder collaboration aspects. As our ESG framework matures, it is set to inform how we respond to environmental concerns, promote social inclusion, and uphold governance excellence.

Planned Tasks

- Gap analysis
- Development of ESG roadmap
- Review of sustainability matters
- Stakeholder identification, and engagement
- Materiality assement
- Analysis of sustainability and ESG KPIs
- ESG framework development
- Risk management prioratization
- Finalization of the ESG framework and reporting structure

Completed Tasks

- Engagement planning
- Document review and Management Interviews

Business Review



58 R I L Property PLC

60 United Motors Lanka PLC

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R I L Property PLC

GRI 2-1, 2-6, 2-22

Strategic repositioning amidst a stabilising economy

The Financial Year 2024/25 marked a pivotal period for R I L Property PLC, as the Company transitioned from a cautious operational approach to a phase of strategic re-engagement. Against the backdrop of Sri Lanka's recovering macroeconomic environment characterised by declining interest rates, relative currency stability, and easing inflation R I L concentrated on strengthening its real estate operations while enhancing synergies across the Group. The Company's flagship property, *PARKLAND*, achieved a 95% occupancy rate, underlining the strength of its value proposition even in a market grappling with hybrid work culture transitions and competitive pressures from emerging Grade "A" developments.



Financial performance

R I L reported a 13% year-on-year increase in topline revenue, supported by sustained high occupancy, enhanced service delivery, and strategic cost containment initiatives. The stabilisation of the exchange rate and the reduction of the Prime Lending Rate into single digits contributed to a drop in finance expenses–from LKR 688 Mn. to LKR 375 Mn.–enabling a significant increase in Profit After Tax (PAT) LKR 1,348 Mn. Excluding fair valuation adjustments and deferred tax on the same, PAT stood at LKR 741 Mn. for the year under review.

Capital Investments and Operational Enhancements

During the year, R I L invested LKR 43 Mn. in expanding our solar energy capacity, reinforcing its commitment to sustainability and energy cost reduction. The modification of the shared dinning area and the relaunch of the CoWork initiative at *PARKLAND 1* LKR 82 Mn. were instrumental in responding to evolving tenant demands for flexible, hybrid workspace solutions. The Company also introduced "green leases," embedding sustainability principles into tenant agreements–further enhancing R I L's ESG credentials.

During the 2022/23 Financial Year, the Company undertook a strategic restructuring of its rent model by decoupling base rent from service charges. This adjustment has since enabled more agile responses to cost fluctuations and macroeconomic volatility, benefits that continued to support operational stability through 2024/25.

Subsidiary Contributions and Group-Level Synergies

Our subsidiaries delivered robust performances that enhanced Group-level value creation.

United Motors Lanka PLC (UML) continued to strengthen its diversification strategy through local vehicle assembly initiatives. The contribution from Dutch Lanka Traders, acquired in the 2023/24 Financial Year, positively impacted UML's topline compared to the previous year. Additionally, the relaxation of vehicle import restrictions during the final quarter of the current Financial Year contributed to improved performance across key segments. The after-sales division also remained resilient, continuing to deliver strong results despite broader market challenges.

Panasian Power PLC (PAP) rebounded strongly, delivering positive EBIT and expanding its Engineering, Procurement, and Construction (EPC) portfolio. The Company is currently undertaking the construction of the new seven solar projects with a total installed capacity of 35 MW, which will double its existing generation capacity of 24 MW upon completion. These capacity additions are expected to begin contributing to revenue from the next Financial Year. The direct investment by R I L into these new seven solar projects via R-E-D Capital Asia further reinforced the Group's commitment to long-term sustainability and renewable energy growth.

Meanwhile, introduction of a Subsidiary Governance Policy facilitated consistent oversight and strategic alignment across the Group, enhancing transparency and accountability.

Sustainability, Governance, and Strategic Planning

R I L made significant progress in embedding Environmental, Social, and Governance (ESG) principles throughout our operations. The Company retained our ISO 50001:2018 certification and GREENSL Gold Certification, while establishing a forward-looking ESG strategy with support from a third-party expert. Plans are underway to align disclosures with the SLFRS S1 and S2 sustainability standards.

On the governance front, R I L refreshed its Board structure during the year to strengthen strategic oversight and ensure closer alignment with the Company's evolving priorities. This change was aimed at enhancing the Board's effectiveness, introducing fresh perspectives, and enabling more agile responses to emerging opportunities and challenges.

Looking Ahead

With its Purpose in Motion, R I L is set to deepen its focus on real estate development while strategically expanding its presence in the renewable energy sector. The Company remains committed to exploring business adjacencies, enhancing Group synergies, and delivering stakeholder-centric value. The momentum built during FY 2024/25 reflects a renewed sense of purpose–positioning R I L to lead in sustainable real estate and drive integrated, long-term performance across the Group.

United Motors Lanka PLC

GRI 2-1, 2-2, 2-6



C. Yatawara
Group Chief Executive Officer/
Executive Director

Strategic Overview

United Motors Lanka PLC (UML), a 51% subsidiary of R I L Property PLC, is a key player in Sri Lanka's automotive landscape. With a heritage spanning eight decades, UML Group is the authorized distributor for renowned brands such as Mitsubishi, Fuso, Perodua, DFSK, JMC, LiuGong equipment, JCB construction equipment, Valvoline lubricants, Prestone & trailer manufacturing among others. The Company also continues to their presence in renewable energy, while maintaining a robust footprint in automotive assembly, after-sales services, and spare parts distribution. As part of R I L's strategic portfolio, UML complements the Group's diversified business model, contributing significantly to Group revenue and resilience.

Business Performance

The 2024/25 Financial Year marked a pivotal turnaround for UML, with the Group returning to profitability following a challenging prior year that saw a LKR 272 Mn. loss due to the prolonged vehicle import ban. With the ban lifted after five years, UML capitalized swiftly, resuming vehicle imports and leveraging its broad portfolio across entry-level cars, commercial vehicles, and SUVs.

A notable milestone was the strategic acquisition of Dutch Lanka Trailers (DLT) in December 2023. This predominantly export-oriented business exceeded expectations and contributed strongly to Group earnings, validating UML's investment and diversification strategy. The synergy between DLT and UML has positioned the Group favorably in global trailer markets, now exporting to over 64 countries.

Further supporting this year's performance, UML's after-sales service and parts operations grew by 25%, despite limited new vehicle inflows for most of the year. This growth underscores UML's focus on maximizing revenue from existing customer bases and reinforces its reputation for service excellence.

Operational Excellence

UML implemented rigorous cost and inventory controls, instilling a culture of prudence and operational discipline. Inventory was managed within tight parameters, reducing working capital requirements and improving liquidity. Interest rate reductions during the year too helped mitigate financing costs.

The Company was awarded a local assembly license for double cabs, a development that is expected to create substantial opportunities in the upcoming year considering the price advantage against imports. This initiative not only supports affordability for government and private sector fleets but also positions UML as a forward-thinking contributor to national industrial capability.

Strategic Investments

DLT has further laid the groundwork to explore further international expansion. The Company is exploring joint ventures in overseas markets to mitigate export cost pressures and scale its trailer operations. Meanwhile, the Company's other subsidiary UML Heavy (UMLH)'s presence in heavy machinery, especially for construction-related sectors, is poised for resurgence amid economic recovery in Sri Lanka and the Maldives.

Risk Management and Governance

Operating in a sector historically impacted by regulatory volatility and foreign exchange constraints, UML maintained resilience through disciplined financial stewardship and robust governance. The Board and Board Audit and Risk Committee played an active role in navigating challenges, while internal audits enabled continuous operational improvements. The Company also emphasized risk-awareness among staff by integrating key risk-related KPIs into performance management.

ESG Integration

Recognizing the environmental footprint of the internal combustion engine (ICE) vehicle segment, UML is aligning operations with best ESG practices. Steps are being taken to embed sustainability considerations into product sourcing, energy use, and waste management, with guidance from external experts.

Future outlook

UML enters FY 2025/26 with renewed optimism. The lifting of import bans, the expansion of local assembly operations, and the successful onboarding of DLT as an export engine position the Company for significant growth. As demand gradually normalizes, UML is well-placed going forward to maximize on its products and services.

As a strategic subsidiary of R I L Property PLC, UML continues to exemplify resilience, innovation, and value creation.

Panasian Power PLC

GRI 2-1, 2-6



P. K. Pathmanatha
Chief Executive Officer/
Executive Director

Strategic Overview

Panasian Power PLC (PAP), a 75%-owned subsidiary of R I L Property PLC since July 2021, is a pure play renewable energy company and pioneer in Sri Lanka's renewable energy landscape. As a publicly listed company focused exclusively on clean energy generation as independent power producer (IPP), PAP plays a key role in advancing the country's transition to a low-carbon economy. The company specialises in Build, own, and operate of hydropower and solar energy projects across the island. Through its subsidiary, Panasian Investments (Pvt) Ltd., PAP has also established itself in the renewable energy supply chain as the channel partner of Sungrow Solar PV inverters and Longi Solar PV modules in Sri Lanka.



With a growing portfolio of renewable energy assets, PAP's business model is underpinned by long-term Standard Power Purchasing Agreements (SPPAs) and power purchase agreements (PPAs) with the Ceylon Electricity Board. These agreements provide fixed tariffs for electricity generated from both hydro and solar sources, offering predictable revenue streams and reducing exposure to market price volatility.

Business Performance

In the Financial Year 2024/25, PAP achieved a strong revenue performance of LKR 1.54 Bn., contributing approximately 10% to the Group's total revenue–reflecting a 4% year-on-year growth. Segment-wise, the Engineering, Procurement, and Construction (EPC) division maintained steady performance, while both the Solar and Hydro segments showed notable improvements compared to the previous year. These gains were primarily driven by favorable weather conditions, particularly in the second half of the year, along with enhanced generation capacity, underscoring PAP's solid operational fundamentals.

The consistent performance of the EPC segment reflects PAP's strategic diversification beyond electricity generation into infrastructure development and turnkey energy solutions. It also underscores the Company's ability to leverage its technical capabilities and supply chain integration to unlock new revenue opportunities.

Operational Excellence

PAP's operational model integrates the entire renewable energy supply chain–from procurement and installation to generation and delivery–ensuring consistency in project execution and asset performance. The Company maintained high plant uptime and output efficiency, supported by real-time system monitoring and preventive maintenance protocols. These efforts were instrumental in meeting generation targets while keeping operational costs within budgeted thresholds.

In addition to its generation business, PAP strengthened its position in the equipment segment through improved customer outreach, after-sales service, and strategic inventory management for solar components.

Strategic Investments

During the year, PAP expanded its investment in solar capacity, adding new utility-scale projects 35 Mw to its portfolio. These assets are expected to commence commercial operation in the upcoming fiscal year, further solidifying PAP's role as a leading green energy provider. The Company also continued exploring new partnerships and financing models to scale its EPC operations and broaden its customer base across government, commercial, and residential segments.

The integration of EPC services with supply chain control enables PAP to offer competitive, bundled energy solutions, especially in a market increasingly focused on sustainability and energy independence.

Risk Management and Governance

The renewable energy sector, while inherently more stable than fossil-fuel dependent industries, remains subject to regulatory risk, climate variability, and project financing constraints. PAP mitigates these risks through prudent site selection, robust technical due diligence, and close collaboration with regulatory authorities.

Governance and risk oversight remain strong, with the Board and Board Audit and Risk Committee actively monitoring compliance, operational efficiency, and ESG adherence. Performance metrics tied to risk reduction and carbon mitigation are embedded in executive KPIs to align with long-term value creation goals.

ESG Integration

PAP's operations are inherently aligned with green energy and climate action objectives. All of its projects contribute to carbon emissions reduction and are eligible for carbon credit generation, positioning PAP as a contributor to both national energy security and global sustainability goals. The company actively monitors environmental impact, ensuring that all projects meet both local and international environmental standards. PAP is accredited as ISO certified company for it's construction and operation of solar and hydro power projects and maintain global standards through accreditation by ISO 14001 and 45001.

PAP's value chain–spanning solar component sourcing, clean energy generation, and emissions mitigation–makes it a strategic vehicle in R I L Group's broader ESG commitment.

Future outlook

PAP enters FY2025/26 with strong growth momentum, supported by a stable project pipeline, favorable regulatory environment, and a growing reputation as a trusted EPC partner. As demand for renewable energy accelerates, PAP is well-positioned to scale operations, deepen its impact, and deliver consistent returns to the Group and its stakeholders.

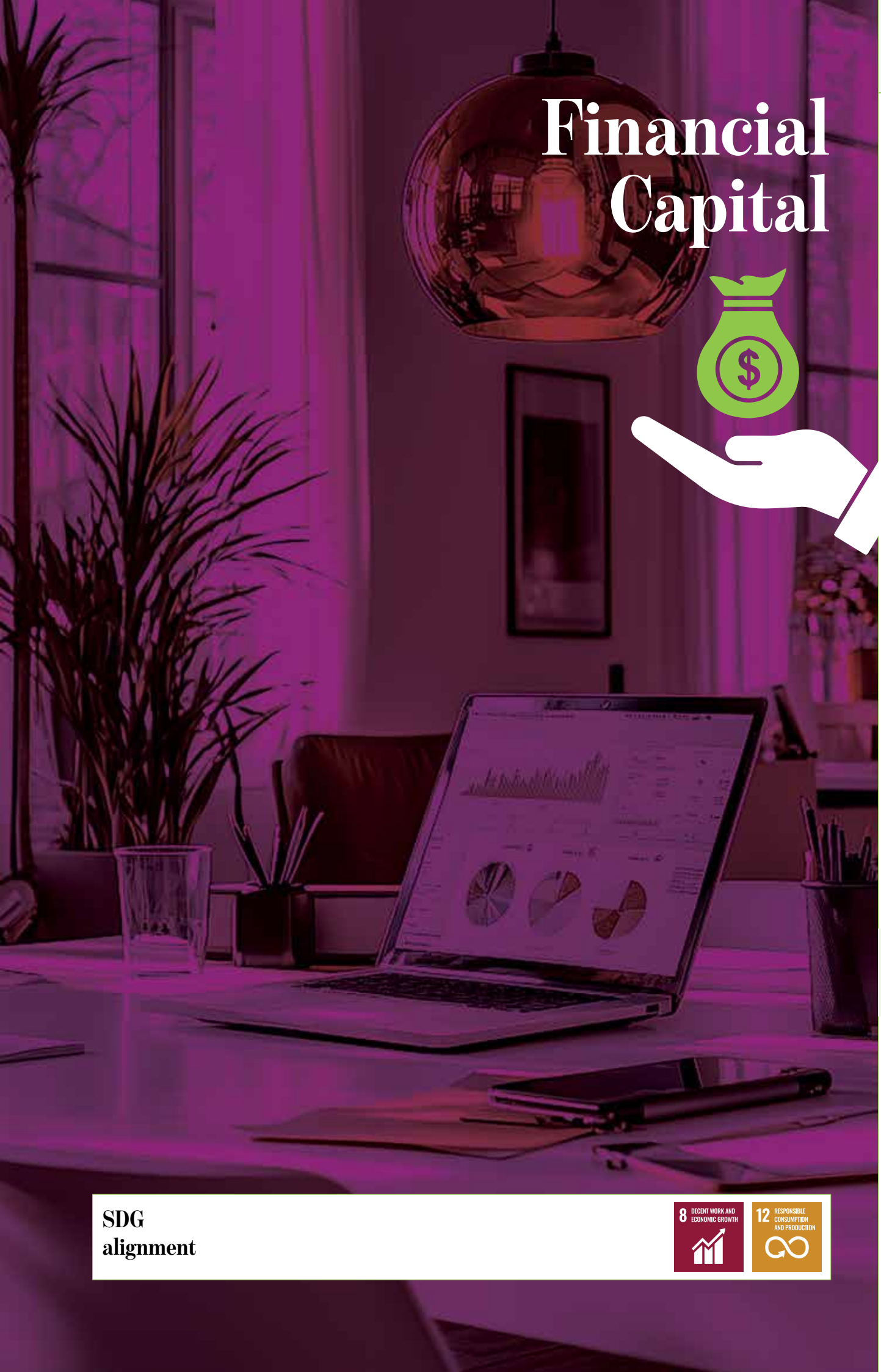
With its vertically integrated model, solid governance, and commitment to clean energy, PAP is not only a growth driver for R I L but also a key contributor to Sri Lanka's sustainable development journey.

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Financial Capital



SDG alignment

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

At R I L Property PLC, financial capital forms the foundation of our ability to deliver long-term stakeholder value. It enables us to allocate resources towards business resilience, infrastructure development, operational efficiency, and sustainable growth. In 2024, amidst a recovering economy and fluctuating policy environment, our focus remained on strengthening revenue streams, enhancing capital efficiency, and maintaining a prudent balance sheet structure.

External Influence

In 2024, Sri Lanka's economic stabilisation efforts showed progress, yet challenges persisted in the form of currency fluctuations, policy uncertainty, and reduced consumer spending. These macroeconomic dynamics influenced investor confidence, financing conditions, and real estate demand, while tighter regulatory scrutiny presented an opportunity for more resilient and forward-looking financial planning approaches.

Financial Capital Strategy and Governance

Our strategy is focused on preserving liquidity, optimising returns on capital employed, and sustaining profitability. We implement disciplined capital allocation, prudent debt management, and rigorous cost controls, supported by a robust governance framework. The Board Audit and Risk Committee provide oversight on key financial decisions, while risk management policies ensure compliance and stability.

Revenue

Despite a complex and evolving operating environment, the R I L Group reported a total revenue of LKR 14.73 Bn. in FY2024/25, marking an 3% year-on-year growth.

United Motors Lanka PLC (UML) remained the largest contributor, generating LKR 11.77 Bn., which represented approximately 80% of total Group revenue. UML recorded an 2% YoY increase in revenue, supported by a recovery in vehicle distribution volumes despite residual import restrictions.

Panasian Power PLC (PAP) delivered revenue of LKR 1.54 Bn., contributing around 10% to Group revenue. This reflects a 4% YoY growth, Primarily driven by improved performance in the Hydro and Solar Sectors.

R I L Property PLC accounted for LKR 1.46 Bn. representing 10% of Group revenue, achieving a 13% YoY increase. This growth was supported by consistently high occupancy levels above 95%, the continued benefit from dollar-denominated lease agreements introduced in prior years as well as ongoing enhancements to tenant-focused services.

Profits

In contrast to the prior year's volatility, FY2024/25 saw a notable improvement in macroeconomic conditions, including the appreciation of the Sri Lankan Rupee, easing inflationary pressures, and a reduction in interest rates. These external factors, combined with internal cost containment efforts, contributed positively to the Group's profitability.

Group gross profit grew to LKR 5.77 Bn. representing a 20% year-on-year increase, while the gross profit margin improved to 39.17%, compared to 33.62% in FY2023/24. This was largely attributed to enhanced operational efficiencies, and revenue growth across core subsidiaries.

Group EBIT remained flat year-on-year at LKR 2.32 Bn., reflecting subdued growth despite the expansion of margin-accretive services. As a result, the Group EBIT margin held steady at 19.90%, compared to 19.62% in the previous year. The Company reported an EBIT of LKR 1.98 Bn., which includes a gain of LKR 867 Mn. from the revaluation of investment properties. This compares to an EBIT of LKR 1.99 Bn. in the previous year, which included a higher investment property gain of LKR 1.04 Bn.

Finance costs for the Group decreased to LKR 1.01 Bn., reflecting a 37.79% YoY reduction, driven by the decline in market interest rates and supported by the Group's ongoing deleveraging efforts. Similarly, the Company's interest expense fell to LKR 375.43 Mn., a 45.42% decrease from the previous year, mainly as a result of the lower interest rate environment, along with timely capital repayments and early loan settlements.

The Group's Net Profit After Tax (NPAT) rose to LKR 1,52 Bn., up from LKR 733 Mn. in FY2023/24, reflecting both operational strength and tax benefits from stabilising rates and lower provisions. At the Company level, NPAT increased to LKR 1.35 Bn., compared to LKR 993 Mn. in the previous year, supported by improved operational efficiencies and prudent cost control. This resulted in a Group Return on Equity of 6.5%, up from 4.1%, while the Company's Return on Equity improved to 3.6%, up from 3.3% the prior year.

Shareholder Value

R I L Property PLC continues to deliver sustainable returns to its shareholders, underpinned by improved profitability and prudent capital management. For the Financial Year ended 31 March 2025, the Board has approved a proposed dividend of LKR 0.55 per share–marking the highest payout in the Company's history, surpassing the previous high of LKR 0.20 per share. This significant increase reflects the Company's commitment to rewarding shareholders as key risk-takers, particularly when strong financial performance is achieved. The proposed dividend is subject to shareholder approval at the forthcoming Annual General Meeting.

The Company's share price appreciated to LKR 15.10 by the end of FY2024/25, up from LKR 6.30 in the previous Financial Year–representing a 140% increase year-on-year. This upward movement signals renewed investor confidence, underpinned by operational resilience, revenue growth, and macroeconomic stabilisation.

Cash Flow

During FY2024/25, the R I L Group recorded negative operating cash flow of LKR 1.70 Bn., primarily due to higher working capital investments at UML, including a notable increase in inventory and trade receivables. These actions supported UML's forcus on leveraging the easing of import restrictions and position itself for anticipated demand growth. At the same time, PAP continued to pursue accelerated expansion initiatives, which also contributed to increased working capital requirements.

At the Company level, R I L Property generated a positive operating cash flow of LKR 657 Mn., supported by improved operational performance and disciplined cost management.

Cash Position

The Group's cash and cash equivalents increased by 141% year-on-year to LKR 1,850 Mn. in FY2024/25, supported not only by robust operating cash flows and enhanced capital discipline, but also by loan proceeds obtained by Panasian Power PLC during the year. A significant portion of these loan drawdowns are currently held in money market accounts, contributing to the elevated cash position. While the Company's cash and cash equivalents declined compared to the previous year, this was a result of strategic allocation of operating cash flows into highly liquid investments, including share market instruments and unit trusts. These investments reflect the Company's proactive treasury management approach, aimed at enhancing returns while maintaining liquidity.

Future outlook

Looking ahead, R I L Group remains focused on sustaining the financial momentum amidst a cautiously optimistic macroeconomic landscape. While signs of economic stabilisation are expected to persist, the Group anticipates ongoing policy shifts, global market uncertainties, and evolving stakeholder expectations to influence the pace and nature of growth.

Our future strategy will prioritise strengthening recurring revenue streams, leveraging Group synergies to expand the portfolio, enhancing cost efficiencies through digitisation and operational streamlining, and maintaining financial agility through disciplined capital allocation. Notably, new solar projects under construction by Panasian Power PLC–our renewable energy subsidiary–are expected to have a significant impact on both revenue and profitability, with an anticipated capacity addition of 35 MW. These projects will further strengthen the Group's long-term growth prospects and sustainability focus. The Group will continue to invest in resilient asset classes, elevate tenant value propositions, and optimise its funding structure to protect margins and enable value-accretive growth. Meanwhile, with the relaxation of import restrictions, UML proactively identified a resurgence in demand for motor vehicles and strategically capitalized on this opportunity by securing bank financing to support a new wave of vehicle imports.

Meanwhile, the Group's balance sheet has evolved meaningfully during the year. Notable changes include a rise in Property, Plant and Equipment driven by ongoing solar energy investments, and fluctuations in inventory and trade receivables reflecting operational scaling across key segments. The Group's gearing remains within prudent thresholds, ensuring debt sustainability despite increased project-related borrowings. Return on Capital Employed (ROCE) remains healthy, indicating efficient use of capital to generate returns. These developments reinforce the Group's strong financial base and capacity to fund future expansion.

With a strong financial foundation, prudent governance, and an adaptive operating model, R I L is well positioned to navigate external headwinds while delivering sustainable returns to stakeholders.

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Intellectual Capital



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12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Our intellectual capital serves as a critical enabler of innovation, operational efficiency, stakeholder trust, and market leadership. The intangible yet valuable assets such as knowledge, systems, proprietary technologies, brand identity, digital capabilities, and culture of ethical governance, form the foundation for our long-term value creation process. Our intellectual capital enables R I L Property to deliver superior service quality, maintain competitive advantage, and continuously adapt to changing market dynamics. Through strategic development of in-house systems, digital transformation initiatives, brand-building programs, and robust knowledge management frameworks, we remain committed to cultivating a future-ready ecosystem that supports growth and stakeholder engagement across all fronts.

Strategy and Governance

R I L Property PLC's approach to intellectual capital is underpinned by a strategic commitment to innovation, resilience, and value creation. At the heart of this strategy is the belief that sustained competitive advantage is derived from the organization's ability to harness knowledge assets, embed ethical governance practices, and lead with a digitally enabled mindset. Our governance structure ensures that intellectual capital is not only protected but strategically directed to unlock stakeholder value across operational, digital, and brand-building dimensions.

Through the alignment of digital transformation with core business objectives, investment in proprietary systems, and a strong focus on ethics and compliance, R I L Property has built a resilient knowledge infrastructure that supports sustainable growth. Leadership in the commercial real estate sector is complemented by a forward-thinking governance framework that emphasizes transparency, stakeholder trust, and performance excellence.

We maintain a deliberate and structured approach to developing and managing our intellectual capital. As such, we prioritize the advancement of our proprietary systems, the protection and promotion of our brand identity, and the continuous elevation of our digital and cultural assets.

On the strategic front, R I L's in-house IT Division has developed a tailored suite of internal systems–including Maintenance Management, Space Management and Digital Asset Management Systems to enhance efficiancy of property and facilities operations. In contrast, the Building Management System was externally sourced specially to support and streamline the building management function. These systems operate alongside externally procured platforms such as ERP and HRIS solutions, with upcoming plans to adopt cloud-based tools and expand enterprise mobility through the "e-Suite" project. Together, these assets form a digital backbone that enhances responsiveness, efficiency, and institutional memory.

Brand equity is also a core pillar of R I L's strategy. We actively define and reinforces our brand identity through our architectural philosophy of "serenity meets modern elegance," integrating this into all communications and space designs. As we continue to evolve our business portfolio, we will enhance and adapt the brand identity to reflect the growth while also maintaining our core philosophy.

We protect the value of our intellectual property through trademark registration of key brand assets including "*PARKLAND*" and "CoWork," and by securing relevant domain names. Additionally, our brand communication efforts ensure consistent messaging across traditional and digital media platforms, strengthening stakeholder recognition and reinforcing the brand's premium positioning.

From a governance standpoint, R I L has embedded robust policies to safeguard the integrity of our intellectual and ethical capital–comprising proprietary knowledge, internal systems, employee expertise, and organizational values. This includes ensuring that data and information systems are secure, decision-making processes uphold ethical standards, and employees act in alignment with Company values. Senior management maintains oversight of these frameworks to ensure they remain relevant and responsive to stakeholder expectations and compliance requirements.

We align strategy, systems, and governance practices in a seamless manner to sustain a well-managed intellectual capital base that not only supports current business performance but also strengthens its long-term value creation trajectory.

Key Highlights of Governance and Ethical Frameworks

Initiative	Impact
Robust implementation of HR policies, Whistleblowing Policy, Code of Conduct, and Anti-Bribery and Corruption Policy to safeguard integrity and promote ethical conduct.	Enhanced transparency and stakeholder confidence through sound policies and recognition for governance excellence.

Technological Innovation and Digital Transformation

In 2024/25, we expanded our investment in technology to build intelligent, future-ready spaces that integrate infrastructure with innovation. This reflects R I L's vision of embedding smart technology across both operational systems and customer-facing platforms to drive sustainable value creation. This purposeful integration of digital intelligence into our internal processes, tenant interfaces, and strategic communication tools, allows us to enhance agility, transparency, and stakeholder engagement.

The following key initiatives demonstrate how technology continues to be a transformative lever in our value proposition:

Initiative	Impact
Revamped Corporate Website	Improved user experience, streamlined access to services and information, and reinforced premium brand positioning through a sleek and responsive design.
Strengthened Social Media Presence	Enhanced digital visibility and audience engagement through dedicated social media outreach for R I L Property PLC, *PARKLAND* and CoWork as well as unified branding and refreshed content strategy across LinkedIn, Facebook, and Instagram.
Adoption of Microsoft 365	Improved internal collaboration, document management, and operational agility across departments through cloud-based productivity tools.
Introduction of Smart Infrastructure Tools	We improved productivity and decision-making speed through the introduction of venue booking display systems, smart boards, and a digital asset management system. Building on these advancements, we also enhanced the customer experience by streamlining service delivery, optimizing customer-facing platforms, and strengthening feedback mechanisms to enable more responsive and personalized interactions.
Internally Developed Digital Systems	Greater control over operational workflows through proprietary IT systems such as the Maintenance Management System, Internal Document Management, and Fixed Asset Management System.

Knowledge Management and Organizational Learning

At R I L Property PLC, knowledge is more than a resource–it is a strategic asset that underpins innovation, resilience, and consistent performance. As such, we prioritize the institutionalization of knowledge through the development of proprietary digital systems and structured processes that ensure vital information is accessible, secure, and actionable. This focus on knowledge management enables us to maintain service excellence, drive informed decision-making, and mitigate operational risks.

The internal IT Division plays a central role in this transformation, developing and maintaining platforms that capture and organize critical operational and strategic data. Complemented by a culture of open communication and cross-functional collaboration, R I L has created a dynamic and responsive knowledge ecosystem that empowers employees and enhances organizational learning.

The below table present key highlights that drive our knowledge management and learning:

Initiative	Impact
Development of Bespoke Internal Management Systems	Enhanced operational continuity and institutional memory through custom-built systems for document management, asset tracking, decision logging, venue booking, and incident reporting.
Creation of a Centralized Knowledge Repository	Enabled timely, consistent decision-making and improved risk oversight by consolidating organizational knowledge into digital platforms.
Implementation of Digital Dashboards and Trend Monitoring	Strengthened real-time visibility into operational metrics and performance indicators, supporting proactive management and strategic agility.
Cross-Departmental Knowledge Sharing Mechanisms	Fostered collaboration and continuous improvement through regular inter-team meetings and structured feedback loops.
Planned Introduction of Cloud-Based HRIS and "e-Suite" Platform	Positioned to enhance employee experience and development through improved access to performance data, learning tools, and HR functionalities.
Codification of Lessons Learned and Best Practices	Supported adaptive learning and process refinement, ensuring the organization remains responsive to internal insights and external market shifts.

Brand Equity and Market Positioning

Our brand equity is a vital dimension of intellectual capital–reflecting both the Company's market positioning and the strength of our stakeholder relationships. Anchored in the ethos of "serenity meets modern elegance," *PARKLAND*'s brand identity is defined by the ability to create premium office environments that harmonize aesthetics, comfort, and functionality. This identity informs the design of our physical spaces as well as the tone of its communications, setting the Company apart in a competitive real estate landscape. We further support our brand strength through the legal protections for intellectual property, as well as strategic outreach initiatives that foster connection, trust, and loyalty among stakeholders. The below table highlight key aspects that drive our brand equity:

Initiative	Impact
Defined Brand Philosophy: "Serenity Meets Modern Elegance"	Reinforced market differentiation and tenant appeal by aligning physical spaces and corporate messaging around a cohesive, premium brand identity.
Tenant Engagement and Wellness Initiatives	Enhanced brand loyalty and stakeholder satisfaction through community-building events such as complimentary health camps and wellness activities.
Cultural and Internal Brand Events	Fostered inclusivity, organizational cohesion, and emotional resonance with stakeholders through events celebrating Iftar, Women's Day, and Thai Pongal.
Expanded and Engaged Digital Presence	Elevated brand visibility and digital engagement via revitalized content strategies and targeted social media platforms for key services and business segments.
Regular Brand Perception Surveys	Enabled data-driven brand strategy refinement by capturing stakeholder insights on service quality, experience, and reputation.
Performance Monitoring Through Digital Feedback Channels	Improved responsiveness and continuous improvement by tracking Google reviews, social media sentiment.

Achievements and Recognition

In 2024/25, our Intellectual Capital earned significant recognition during the reporting period, validating the Company's excellence in governance, technology, and brand stewardship. We received the Gold Award in the Land & Property Sector at the CA Sri Lanka TAGS Awards 2024, a prestigious accolade that reflects our commitment to transparency and reporting excellence.

Additionally, we were recognized at the 2025 Best Management Practices Company Awards, hosted by the Institute of Chartered Professional Managers of Sri Lanka. This honor underscores our consistent application of best practices in both operations and strategic planning.

In the digital sphere, R I L earned the TopWeb.LK Certificate of Excellence, a testament to the Company's progress in online presence, user engagement, and digital innovation. These accolades not only affirm the Company's strategic direction but also enhance its brand reputation and stakeholder trust.

Future outlook

Looking ahead, R I L Property PLC remains focused on expanding on intellectual capital to drive sustained innovation, service excellence, and stakeholder value. We will continue to strengthen our proprietary digital infrastructure through the rollout of the "e-Suite" initiative and cloud-based HRIS, designed to enhance employee empowerment and enterprise mobility.

As the digital landscape evolves, R I L plans to integrate more data-driven tools and AI-enabled platforms to optimize operations, deepen customer insights, and future-proof business processes. Continued investment in knowledge systems and internal capacity building will reinforce our agility and resilience in the face of market shifts.

On the branding front, we plan on refining our corporate identity in line with portfolio expansion, while maintaining the core ethos of "serenity meets modern elegance." Through enhanced customer feedback loops and real-time brand performance tracking, we will remain responsive to stakeholder expectations and market dynamics.

With a strategic focus on innovation, governance, and stakeholder engagement, R I L is well-positioned to navigate emerging challenges and unlock potential.

Manufactured Capital



SDG alignment

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Our manufactured capital comprises the physical assets and infrastructure that support the delivery of high-quality commercial real estate solutions. These include landmark properties such as the *PARKLAND* complex along with the CoWork spaces. Our approach emphasizes strategic refurbishment, smart technology integration, and tenant-centric design. Enhancing these assets enables us to create long-term value while supporting the organization's mission of providing modern, efficient, and sustainable workspaces.

Strategy and Governance

We maintain a clear and ambitious strategic direction for the enhancement of our manufactured capital, placing high priority on the continuous development and modernization of our physical assets. We rely on a forward-thinking approach to create technologically advanced, aesthetically appealing, and operationally resilient infrastructure. This strategy reflects R I L's commitment to not only maintaining the functionality of our properties but also transforming them into dynamic and future-ready spaces. Additionally, we embed sustainability and adaptability at the core of our infrastructure planning to ensure that our built environment can respond effectively to evolving market trends, tenant needs, and environmental concerns.

From a governance perspective, we maintain a holistic and integrated approach, that ensures coordination among key internal focal points including operations, sustainability, and tenant relations. This approach enables us to maintain governance mechanisms that prioritize accountability, cross-functional collaboration, and strategic alignment to create a robust foundation for effective decision-making.

Key highlights of 2024/25

During the year under review, R I L invested in multiple projects to elevate the functionality and aesthetic of our flagship property:

Action	Impact
Carried out a complete refurbishment of the 20th floor dining area, transforming it into a modern dining space with an additional rentable area featuring a built-in kitchen.	This upgrade enhanced tenant amenities, increased the overall rentable area, and contributed to higher rental income potential while improving the occupant experience.
Refurbished the Park Street entrance and the *PARKLAND* main entrance, replacing all interlock paving across the complex and upgrading name boards and directional signage.	These improvements elevated the visual appeal and functional quality of the common areas, created a more inviting and professional environment for tenants and visitors, and strengthened the brand identity of the *PARKLAND* complex.
Transformed the *PARKLAND* lobby by introducing a vibrant café space.	This elevated the overall tenant experience, encouraged informal networking, enhanced foot traffic in the lobby, and added a premium, lifestyle-driven touch to the building's ambience.
The CoWork area was relocated from the 10th floor of *PARKLAND* to newly prepared spaces on the 5th floor on *PARKLAND 1*, aligning with the Company's strategy to enhance flexible workspace offerings.	The relocation facilitated better utilization of building space, improved accessibility for CoWork users, and expanded the Company's capacity to accommodate evolving tenant needs in the growing flexible workspace market.
Installed new CCTV cameras, completed rewiring to support surveillance in the CoWork areas, upgraded the lighting system in lobby zones, and introduced chromium-finish enhancements for main entrance doors.	These enhancements significantly improved building security, user safety, and aesthetic refinement, reinforcing R I L's commitment to delivering a secure and premium work environment.

Operational Challenges

During the refurbishment period, R I L Property PLC encountered a number of operational challenges that required careful planning and coordination to overcome. One of the most significant obstacles involved transporting construction materials to high-floor work areas, particularly the 20th floor, which posed logistical difficulties due to limited vertical access. In addition, the Company faced weather-related disruptions and delays in material supply, which further complicated project timelines. Throughout the renovations, the team remained focused on maintaining a high level of service continuity for tenants, necessitating the careful management of tenant expectations and minimizing disturbances to their operations. The temporary relocation of dining facilities also demanded efficient space planning to ensure that tenant convenience was preserved during the transformation of the 20th floor.

To address these challenges, R I L adopted a proactive approach that included strategic scheduling, timely preventive maintenance, and consistent, collaborative engagement with both vendors and occupants. These efforts helped us to mitigate disruptions and ensure the smooth progression of refurbishment initiatives.

Innovation and Technology

Seeking to integrate innovation into our manufactured capital, we look to smart technologies and reimagine service delivery models to drive enhanced functionality, efficiency, and tenant satisfaction. These initiatives reflect a broader strategic commitment to future-proof infrastructure, optimize energy use, and provide tenants with intelligent, responsive building systems. The following developments exemplify this forward-thinking approach and the tangible benefits it creates for occupants and stakeholders alike.

Action	Impact
Ongoing Initiatives	
Enhanced Digital infrastructure – High-capacity fibre-optic connectivity was maintained and expanded.	Strengthened the reliability and speed of digital services through high-capacity fibre-optic connectivity, supporting modern business operations.
Smart car parking system – We maintained our smart car parking system across multiple floors.	Improved convenience and accessibility for tenants and visitors, contributing to smoother traffic flow within the premises.
New initiative	
Sensor-Based Lighting Systems- We piloted the use of sensor-activated lighting in washrooms, enabling lights to switch on and off automatically based on motion.	Reduced energy consumption and utility costs by automating light usage based on motion, supporting the Company's sustainability goals through efficient resource management.

Sustainability and Efficiency Improvements

In line with our evolving and broader sustainability agenda, we embed environmental responsibility and resource-conscious design into our infrastructure strategy, ensuring that upgrades and daily operations reflect a commitment to lower environmental impact and higher performance standards. Through initiatives that prioritize energy efficiency, material reuse, circularity, and resilience, R I L has made measurable strides in optimizing our physical assets while aligning with broader sustainability objectives. The following actions illustrate how the Company has translated this ethos into tangible outcomes.

Action	Impact
Installed energy-saving split air conditioning units in server rooms.	This measure reduced energy consumption associated with cooling critical equipment areas, contributing to operational cost savings and improved environmental performance.
Repurposed materials from vacated tenant units, including furniture and fittings for the new CoWork layout.	This initiative reduced material waste and resource extraction while supporting the principles of sustainable interior design and circular economy practices.
Transitioned to biodegradable products in operational workflows.	This shift minimized the Company's environmental footprint and reinforced its commitment to responsible procurement and waste reduction.
Reused wooden furniture, applying eco-friendly, water-based coatings.	This decreased the demand for new raw materials, reduced embodied carbon, and extended the lifecycle of existing assets.
Carried out preventive maintenance activities on time across the property.	This proactive approach reduced the likelihood of system breakdowns, enhanced operational reliability, and prolonged the life of critical infrastructure.
Maintained a comprehensive emergency system that includes fire detection, sprinkler systems, evacuation protocols, and regular fire drills.	These safety measures ensured regulatory compliance, enhanced tenant confidence, and minimized potential risks associated with emergency incidents.

Future outlook

Looking ahead, R I L Property PLC is poised to further enhance our manufactured capital through a forward-thinking development agenda. Additionally, we have already laid out plans to expand the CoWork offerings and introduce new office spaces at *PARKLAND 1*, thereby strengthening our presence in the flexible workspace segment. This expansion aligns with emerging trends in how businesses operate, particularly the growing demand for adaptable, collaborative, and tech-enabled environments. Meanwhile, R I L aims to explore and gradually integrate advanced technologies such as augmented and virtual reality (AR/VR), smart appliances, and other digital innovations. These initiatives are intended to enrich the tenant experience, streamline property operations, and position the Company at the forefront of workspace transformation. Through this multifaceted approach, R I L reaffirms our commitment to delivering future-ready infrastructure that meets the evolving needs of our existing stakeholders and the broader market.

Human Capital

GRI 2-7, 2-8, 3-3, 401-1, 401-2, 401-3





SDG alignment

3 GOOD HEALTH AND WELL-BEING

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

Our human capital is a focal point of the organiational value creation goals as well as sustainable growth trajectory that aligns with ESG principles. Moreover, our human capital remains a deliberate commitment to fostering a resilient, inclusive, and future-ready workforce.

External influence

In 2024, local and global external trends impacted our human capital as employee expectations of remuneration increased in response to the aftermath of the economic crisis, and global trends that witnessed a shift towards hybrid models and greater emphasis on work-life integration. This context called for a recalibration of HR practices. Additionally, increased regulatory emphasis ESG compliance guided our internal governance frameworks.

As talent retention continued to be a notable risk given increased emigration of skilled professionals, and the competitive labour market, alignment between diversity, equity, and inclusion (DEI) and sustainability emerged as a key opportunity. As such, we have increased our focus on DEI across our broader business strategy, and strengthened our position as a responsible employer.

Human capital strategy and governance

Three key focus areas support our human capital strategy:



Our governance mechanisms in place support this strategy with a comprehensive performance assessment system, a grievance handling framework, a secure whistleblower channel, and a robust training and development agenda. We address all grievances within the span of 30 days, while carrying out performance reviews through annual and mid-year evaluations, including 360-degree feedback for senior positions. Our training and development framework is driven by a structured Training Needs Analysis and encompasses instructor-led sessions, e-learning, and leadership development programmes, equipping employees with the competencies required for current and future organizational success.

Our workforce

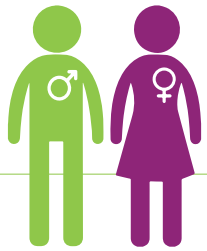
GRI 405-1, 405-2, 406-1, 408-1, 409-1

As at 31 March 2025, R I L Property employed 108 individuals, comprising 71 male and 37 female employees, with women representing 34.25% of the total workforce. Women account for 60% of our senior leadership team, reflecting our strong focus on gender diversity.

Total number of employees

108

2023/24 **98**



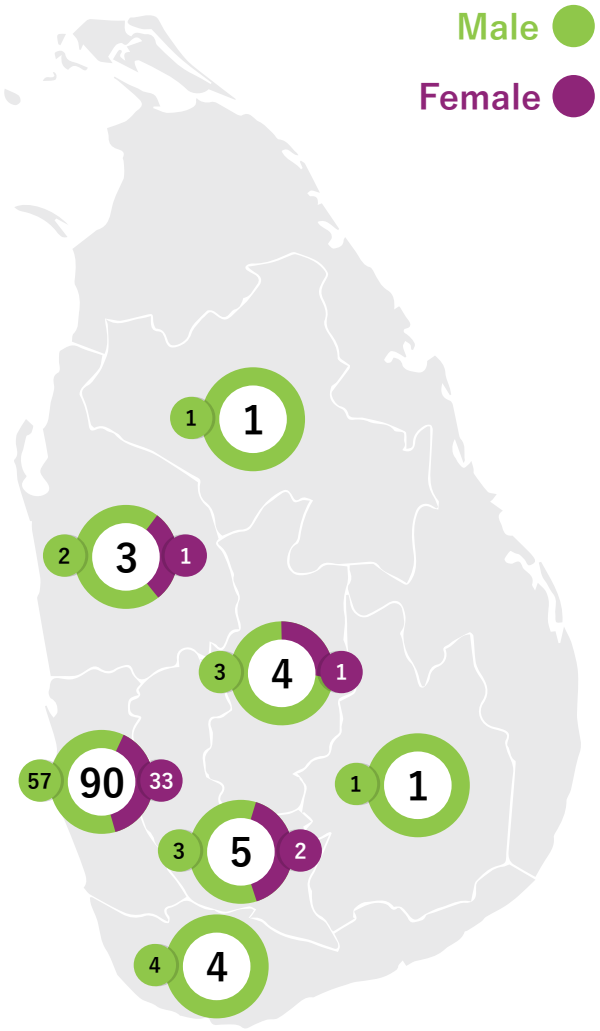
Male	Female
71	**37**
2023/24 **66**	2023/24 **32**

65.7%	**34.2%**
2023/24 **67.3%**	2023/24 **32.7%**

Workforce by grade and gender

Grade	Male	Female	Total
Senior Manager	4	6	10
Manager	3	1	4
Assistant Manager	3	1	4
Executive	14	12	26
Non-executive	46	15	61
Trainee	1	2	3
Total	71	37	108

Workforce by province and gender



Age analysis of workforce

Age	Male	Female	Total
≥ 56	3	2	5
51 – 55	7	4	11
41 – 50	20	9	29
31 – 40	27	10	37
26 – 30	11	8	19
18 – 25	3	4	7

Service analysis of workforce

Number of years of service	Male	Female	Total
0 – 5 years	40	27	67
6 – 10 years	31	7	38
11 – 15 years	–	3	3

Meanwhile, our parental leave policy remains equitable, and provide equal access to all staff.

Indicator	Male	Female	Total
Number of employees entitled to parental leave	5	1	6
Number of employees who took parental leave	5	1	6
Number of employees who returned to work during the reporting period after parental leave ended.	5	1	6
% of employees who returned to work (out of those due to return)	100%	100%	100%
Number of employees who returned to work after parental leave during the previous reporting period (2022-2023), who were still employed 12 months after return to work		1	1

Recruitment and retention

We uphold inclusive, transparent, and merit-based recruitment practices that ensure equal opportunity and internal mobility across all staff categories. In 2024, the Company welcomed 31 new recruits, while maintaining a retention rate of 74.19%.

Our HR division oversees the entire recruitment lifecycle, implementing robust internal controls to safeguard against conflicts of interest and uphold fairness. In alignment with our Diversity, Equity, and Inclusion (DEI) agenda, we have intensified efforts to recruit more female candidates, particularly for underrepresented roles and leadership pipelines. These include targeted outreach, gender-sensitive job advertising, and partnerships with educational institutions that promote women's career advancement.

Together, these strategies support the development of a future-ready workforce that is reflective of our organizational values and societal commitments.

Recruitment

Age	Male	Female	Male %	Female %
51 – 55	2	–	6.45	–
41 – 50	6	1	19.35	3.22
31 – 40	5	3	16.13	9.67
26 – 30	4	4	12.91	12.91
18 – 25	4	2	12.91	6.45
Total	**21**	**10**	**67.75**	**32.25**

Retention

Grade	Total New Recruits	Left Company	Retained	Retention %
Managers and Assistant Managers	4	1	3	75
Executive	7	1	6	85.71
Non-Executive	17	6	11	64.7
Trainee	3	–	3	100
Total	**31**	**8**	**23**	**74.19**

Employee turnover

Age	Male	Female	Male %	Female %
51 – 55	1	–	4.76	–
41 – 50	2	–	9.52	–
31 – 40	5	1	23.82	4.76
26 – 30	4	2	19.05	9.52
18 – 25	4	2	19.05	9.52
Total	**16**	**5**	**76.20**	**23.80**

Employee engagement

This year's flagship employee engagement programme - "Catalyst for Change" marked a cultural milestone at R I L Property PLC. The programme empowered employees to form a cohesive internal connection through engaging in introspection on personal growth, team collaboration and service excellence – which ultimately contributed to a sense of belonging and shared purpose. The initiative, "Catalyst for Change," not only nurtured personal growth but also reinforced corporate values. Additionally, we introduced a new employee integration initiative – titled "Coffee with HOD" designed to provide new recruits an opportunity to meet their respective Heads of Department in an informal setting prior to commencing work.

Meanwhile, In line with our ongoing commitment to building a more inclusive and connected workplace culture, we recognise the importance of celebrating the rich cultural tapestry of our workforce, and celebrate important religious and cultural events honouring different religions and cultural backgrounds of our diverse employee base. We provide greater visibility to cultural events across our internal communications and engagement platforms to foster a deeper sense of belonging and reinforce our dedication to an inclusive organisational ethos.

Throughout the year, we carried out various engagement events:



Women's Day wellbeing event



Pirith ceremony



Avurudu celebrations



Thai Pongal Celebrations



Annual trip and get-together



Children's Day celebrations

We also conducted an employee satisfaction survey which identified time and stress management, job security, and career growth as key areas of concern. These findings are shaping future HR interventions.

Training and development

GRI 2-30, 404-3, 404-1, 404-2

In addition to the 'Catalyst for Change' cultural transformation programme, we conducted training and development sessions covering, key areas including technical upskilling, governance and leadership to nurture our employees to remain agile, informed, and future-ready, through building both technical expertise and strategic capabilities. In 2024/25, we invested over 1,900 training hours across 85 programmes, benefitting 113 employees, amounting to 17.40 hours of average training hours per employee.

Focus area	Value creation
Governance	Leadership development, knowledge enrichment and enhancement of good governance
Sustainability and Risk	Increased knowledge and sustainability focus
Data Protection	Increased knowledge in around personal data protection regulations
Finance and Technical skills	Increased technical knowledge and capacity
Knowledge sharing and leadership	Increased knowledge sharing and leadership capacity development
Personal and professional growth	Increased professional growth

Training and Development highlights

Governance, ethics and compliance

- Unpacking the recent changes to the Corporate Governance Code
- Incorporating Anti-Corruption policies into corporate practice
- Public consultation on the Anti-Corruption Act No. 9 of 2023
- Online certification in commercial arbitration
- Financial crime
- Tax return filing
- SLFRS standards

Leadership and Strategic HR

- Board leadership refresher
- National HR conference 2024
- HR strategies for 2025
- Effective grievance handling
- Continuing professional development training
- Operational excellence and safety

Legal and data protection

- Navigating the PDPA (Personal Data Protection Act) Maze

Crisis communication & emergency response

- Ladder safety
- Advanced excel
- Carbon footprint awareness

We witnessed widespread employee participation across all these initiatives, reflecting a strong organizational commitment to continuous learning and development.

Health, safety and wellbeing

GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10

We maintained a proactive approach to occupational health and safety through regular audits, emergency drills, and workplace inspections conducted throughout the year. These preventive measures contributed to a strong safety culture across our operations, with no major health or safety breaches reported in 2024/25.

Our commitment to employee wellbeing encompassed both physical and mental health dimensions. Key initiatives included:

- International Women's Day programme focused on self-care, personal empowerment, and mental wellness, reinforcing our commitment to gender-sensitive wellbeing.
- On-site eye check-ups were organized to support preventive health and early detection of vision-related concerns.
- Flexible work arrangements were offered to help employees better manage their professional responsibilities and personal commitments, contributing to improved work-life balance.

Through these integrated efforts, we continue to foster a safe, supportive, and responsive work environment that enables our people to thrive.

Digital transformation

To align with our expanding operations and sharpen our strategic focus, we are implementing a new Human Resource Information System (HRIS). This system will enhance data-driven decision-making, while streamlining key processes such as performance management and recruitment workflows.

Additionally, we are actively digitising our insurance claim procedures to reduce manual administrative tasks. This transition is aimed at improving operational efficiency and enabling our teams to concentrate on more value-adding, strategic activities.

Future outlook

Looking ahead, we will continue to embed Environmental, Social, and Governance (ESG) principles into our human capital agenda–ranging from initiatives such as reducing plastic usage in office spaces to launching targeted physical and mental wellbeing programmes. These measures are vital to cultivating a high-performing, inclusive, and sustainable organizational culture.

As part of our strengthened focus on Diversity, Equity, and Inclusion (DEI), we will implement structured efforts to improve female representation, foster inclusive leadership, and create safe, equitable workspaces for all employees, including underrepresented Groups. DEI training, unbiased recruitment practices, and cultural awareness campaigns will play a pivotal role in shaping an empowered and engaged workforce.

Through this evolving human capital strategy, R I L Property PLC is building a workplace where people thrive, diversity is celebrated, and sustainability is embedded in everyday action. As we embrace the future of work, our commitment to responsible, transparent, and inclusive HR practices will remain a cornerstone of our long-term success.

Social and Relationship Capital

GRI 413-1, 413-2



SDG alignment

13 CLIMATE ACTION

3 GOOD HEALTH AND WELL-BEING

Our social and relationship capital is a pivotal pillar in R I L Property PLC's value creation model, underpinning the trust-based relationships that sustain our long-term success. This form of capital reflects the depth and quality of our interactions with key stakeholder groups–tenants, employees, suppliers, communities, and governance bodies–and the strength of the social license we maintain through transparency, fairness, and mutual respect.

In the year under review, we deepened our focus on social sustainability through the formal implementation of a dedicated Environmental, Social, and Governance (ESG) policy. This policy establishes a structured and proactive approach to managing stakeholder relationships and ensures our actions align with evolving expectations for ethical, inclusive, and responsible conduct. These efforts particularly focused on enhancing engagement with employees, fostering stronger community partnerships, and enriching the tenant experience. Through these measures, we not only safeguard our reputation but also embed resilience and goodwill into the fabric of our operations, enabling us to deliver sustained value across economic, environmental, and social dimensions.

Strategy and Governance

Regulatory compliance requirements, evolving tenant expectations, employee well-being trends, and global ESG benchmarks steer our social and relationship capital to engage more deeply, and build trust with our stakeholders. The quality of these interactions continues to shape our reputation and business continuity, whilst also enabling us to create meaningful social impact. In 2024/25, these external drives influenced the development of our ESG framework, which will ensure that social and relationship considerations are embedded into all business operations and decision-making going forward. Additionally, stakeholder feedback will inform our sustainability framework.

Meanwhile, on the governance front, we have adopted a structured and strategic approach to social responsibility through the formal implementation of the ESG policy. We have also put in place effective governance mechanisms to ensure effective oversight and execution of sustainability-related initiatives. Meanwhile, the anti-bribery and data protection policies in place enable R I L to maintain a high degree of ethical integrity, operational transparency, and stakeholder trust, safeguarding both the Company's reputation and the sensitive information entrusted to us by tenants, employees, and partners.

Our cross-functional CSR Committee draws representatives from across divisions to plan and coordinate community engagement and staff involvement in social initiatives. Complementing this, the ESG Committee plays a pivotal role in embedding sustainability considerations into the Company's broader strategic planning processes. Furthermore, the integration of ESG targets into employee Key Performance Indicators (KPIs) reinforces accountability and encourages active participation, underscoring the Company's commitment to fostering strong stakeholder relationships and cultivating a culture of responsible business conduct.

Stakeholder Relationship Management

We recognize that our ability to create long-term value is intrinsically linked to the strength of our stakeholder relationships. As such, our stakeholder engagement efforts are grounded in transparency, responsiveness, and shared value creation. We maintain open lines of communication and actively seek feedback to ensure that the evolving needs and expectations of our tenants, employees, communities, suppliers, and governance bodies are integrated into our strategic decision-making. This collaborative approach not only strengthens trust but also enables us to deliver more targeted, inclusive, and sustainable outcomes.

Tenants

We recognize our tenants not merely as clients, but as critical partners in our collective success. This perspective shapes our approach to tenant engagement–prioritizing transparent service, responsive communication, and the consistent application of policies across our properties. Our tenant engagement model is built on the principle of continuous dialogue. Through structured feedback channels and wellbeing-focused initiatives, we ensure that tenant voices are heard and their needs effectively addressed. Our periodical customer satisfaction survey and QR-code based feedback mechanisms offer tenants convenient platforms to share their experiences, allowing us to identify areas for improvement and recognize service excellence.



In 2024/25, we strengthened our tenant engagement and wellbeing through the following initiatives:

- **Our periodical customer satisfaction survey and QR-code based feedback mechanisms offer tenants convenient platforms to share their experiences, allowing us to identify areas for improvement and recognize service excellence**
- **Enhancement of Shared Spaces, including renovation of dining area and introducing a café to foster comfort and community interaction.**
- **Engagement through the EcoEmpower Club, providing a platform for tenants to co-create sustainability initiatives.**
- **A health camp to promote tenant well-being.**

Additionally, we continue to monitor Indoor air quality through a BMS-enabled CO_2 monitoring system.

These efforts have led to a high degree of tenant satisfaction and participation, reinforcing our commitment to creating inclusive, vibrant, and sustainable commercial environments.

Employees

Our employees remain essential to nurturing trusted stakeholder relationships and advancing R I L Property PLC's commitment to responsible, people-centric business practices. Guided by our people-focused HR strategy, we promote fair labour practices, inclusivity, and meaningful engagement as the foundation of a resilient and ethical workplace.

Employee engagement is central to our social value creation model. While a comprehensive overview is provided in the Human Capital chapter (see page 76), it is important to emphasize our commitment to fostering a safe, inclusive, and supportive work environment, as well as promoting voluntary CSR participation aligned with ESG objectives through integration into employee KPIs.

- 550+ Volunteer Hours contributed across various initiatives.
- Participation in the Blue Wave Initiative, tree planting drives, and blood donation campaigns.

We strive to incorporate ESG engagement into performance metrics and foster an environment of inclusivity and purpose, to empower our workforce to be agents of positive change–within the Company and in the broader community. This holistic approach to employee engagement strengthens our internal culture and ensures that we remain resilient, agile, and people-centric as we seek sustainable progress.

Community Engagement

R I L remains committed to building long-term, meaningful relationships with the communities in which we operate. Our community engagement efforts are guided by a sense of social responsibility and a desire to create shared value through inclusive, culturally respectful, and environmentally conscious initiatives.



In 2024/25, we continued to foster strong community ties through a series of impactful programmes designed to address both social and environmental priorities:

- Blood Donation Campaigns and Volunteering, enabling employees and stakeholders to give back to the community in tangible and life-saving ways. These efforts not only meet immediate health needs but also foster solidarity and compassion.
- Donated utilized paving blocks to two under-resourced schools in Colombo, enhancing outdoor safety, improving accessibility, and contributing to a more student-friendly learning environment.

Through these initiatives, we look to act as a responsible corporate citizen–supporting the well-being of our communities, celebrating diversity, and advancing sustainable development. We maintain consistent engagement and employee involvement to effectively strengthen the social fabric surrounding our operations and reinforce our license to operate in a spirit of mutual respect and collaboration.

Supplier and Regulator Engagement

R I L Property upholds responsible business conduct as a cornerstone of its stakeholder engagement strategy, ensuring that our operations and partnerships reflect the highest standards of ethics, compliance, and transparency. Our engagement with suppliers and regulatory bodies is guided by a commitment to legal integrity, sustainable procurement, and respect for fundamental human rights.

In line with this commitment, we:

- Adhere strictly to applicable legal frameworks and ethical sourcing standards, ensuring that all procurement and operational practices meet local compliance requirements.
- Maintain transparent disclosures to stakeholders, providing accurate, timely, and comprehensive information to regulators, partners, and other key constituents.

Through this principled approach, R I L Property not only mitigates risk and builds resilience but also reinforces trust among regulatory bodies, investors, and supply chain partners. This strong foundation of governance and accountability enhances our long-term sustainability and supports our ambition to be a model of ethical and transparent business practices in Sri Lanka's real estate sector.

Future outlook

Looking ahead, R I L Property is focused on embedding a deeper level of accountability, measurement, and strategic integration into our social and relationship capital initiatives. While we currently operate without formalized social KPIs, the ongoing development of our ESG framework will serve as a catalyst for transformation–enabling us to set clear benchmarks and track our impact with greater precision. In 2025 and beyond, we aim to finalize and roll out this framework across all operational layers, ensuring that social considerations are consistently embedded in business decision-making. Key priorities include establishing quantifiable social impact metrics, expanding tenant engagement initiatives through platforms such as the EcoEmpower Club, and driving greater employee volunteerism and cross-sector collaboration. These forward-looking actions will not only strengthen stakeholder relationships but also reinforce R I L's role as a responsible, community-oriented leader in Sri Lanka's property sector.

EcoEmpower Club – Building a Greener Community



The launch of the EcoEmpower Club at the *PARKLAND* complex exemplifies our approach to tenant partnership and environmental stewardship. Through facilitating collaborative environmental action–including cleanups, recycling, and awareness campaigns–the Club helps cultivate a network of ESG-conscious businesses united in creating a sustainable urban ecosystem.

Natural Capital

GRI 302-1, 302-2, 302-3, 302-4, 302-5,303-5,306



SDG alignment



Natural capital forms a core pillar of R I L Property PLC's long-term value creation strategy, encompassing the renewable and non-renewable resources that underpin our operations and shape our environmental footprint. Through our real estate business–ranging from energy use and material consumption to water stewardship and waste management–we are uniquely positioned to safeguard natural resources while delivering sustained value to our stakeholders.

Throughout 2024/25, R I L took proactive steps to embed sustainability into daily operations, guided by a commitment to responsible consumption and carbon management. With the development of our Group-wide ESG framework underway, our journey toward structured environmental governance and target-driven sustainability is gaining further momentum.

Our contributions include initiatives such as tree planting, rainwater harvesting, solar energy usage, recycling programmes, e-waste management, and coastal clean-up drives. Collaborative efforts under the EcoEmpower Club further align tenant actions with national and global sustainability goals.

Strategy and Governance

During the year under review, R I L Property PLC took a decisive step forward in advancing our sustainability agenda through the adoption of an institutionalized ESG approach, reinforcing our commitment to responsible business practices across all operations and subsidiaries. (refer page 54)

R I L remains fully committed to aligning our environmental disclosures with applicable Sri Lanka Financial Reporting Standards (SLFRS) and global reporting expectations. This alignment strengthens the transparency, comparability, and reliability of our sustainability reporting–enhancing the confidence of investors, regulators, and other stakeholders in our disclosures.

Key strategic level initiatives in 2024/25:

- Introduction of Green Lease agreements to tenants through the incorporation of environmental performance into lease agreement clauses.
- Revision of Fit-out guidelines (interior design and construction) to incorporate sustainable design and energy-conscious refurbishments.
- Use of grass paver blocks and other low-impact infrastructure as part of site-level sustainability practices.

Environmental commitments

As a Company with a significant environmental footprint, we recognize the importance of reducing our impact and preserving natural resources for future generations. Our environmental commitment is reflected in our proactive adoption of internationally recognized standards, measurable performance goals, and a growing portfolio of green initiatives.

In line with our broader ESG ambitions, we have taken deliberate steps to manage our energy use, monitor emissions, and promote eco-conscious behavior across our operations and stakeholder network. From securing certifications such as ISO 50001 and Green Building to initiating on-ground projects such as tree planting and waste management campaigns, our actions reflect a sincere dedication to creating sustainable, resilient, and responsible urban spaces.

The following illustrations highlight some of the key initiatives and milestones that have shaped our environmental journey over the past year.

Action	Impact
Tree planting at the Green Park Sanitary Landfill in Kiridiwela (250 trees)	Increased carbon sequestration potential and contributed to local biodiversity while improving the landscape.



"Plant Your Own Tree" campaign during World Environment Day involving tenants	Encouraged individual climate action and community involvement in reforestation efforts, increasing green cover and environmental consciousness.



Action	Impact
National Energy Efficiency Day celebrations involving tenants	Fostered environmentally responsible behavior and crowned the best energy savers within *PARKLAND* community.
Ongoing carbon footprint measurement to support future net-zero aspirations	Strengthens long-term planning and investment in carbon reduction by enabling consistent monitoring of progress toward climate goals.
Blue Wave Initiative (with Mast Industries and Zero Plastic Movement)	Reduced ocean pollution and safeguarded marine biodiversity by removing harmful plastic waste from Mount Lavinia Beach.
	
Promoting furnished vacant spaces to tenants without reinstatement	Reduced material waste and energy consumption typically associated with re-fitting and renovating tenant spaces.

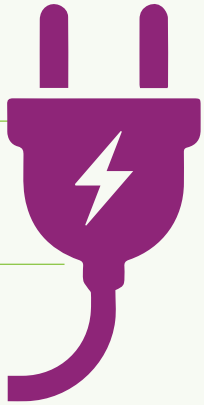
Energy efficiency and renewables

We have adopted a proactive approach to reducing our environmental impact by prioritizing renewable energy integration and optimizing energy consumption across our operations. Guided by internationally recognized standards such as ISO 50001, our energy management practices are structured, measurable, and continuously evolving. We remain committed to transitioning toward a low-carbon operational model that aligns with global climate goals and supports long-term value creation, through embedding efficiency into our building systems and infrastructure, and by encouraging energy-conscious behavior among stakeholders. The below table illustrate our energy consumption data for the year 2024/25:

Total Energy Consumption
3,419,313 kWh

Renewable Energy Share
11% (348,305 kWh)

Non-Renewable Energy Consumption
3,071,008 kWh



Waste Management and Circularity

R I L Property PLC integrates the principles of a circular economy into its broader environmental agenda, focusing on minimizing waste, conserving resources, and enhancing long-term ecological value. Our strategy is anchored in reducing resource consumption, extending material lifecycles, and fostering reuse, recycling, and efficiency in all operations.

We actively promote sustainable behaviors among employees and tenants through awareness, digitalization, and operational interventions. These initiatives are designed not only to reduce our environmental footprint but also to support a low-carbon, resource-efficient operating model. Our efforts reflect a commitment to embedding circularity and resource mindfulness into our daily activities.

The following illustrations highlight some of the key initiatives and milestones that have shaped our waste management and resources optimization efforts over the past year.

Action	Impact
New Initiatives	
Implemented e-waste disposal systems	Ensured safe and environmentally responsible disposal of electronic waste through partnerships with government-certified vendors, reducing the risk of toxic pollution.
Established PET bottle collection with approved third-party handlers	Diverted plastic waste from landfills by ensuring proper recycling through authorized channels, promoting a circular plastic economy.
Ongoing Initiatives	
Encouraged employees to minimize paper usage through awareness.	Lowered paper consumption and reduced operational waste
Set default double-sided printing on all devices	Cut paper use per print job by half, reducing material consumption.
Enabled password protection and print restrictions on printers and copiers	Prevented unnecessary printing and fostered responsible resource use
Promoted digital communication and cloud-based document sharing	Reduced reliance on physical documentation, enhancing efficiency and sustainability
Replaced disposable paper towels with electric hand dryers in washrooms and dining areas	Eliminated single-use paper waste and reduced solid waste generation

Water Conservation

As part of our commitment to responsible environmental stewardship, R I L Property PLC places strong emphasis on sustainable water management across our operations. Recognizing the increasing scarcity of freshwater resources, we have adopted practical and efficient solutions to reduce consumption and minimize waste. Our efforts focus on capturing and reusing non-potable water, optimizing irrigation practices, and integrating water-efficient infrastructure within our properties. These initiatives not only support operational sustainability but also align with broader environmental goals, helping to safeguard this critical natural resource for future generations.

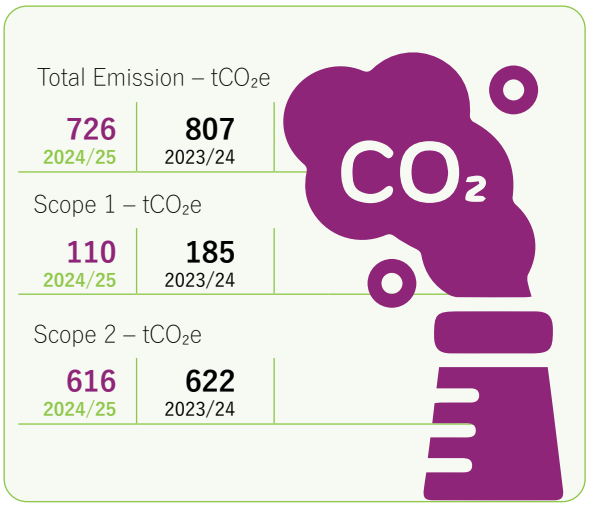
The following illustrations highlight some of the key initiatives and milestones that have shaped our water conservation efforts over the past year.

Action	Impact
New Initiatives	
Installed a drip irrigation system for landscaping	Delivered precise, low-volume watering to plants, significantly minimizing water wastage and enhancing irrigation efficiency across rooftop green areas.
Ongoing Initiatives	
Rainwater harvesting system	Captured and reused non potable rainwater within the complex supporting water sustainability

Climate Risk and Resilience

GRI 305-1, 305-2, 305-5

We recognize the growing importance of climate resilience in sustaining long-term asset value and operational continuity. While a comprehensive climate risk assessment is underway as part of the broader ESG framework, we have already identified several priority risks, including extreme heat events, natural hazard-induced property damage, and the long-term threat of sea-level rise. These risks underscore the urgency of embedding resilience into building design, site planning, and infrastructure development. In the year 2024/25, we accelerated environmental impact monitoring with the annual calculation and third-party verification of Scope 1 and 2 greenhouse gas (GHG) emissions, certified by the Sri Lanka Climate Fund (Pvt) Ltd.



Future outlook

We remain committed to reinforcing our environmental stewardship as we transition from initiative-based action to a more strategic, data-driven sustainability model. With the ESG framework nearing completion, we are poised to define clear targets, integrate environmental performance into decision-making, and scale our impact through innovation, collaboration, and transparency. Looking ahead, R I L will focus on establishing measurable KPIs, expanding circular and low-impact practices, and strengthening tenant engagement in sustainability initiatives–laying a strong foundation for long-term resilience and value creation.

The below table presents some key planned actions for 2025 and beyond:

Action	Impact
Establishing quantified emissions and energy targets.	Enables consistent measurement, accountability, and progress tracking toward carbon reduction and energy efficiency goals.
Expanding green lease adoption across more tenants and facilities	Encourages shared responsibility for sustainability, driving tenant engagement in energy and resource conservation.
Enhancing data reporting capabilities for energy, waste, water, and materials	Improves transparency and informs decision-making for continuous improvement in resource management.
Building climate resilience into asset design and operations	Future-proofs properties against environmental risks, safeguarding asset value and operational continuity in a changing climate.

Governance

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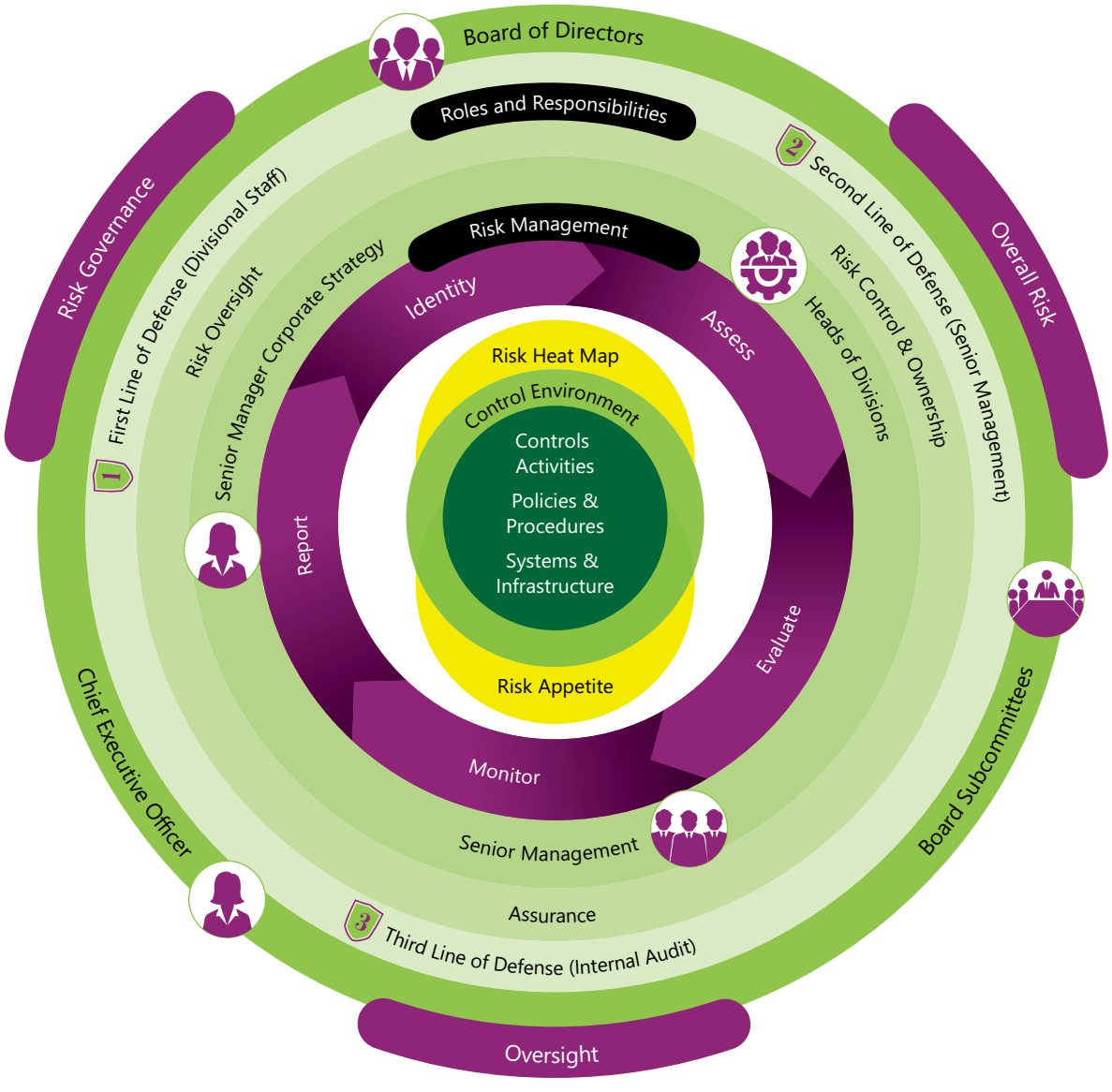
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Risk Management

Risks are uncertain future events, which could influence the achievement of R I L's strategic and financial objectives. R I L maintains an enterprise-wide approach to managing key risks, integrating risk monitoring into our day-to-day activities as per the risk management framework, which supports organization wide strategic planning. It is an ongoing process that follows a simple step-by-step system.

Risk management framework and governance



R I L Board holds ultimate responsibility for managing the Company's risks. Having approved the Company's risk appetite, it continues to provide oversight and actively promotes a proper risk culture. When established appropriately, the risk culture, with its shared attitudes, values, roles and responsibilities, is expected to drive organizational goals through mutual support.

The Board has delegated its responsibilities to respective sub-committees mentioned below, which are tasked with providing directions on implementing appropriate internal controls to effectively manage key risks and periodically report to the Board, while maintaining independence from the management. The Management is tasked with establishing controls, structures, reporting lines, accountabilities, responsibilities, monitoring and timely communication channels, in order to achieve organizational objectives.

Board Audit and Risk Committee (BARC) — Refer page 139

Board Related Party Transactions Review Committee — Refer page 152

Board HR and Remuneration Committee — Refer page 144

Board Nominations and Governance Committee — Refer page 147

Our Board members have a broad range of competencies that bring skills and experience from a diverse range of backgrounds. (Refer page 105).

The Chief Executive Officer (CEO) is responsible for driving organizational strategies, while also providing decisive leadership in implementing appropriate internal controls to effectively manage and balance risks & opportunities within the organization.

Additionally, the management committees (Refer page 102) and the Business continuity Plan (BCP) in place ensures that R I L can swiftly address any identified risks, ensuring continuity of operations even in challenging circumstances.

While the Board and the CEO oversee the entire risk management, R I L has established the "Three Lines of Defense" model where all employees are responsible for the identification and management of risk within the scope of their role.

1st Line of Defense – Divisional Staff

- Day-to-day management of risks during operations
- Proactively monitors risk factors that could potentially affect business decisions
- Identify opportunities that could benefit business decisions and outcomes

2nd Line of Defense – Senior Management

- Ensures all divisions function in accordance with policies and procedures in line with the risk appetite
- Design and implementation of appropriate policies and control procedures to ensure a conducive environment
- Turn identified opportunities into practical plans, drives execution, and offers oversight and support

3rd Line of Defense – Internal Audit

- Provides independent assurance of implementation of risk management procedures.
- Assesses effectiveness of procedures at an operational level.
- Reports directly to the Board Audit and Risk Committee

Risk Culture

At R I L, we recognize the critical importance of fostering a robust risk culture throughout our organization. Our risk culture encompasses the collective values, attitudes, and behaviors that guide how we identify, assess, and respond to risks across all levels of the Company. We believe that a strong risk culture is fundamental to our ability to achieve our strategic objectives while safeguarding the interests of our stakeholders.

Throughout the year, we have continued to prioritize the development and reinforcement of a positive risk culture that promotes transparency, accountability, and proactive risk management. Our leadership team is committed to leading by example and setting the tone from the

top, emphasizing the importance of risk awareness and prudent decision-making in all aspects of our operations.

We have implemented various initiatives to promote a risk-aware culture, including ongoing training and education programs to enhance risk awareness and competency among our employees. Additionally, we have established channels for open communication and feedback, encouraging employees to raise concerns and share insights related to risks and opportunities.

Furthermore, our risk culture is reinforced through our performance management and reward systems, where effective risk management behaviors and outcomes are recognized and incentivized. We believe that by embedding a strong risk culture into the fabric of our organization, we can better anticipate and adapt to evolving risks, seize opportunities for innovation and growth, and ultimately create sustainable value for our stakeholders.

Stakeholder engagement

One of the key objectives of R I L's risk management is to balance the interests of stakeholders, while taking conscious risks that push boundaries and ensure the growth of the Company.

Our risk management principles and processes involve the engagement of key stakeholders such as tenants, suppliers, regulatory bodies, employees, banks, community and environment in order to manage key risk areas affecting each one of them.

Stakeholder	Key risk areas
Tenants	Vulnerability to pricing structure and payment difficulties, potentially leading to credit risk and reduced occupancy rates
Suppliers/ contractors	Disruptions in supply chain and cost escalations due to exchange rate volatility, delayed deliveries, and unfavorable credit terms
Regulatory Bodies	Exposure to financial and operational risks from regulatory shifts, including changes in policy, interest rates fluctuations, and import restrictions
Employees	Talent loss and performance gaps arising from poor retention and lack of necessary skills
Banks	Changes in borrowing capacity and financing cost due to shifting loan terms, interest rates, and repayment pressures
Community	Expectations of local residents and businesses, public perception and online audience affect the reputation and operational risks
Environment	Exposure from environmental impacts associated with emissions, waste, resource consumption, and climate change

With a detailed risk strategy in place, the Company takes into consideration all areas that are impacted by various internal and external factors and draws up a detailed plan to mitigate risks (Refer page 98). With careful planning and monitoring, R I L's objective is to strengthen its resilience to risks and is constantly looking for areas to work on and fortify.

Risk management process



Risk identification is the first step, carried out by Heads of Divisions (HODs), to detect potential new risks and determine changes in existing ones. This is followed by risk assessment and evaluation, handled by the Senior Management, where each identified risk is assessed based on its impact and likelihood, to determine its importance to the Company. A Risk Heat Map is then used to decide the scope and scale of control measures that are required to be undertaken to manage the identified risks. This is accompanied by ongoing monitoring of risk control measures to ensure the achievement of risk objectives. These steps are carried out using a bottom-up approach, where risks are identified at the operational or divisional level and then aggregated to assess their impact on the overall organization. However, Company is not only limited to a bottom-up approach. If deemed more effective, Company adopts a Top-down approach in the risk management process as well. Here, the leadership sets the tone by establishing policies and procedures, defining the risk appetite, and creating a framework for risk management. The strategies and policies are then communicated down the hierarchy for implementation.

Risk reporting is the final step that enables all relevant parties to stay informed of progressive improvements in R I L's risk strategy. R I L's current risk reporting practice is a continuous one that involves bi-annual reports to the Board Audit and Risk Committee (BARC). Concerns regarding existing or potential risks are directly brought to the attention of Senior Management, while ongoing risks are discussed in detail during weekly performance meetings, in order to address them rapidly and effectively. Monthly reporting to HODs takes place, along with risk chats and implementation plans.

After carefully following this process, R I L identify emerging risks and reassess existing ones for the assessment period. Then, new strategies will be formulated to mitigate these risks recording them in the documents mentioned above. The BARC will then review these risk assessments on a bi-annual basis.

Risk analysis and measurement

R I L currently analyses and measures the identified risks based on relevant industry experience and benchmarks, as opposed to a defined metric system. It ranks the risk profile of individual risk categories, on a scale of 1 to 25, which have been mapped in the heat map below based on the likelihood of occurrence and impact on R I L's operations.

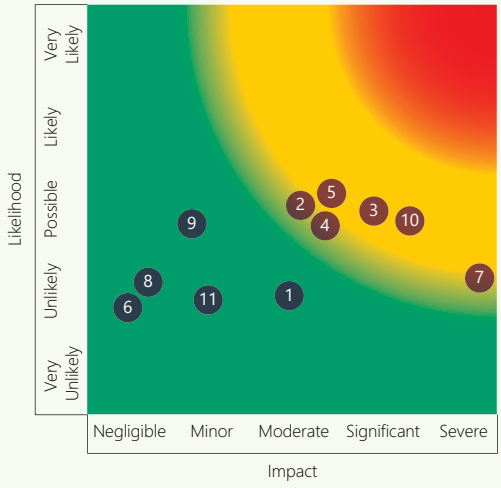
Risk profile (Scale 1-25) = **Risk impact** (Scale 1-5) X **Risk likelihood** (Scale 1-5)

Risk Category	Strategy
Credit Risk	Obtain appropriate financial assurances from clients to ensure their commitment and mitigate potential risks
Reputational Risk	Manage customer and stakeholder feedback thoughtfully and ensure timely follow-up on their concerns or suggestions
Strategic Risk	Set clear performance targets for subsidiaries and put in place a system to regularly monitor the progress
Information Technology Risk	Carry out periodic tests to assess employee awareness and response to potential security threats

Key risk management strategies introduced during 2024/25

After carefully following this process, R I L was able to reassesses existing risks for the Financial Year 2024/25. New strategies were formulated to mitigate these risks. The BARC was appraised of these risk assessments, bi-annually.

Risk Categories and Heat Map



Financial Risks

1. Credit Risk
2. Interest Rate Risk
3. Liquidity Risk
4. Exchange Rate Risk

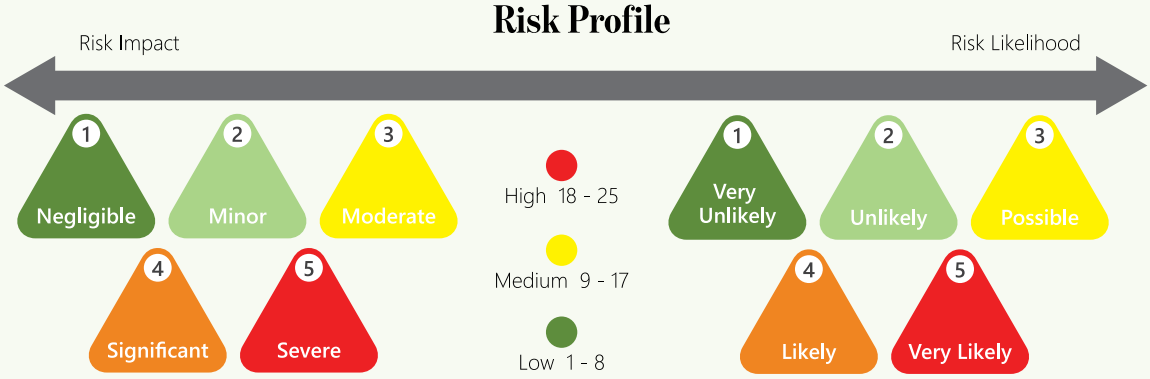
Operational and Compliance Risks

5. Human Resources Risk
6. Health & Safety Risk
7. Damage to Physical Assets Risk
8. Legal & Compliance Risk
9. Reputational Risk

Strategic Risk

10. Strategic Risk
11. Information Technology Risk

Risk Profile



		Risk Assessment		Risk Profile	
Risk	Description	Impact	Likelihood	2024/25	2023/24
1. Credit risk	Risk of tenants not meeting its obligations as per the lease agreements and/or any deferment plans given to them and counterparty not meeting its obligations under financial instrument or customer contract, leading to financial loss.	Mod	Unl	Low	Low
2. Interest rate risk	The probability that financing activities would be affected by fluctuations in market interest rates. Mainly the risk of changes in market interest rates relating primarily to short-term/long-term floating rate-based debt and investments.	Mod	Pos	Med	Hig
3. Liquidity risk	Constraints in the Company's financial resources, restricting its ability to meet its obligations that fall due in the normal course of business.	Sig	Pos	Med	Med
4. Exchange rate risk	Arises from the fact that future commercial transactions are carried out in a currency other than the Company's functional currency.	Mod	Mod	Med	Hig
5. Human Resources Risk	Arises from the challenges in building and maintaining a capable workforce, including skill gaps, limited development opportunities, high talent competition, employee well-being concerns, weak succession planning, and challenges in fostering diversity, inclusion, and compliance.	Mod	Pos	Med	Med
6. Health and safety risk	Inadequacy in higher standards of health and safety systems and procedures to prevent accidents and incidents for customers, employees, contractors and visitors	Neg	Unl	Low	Low
7. Damage to physical assets risk	Losses or damages incurred due to natural disasters or other unforeseeable events	Hig	Unl	Med	Med
8. Legal and compliance risk	Non-compliances with laws and regulations resulting from changes in legal regulations including Government policies	Neg	Unl	Low	Med
9. Reputational risk	Potential loss of earnings arising from negative public opinion regarding the Company and its actions, and the inability to manage the expectations of customers, shareholders, investors and the public	Min	Pos	Low	Low
10. Strategic risk	Impact on business continuity arising from disruptive events or decisions, as well as untapped opportunities or threats embedded in, and arising from, the business model	Sig	Pos	Med	Med
11. Information technology risk	Potential loss or harm related to technical, infrastructure, or the use of technology within the Company	Min	Unl	Low	Low

Key mitigation actions continued from last Financial Year for medium and above rated risks



Interest Rate Risk

- The Management Investment Committee evaluates investment opportunities with higher return and varying nature
- Interest rates are frequently monitored and renegotiated wherever possible and competitive rates are pursued to minimize borrowing costs



Liquidity Risk

- Invest in highly liquid financial instruments to ensure there are sufficient funds available to meet future cash requirements, as they arise
- Cash positions are monitored frequently through periodical cash flow forecasts and solvency-based analysis, in order to ensure future cash needs are met



Exchange Rate Risk

- Implement hedging strategies for foreign currency payments at predetermined exchange rates, wherever possible
- Monitor exchange rates regularly and update foreign currency quoting rates as needed



Human Resources Risk

- Remuneration is determined by market surveys to ensure that it is maintained on par with the industry, and salaries are adjusted when deemed necessary
- Grievance handling and whistleblowing are part of the Company policy to enable employees to raise concerns freely
- Evaluate employee performance based on Key Performance Indicators and prioritize training and development needs of the workforce by inculcating a learning and development culture



Damage to physical assets risk

- Insurer risk surveys are conducted annually on existing policies and recommended improvements are implemented accordingly
- Appropriate insurance covers are in place to recover financial losses due to damage to physical assets
- Computer-based Maintenance Management Software is in place to monitor equipment data, track breakdown history and create efficient machine maintenance schedules



Strategic risk

- R I L's investment strategies and performances are assessed regularly by the Board, while the CEO closely reviews the effective implementation of the same
- Industry-specific market research analysis that is conducted by an independent research institute is obtained and reviewed to identify market needs
- The Company has a Business Continuity Plan to address critical incidents

Corporate Governance

Chairman's message on Corporate Governance



Dear Shareholder,

At the heart of our sustained success lies a deep-rooted commitment to good governance. To me, good governance is not merely about compliance with rules and regulations–it is about cultivating an ethical culture, fostering accountability and ensuring that decision-making across the organization is transparent, inclusive and aligned with our long-term goals. It is the foundation upon which we build trust with our stakeholders.

As Chairman, I consider it my foremost responsibility to lead the Board with clarity of purpose and integrity. During my tenure, I have remained focused on ensuring the effectiveness of the Board by encouraging strategic thinking, fostering constructive dialogue, and ensuring that all voices are heard. Regular evaluations and continuous engagement have helped us identify opportunities for improvement while strengthening our collective performance.

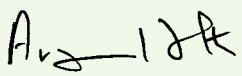
The culture of our Board is open, respectful and grounded in mutual trust. We actively encourage diverse perspectives and robust debate and I am proud of the environment we have created–one where all directors, including our non-executive members, feel empowered to contribute meaningfully. It is through such collaboration that we make well-informed and balanced decisions.

Our governance culture is firmly embedded across the organization and closely aligned with our policies and procedures. It is reinforced through well-defined metrics, performance evaluations and incentive systems that uphold our values and support ethical conduct at all levels. This alignment ensures that our governance practices are not only aspirational but operationalized in everything we do.

I wish to confirm that in accordance with

1. section 9.1.3 of the Listing Rules, this report together with the annexures, confirm the extent of compliance with the Corporate Governance Rules under the Listing Rules;
2. section 9.2.2 of the Listing Rules, to the best of my knowledge, there have been no material violations of the provisions of the Code of Ethical Business Conduct applicable to our employees, Directors, or the Company during the year. Further, the Company has not granted any exemptions or waivers to the adherence of the Code;
3. section 9.7.5 of the Listing Rules, all Directors, including the Chief Executive Officer, have submitted their declarations on fitness and propriety and continue to satisfy the fit and proper criteria stipulated in the Listing Rules;.
4. section 9.5.2 of the Listing Rules, all requirements relating to the policy on matters relating to the Board have been duly complied with.
5. section 9.8.5 of the Listing Rules, the Board of Directors made an annual determination on independence of the Directors based on the declarations submitted by each director and other information available. The names of the directors who are deemed independent as at 31 March 2025 are duly disclosed in this report;
6. section 9.17 of the Listing Rules,
   a. all Directors have declared all material interests in contracts involving in the Company and have refrained from voting on matters in which they were materially interested;
   b. the Board has conducted a review of the internal controls covering financial, operational and compliance controls and risk management and have obtained reasonable assurance of their effectiveness and successful adherence therewith;
   c. the Board has made arrangements to make ourselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions;
   d. to the best of my knowledge, there are no relevant areas of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority
7. Section 9.14.8 (iv), rules pertaining to Related Party Transactions have been duly complied with

I would also like to take this opportunity to extend a warm welcome to the new members who have joined our Board. We are confident that their expertise and insight will be invaluable as we move forward. I also extend my sincere gratitude to those who have stepped down during the year–their service and commitment have been instrumental in shaping the direction and values of this organization.



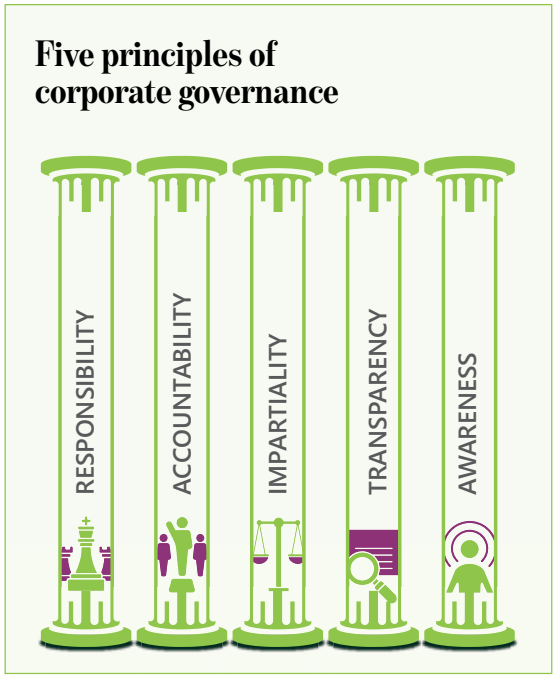
Mr. A. Herath
Chairman

4 June 2025

Introduction to Corporate Governance

Corporate governance is the cornerstone of our organization's commitment to maintaining the highest standards of accountability, transparency and ethical conduct. It provides the framework through which we guide our strategic decisions, manage risks and ensure that our business operations align with the interests of our stakeholders.

Through our governance practices, we uphold the principles of fairness, responsibility and transparency in all our dealings, striving to build trust and value for our shareholders, employees, customers and the communities we serve.



This report provides an overview of the Company's governance framework, detailing the internal standards, processes and practices adopted to ensure alignment with recognized best practices. It also underscores the Company's strong commitment to regulatory compliance.

We are pleased to confirm full compliance with the applicable listing rules and, to the fullest extent practicable, have adopted the Corporate Governance Code 2023 issued by the Institute of Chartered Accountants of Sri Lanka (CG Code 2023).

How to Navigate this Corporate Governance Report

This Corporate Governance Report is structured to provide clear insight into the processes we follow in each area of governance.

Each section outlines the specific procedures and practices in place, followed by a detailed account of the key developments and actions taken throughout the year. This approach allows for a comprehensive understanding of how governance practices are implemented and how they have evolved over the reporting period.

This report should be read alongside the accompanying corporate governance annexures.

Our Governance structure

Our corporate governance structure is designed to ensure accountability and effective oversight across all levels of our organization. The structure is centered around the Board of Directors, which is supported by several sub-committees.

These sub-committees are tasked with focusing on specific areas delegated to them by the Board and report directly to the Board. The Board itself is accountable to the shareholders, ensuring that all actions and decisions align with shareholder interests and regulatory requirements.

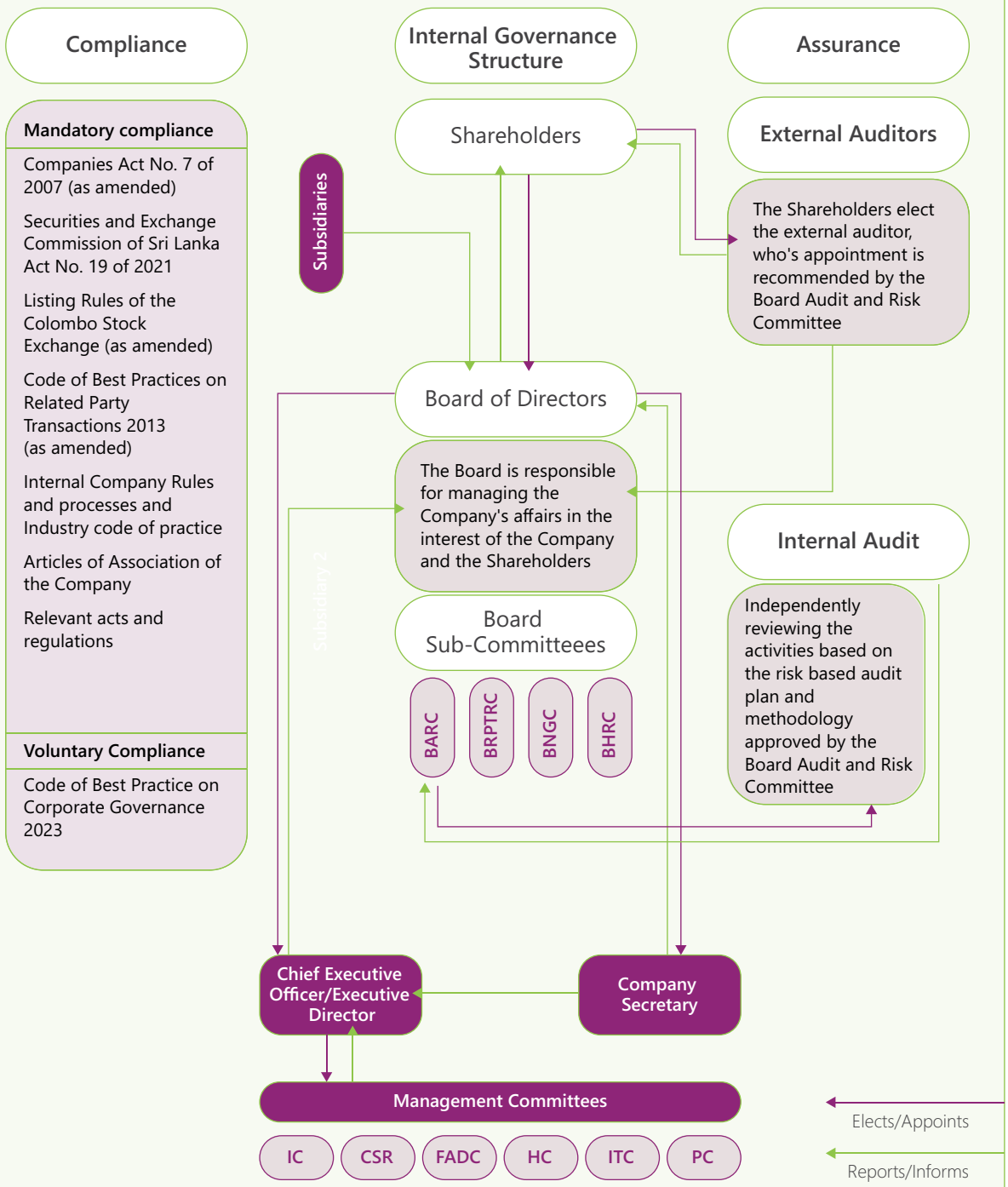
The Company Secretary plays a crucial role in the governance structure by ensuring compliance with statutory and regulatory requirements, facilitating effective communication between the Board and shareholders and providing guidance on corporate governance best practices.

With respect to internal assurance, the Internal Audit function reports directly to the Board Audit and Risk Committee (BARC), thereby ensuring its independence and enabling robust oversight of internal controls and risk management practices

Externally, the External Auditors report their findings to both the Board and the shareholders, facilitating transparency and trust.

Management committees focusing attention on specific operational aspects are in place which report directly to the Chief Executive Officer (CEO), who then reports to the Board.

Governance Structure



BARC – Board Audit and Risk Committee
BRPTRC – Board Related Party Transactions Review Committee
BNGC – Board Nominations and Governance Committee
BHRC – Board HR and Remuneration Committee

IC – Investment Committee (Selecting and monitoring investment options)
CSR – Corporate Social Responsibilities Committee (Proposing and implementing CSR activities)
FADC – Fixed Assets Disposal Committee (Assessing and approving the disposal of fixedassets)
HC – Health Committee (Ensuring a health work environment to all employees and other stakeholders)
ITC – IT Steering Committee (Implementation of the IT governance framework within the Company)
PC – Purchasing Committee (Reviewing and approving Company's policies on purchases of goods and services)

What we did in 2024/25

During the year, the Board Nominations and Governance Committee (BNGC) undertook a review of the current governance structure of the Company. The Committee was satisfied that the structure was sufficient to support the strategy and the business model of the Company.

The Company operates within its internal governance benchmarks while complying with both voluntary as well as mandatory external governance requirements.

Internal

Mandatory compliance

- Articles of Association
- Code of Ethical Business Conduct for employees and Directors
- Terms of References of Board sub – committees
- Compliance Policy
- Whistleblowing policy
- Policy on dealing with shares of the Company
- Policy on anti-bribery and corruption
- Policy on Board matters
- Policy on Board sub-committees;
- Policy on Corporate Governance, Nominations and Re-election
- Policy on Shareholder and Investor communications
- Policy on remuneration
- Policy on corporate disclosures
- Policy on risk management and internal controls
- Policy on control and management of company assets and shareholder investments
- Policy on Environmental, Social and Governance sustainability
- Policy on governance of subsidiary companies
- Other policies and procedures

External

Mandatory compliance

- Companies Act No. 07 of 2007 (as amended) (CA 2007)
- Listing Rules of the Colombo Stock Exchange (as amended) (CSE) (Listing Rules)
- Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021
- Code of Best Practice on Related Party Transactions December 2013
- All other laws and regulations applicable to the business

Voluntary compliance

- CG Code 2023

Table: Mandatory and voluntary compliance

All policies mandated under section 9.2.1 of the Listing Rules are listed above (published on the Company website) and forms part of the mandatory compliance. No changes were made to these mandatory policies during the year warranting disclosure.

The Board

(Principle A.1 and A.5 of the CG Code 2023)

(GRI disclosure 2-9)

As the highest governance body, the Board of Directors is responsible for providing effective leadership and direction, to enhance the long–term values of the Company, to its' shareholders and other stakeholders.

Board balance

Structure and composition

Our Board combines an appropriate and diverse balance of skills, industry experience and perspectives to objectively and effectively discharge the responsibilities.

Appropriate Board size promotes accountability and promote a healthy and constructive debate. The Board at the end of the reporting date comprised of 9 directors, out of which 8 are Non-executive Directors. Out of the 8 non-executive directors, 6 were independent.

What we did in 2024/25

During the year, the following directors resigned from the Board:

- Mr. S. G. Wijesinha, non-independent, non-executive director resigned with effect from 31 August 2024
- Mr. L. W. D. Abeyarathne, non-independent, non- executive director resigned with effect from 1 April 2024
- Ms. C. R. Kariyawasam, independent, non- executive director resigned with effect from 28 June 2024.
- Mr. K. P. Ariyaratne, independent, non-executive director resigned with effect from 31 December 2024

To ensure the continued effective functioning of the Board, the above departures were promptly addressed through the timely appointment of new directors. These appointments were made with careful consideration to complement and strengthen the existing skills matrix of the Board.

The BNGC undertook an annual assessment of the current composition of the Board. The Committee was satisfied that the current Board possess a balanced mix of essential skills that align with the Company's current and future strategic needs.

Diversity and inclusion

The assessment of the Board composition comprehensively addresses the aspects of diversity, including age, tenure, gender, expertise and independence, ensuring a well-rounded and effective governance structure.



Age diversity

A diverse age demographic ensures that the Board can effectively anticipate and adapt to changing market dynamics, fostering innovation and resilience. Younger members often offer fresh insights into emerging trends, technologies and consumer behaviors, while more seasoned individuals contribute wisdom gleaned from years of industry experience.

Gender diversity

Our Board acknowledges that gender diversity is essential for fostering a culture of inclusivity and unlocking the full potential of talent within an organization. Women bring unique perspectives, communication styles, and problem-solving approaches to the Boardroom, enriching discussions and driving better outcomes.

Tenure profile

While long-tenured directors provide valuable institutional knowledge and continuity, new members inject vitality and challenge conventional wisdom. By encouraging a mix of long-standing and recently appointed directors, the Board strikes a balance between stability and innovation, fostering an environment conducive to strategic decision-making and long-term success. Long-tenures are associated with firm specific experience and denotes an experienced board. Conversely long-tenures may be seen as undermining independence. The tenure profile, hence is a tool of maintaining a keen balance – an experienced board which can elicit firm value while managing the negative impact on independence, through entrenchment.

Independence

Independent directors play a critical role in challenging management, scrutinizing corporate governance practices and safeguarding the interests of stakeholders. By maintaining a balanced composition of independent directors, the Board mitigate conflicts of interest, enhance transparency and uphold the highest standards of integrity and ethical conduct.

Expertise diversity

Expertise diversity ensures that the Board possesses a breadth of knowledge and skills necessary to address complex challenges and capitalize on opportunities across various business functions.

Please refer pages 36 to 41 for the profiles of the directors detailing their relevant areas of expertise.

Core competencies

- Financial acumen
- Strategy and business planning
- Corporate Governance
- Leadership
- Investments
- Legal
- Risk Management
- People and culture

Industry specific skills

- Industry knowledge
- Construction processes, project management, and property development
- Marketing and business development
- Corporate transactions

Emerging trends

- Expertise in Environmental, Social and Governance (ESG) factors/Sustainability
- International experience
- Technological proficiency/ Digital literacy

Skills Matrix

The following matrix identifies the primary skills and core competencies that the Board of Directors collectively brings to bear in service to both the Board and its sub-committees.

While each Director may possess additional skills and competencies not captured in the matrix, all are individually qualified to make unique and substantial contributions. In forming a well-rounded and effective Board, weight is given to the core competencies required, however, where practical, the Company also draws on the expertise of external consultants to address any specific gaps.

Collectively, our Board members' diverse viewpoints and backgrounds significantly enhance the quality and effectiveness of Board deliberations and decision-making.

What we did in 2024/25

The Board took a fresh view on the current skills matrix so as to align it with the imminent strategic and subsidiary governance needs. The subsidiaries accordingly undertook to document the skills matrix for the subsidiaries.

The Board acknowledged that the Board collectively possesses the necessary skills for effective performance of the Board.

Financial acumen

(Principle A.4 of the CG Code 2023)

The Board recognizes financial acumen as a core competency essential for effective governance and decision-making. To ensure strong financial oversight, the Board is composed of directors with sufficient financial knowledge, to offer valuable guidance on financial matters, as at the reporting date.

What we did in 2024/25

When selecting new directors, the Board prioritizes financial acumen to maintain a robust foundation for sound financial decision-making and to support the Company's strategic goals.

Board Demographics and Composition

Board Size	The Board is sizable enough to promote constructive debate and participation	9
Gender diversity	Male 4	Female 5
Board composition	Non-Executive 8	Executive 1
Independence	Independent 6	Non-independent 2
Age diversity	Above 70 years; Between 60 – 70; Between 50 – 60	Average age **Overall Board-Approximately 62 years** **Independent Non-Executive – Approximately 61 years**
Diversity of tenure	Above 5 years; 3 – 5 years; Less than 3 years	**Average tenure overall Board - Approximately 4 years** **Independent Non-Executive-3 years**

Maintaining the independence element of the Board and fitness of directors

(Principle A.1.5 and A.1.6 of the CG Code 2023)

All Directors are expected to exercise independent judgment in deliberations and decision-making at the Board. The Board places strong emphasis on ensuring the effective contribution of independent Directors and considers both their independence and fitness to discharge their responsibilities as key aspects of its governance framework.

The Company Secretary obtains declarations from each director on this information on a quarterly basis.

What we did in 2024/25

Criteria	Assessment	Result
Independence of directors were assessed using the criteria laid down in the Listing Rules and the CG Code 2023. The fitness and propriety of the directors was assessed using the criteria laid down in the Listing Rules.	The independence and fitness assessments were conducted based on the delcarations submitted.	As at 31 March 2025, the following directors were determined to be independent: • Mr. A. Herath; • Ms. C. G. Ranasinghe; • Prof. N. D. Gunawardena; • Ms. M. C. Pietersz; • Mr. M. N. R. Fernando; • Mr. D. T. S. H. Mudalige All Directors considered independent, satisfied the independence criteria. The Board was satisfied that all directors met the fit and proper assessment criteria.

Alternate Directors

(Principle A.5.6 of the CG Code 2023)

The Board is mindful when appointing alternate directors, to appoint only for a limited period of time, that too in exceptional circumstances. The Board ensures that when an alternate director is appointed by an independent Non-executive Director, the alternate director also qualifies the criteria on independence and the minimum number on independent directors on the Board, is satisfied.

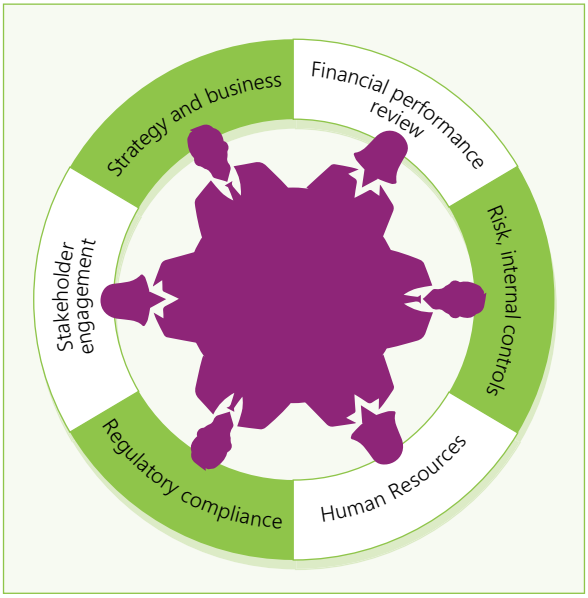
What we did in 2024/25

Ms. V. S. Weerasekera who was appointed as an alternate director to Ms. L. E. M. Yaseen ceased to be her alternate director having completed one year.

Board Responsibilities

(Principle A 1.2 of the CG Code 2023)

The Board's key role is to provide entrepreneurial leadership of the Company within a framework of prudent and effective controls, which enables risks to be assessed and managed.



Performance and strategy monitoring

(GRI 2-12)

The Company's governance framework plays a critical role in shaping and overseeing the execution of its strategy, ensuring that strategic decisions align with long-term objectives and stakeholder interests. The Board actively participates in the formulation of the Company's strategic direction, with oversight from key governance committees such as the BARC, which help ensure that risks are properly managed while pursuing growth opportunities.

Performance is closely monitored through a set of financial and non-financial Key Performance Indicators (KPIs), which are regularly reviewed to assess progress towards strategic goals.

Governance structures are also essential in holding the Management accountable for delivering on the strategy and adapting to changing market conditions. By integrating strong governance practices with the Company's strategy, the Board ensures that both financial performance and broader sustainability goals are achieved, creating long-term value for stakeholders.

What we did in 2024/25

Throughout the year, the Board focused extensively on refining and guiding the Company's overall business strategy, ensuring that it aligned with both short-term objectives and long-term goals. The Board critically evaluated the Management's proposals and provided valuable insights and refinements, fostering a strategic approach that supports sustainable growth and value creation.

In addition to overseeing the Company's primary strategy, the Board also reviewed and discussed the business strategies presented by the subsidiaries, ensuring that their objectives were consistent with the Company's broader goals.

The Board recognized that defining clear risk boundaries is crucial for ensuring that the Company's risk-taking activities remain within acceptable limits, aligning with its strategic objectives and long-term sustainability. By working closely with the BARC, the Board carefully assessed the Company's risk profile, considering both external and internal factors, and set risk appetite levels that reflect a balanced approach between pursuing growth opportunities and managing potential risks.

Relationship with the Senior Management

The Board delegates the day-to day management of R I L to the CEO. The CEO leads the Senior Management of R I L in carrying out the strategy determined by the Board.

The Senior Management meets regularly to discuss all aspects of the business, including the strategy, the allocation of resources, investment opportunities, culture, financial and non-financial performance. The Senior Management is required to attend the Board meetings to update the Board on performance and other matters within their purview. There is an annual meeting to discuss on strategy and there are regular updates at Board meetings between these times.

Segregation of roles of the Chairman and Chief Executive Officer

(Principle A.2 of the CG Code 2023)

In line with the principles of good corporate governance, the roles of Chairman and the CEO are assumed by different individuals.

The Chairman, Mr. A. Herath is an Independent Non-Executive Director, while the CEO, Ms. L. K. A. H. Fernando is an Executive Director.

There is a clear division of responsibilities between the Chairman's responsibility to manage the Board and the CEO's responsibility to manage the Company's business and thereby ensures a balance of power and authority.

Role of the Chairman

(Principle A.3.1 of the CG Code 2023)

(GRI 2-11)

As the person responsible for running the Board, the Chairman ensures to preserve order and facilitate the effective discharge of the Board functions.

Summary of the role of the Chairman

- Take a leading role in the Company's drive to achieve and maintain a high standard of corporate governance with the full support of the directors, Company Secretary and the senior management;
- Encourage the effective participation of both non – executive and executive directors within their respective capabilities for Company's benefit;
- Develop the agenda in consultation with the CEO, directors and the Company Secretary, approve the agenda for the Board meeting and ensure sufficient allocation of time through discussion of agenda items;
- Ensure that the Board members receive accurate, timely information to enable them to make clear and sound decisions;
- Ensure regular meetings, the minutes of which are accurately recorded and where appropriate, include the individual and collective views of Directors;
- Facilitate and encourage discussions among all directors in decision making;
- Maintain a balance between non – executive and executive directors;

Meeting with Non-Executive Directors

(Principle A. 5.9 of the CG Code 2023)

The Chairman ensures to hold meetings with the Non-Executive Directors without the presence of the Executive Directors, as necessary.

What we did in 2024/25

During the year, Mr. A. Herath met once with the Non–Executive Directors without the presence of the Executive Directors.

Role of the Company Secretary

(Principle A.1.4 of the CG Code 2023)

The Company Secretary ensures the organization complies with legal and governance requirements by managing Board and shareholder meetings, preparing agendas and recording minutes.

Additionally, the Company Secretary serve as a key point of contact for regulators and shareholders, fostering strong relationships and ensuring adherence to corporate governance standards while facilitating the flow of information between the Board, Chairman, CEO and management, ensuring timely submission of board papers and maintaining statutory registers and returns.

The Company Secretary, Ms. R. Weudagedara, an Attorney-At Law was appointed by the Board in 2017.

What we did in 2024/25

The BNGC has in place a process to measure the effectiveness of the Company Secretary role as part of our commitment to strong governance practices. The purpose of this assessment is to enhance accountability, identify areas for improvement and ensure that the Company Secretary effectively supports the Board and promotes sound decision-making.

The effectiveness of the Company Secretary role was measured during the year. The Committee was satisfied that the role of the Company Secretary was functioning effectively.

Directors' and Officers Liability Cover

(Principle A. 1. 4 of the CG Code 2023)

The Board recognizes the importance of having an adequate Directors and Officers (D&O) insurance coverage to protect its members from potential liabilities arising from their decisions and actions in their official capacities.

This coverage is regularly reviewed to ensure it remains appropriate and effective in safeguarding the interests of the Board and the Company.

What we did in 2024/25

The D&O cover was reviewed by the BNGC, taking into consideration various new laws and regulations introduced during the year.

Following this review, the D&O insurance was renewed to ensure adequate protection for the Board members. In addition, the Company has in place a Directors and Officers indemnity cover, further safeguarding the interests of the Directors and Officers against potential legal liabilities.

Selection and appointments to the Board

(Principle A.7.1 and A.7.2 of the CG Code 2023)

(GRI 2-10)

The BNGC has in place a formal process for the selection of new directors, to increase transparency of the nomination process in identifying and evaluating nominees for directors.

Factors for consideration

Views of stakeholders



Incorporating the views of stakeholders into the nomination process helps ensure that the Board's composition aligns with the expectations and priorities of those who are invested in or impacted by the Company's operations.

Diversity



Diversity is used in the selection process by setting clear criteria to ensure the board includes individuals with different backgrounds, such as gender, age, professional experience, and thought.

Independence



Independence is a key criterion used to ensure that directors can exercise objective judgment without undue influence from management or other stakeholders.

Competencies relevant



The board should include individuals who possess specific knowledge, skills and experience that align with the company's operational context.

What we did in 2024/25

When making new appointments, the BNGC carefully considered the skills matrix, which outlines the predefined skill and knowledge requirements for the Board.

The Committee recommended the appointment of three directors whose experience and expertise align with the strategic needs of the Company. In making these recommendations, the Committee also took into account the importance of diversity, ensuring that the appointments reflected a balanced and inclusive approach to board composition.

Mr. A. Herath, Mr. M. N. R. Fernando and Mr. D. T. S. H. Mudalige were appointed to the Board during the year. These appointments were duly disclosed to the CSE. The Board is confident that these directors possess attributes that complement and expand the skill set, experience and expertise of the board as a whole, having regard to the current structure, size, diversity profile and skills matrix and the needs of the board.

Succession

The BNGC is entrusted with the task of developing succession plans for the Board of Directors and other Key Management Personnel and determine training and development needs.

Re-election of Directors

(Principle A.8.1-A. 8.2 and A. 9.3 of the CG Code 2023)

The re-election or election of directors is governed by the Articles of Association and performed at the Annual General Meeting (AGM) of the Company.

Directors who are appointed to fill the casual vacancy hold office until the next AGM and thereafter seek election by shareholders, in line with the Articles of Association.

The BNGC employs a thorough assessment process when considering the recommendation to the board on the re-election of a director.

What we did in 2024/25

The Committee developed a comprehensive set of criteria to evaluate directors who are due for retirement by rotation. This criteria includes considerations of time commitment, strategic alignment and overall contribution to the Company, as well as the necessary skills and expertise required for the role. Additionally, the Committee ensures that the independence and objectivity of directors are thoroughly assessed, maintaining a high standard of governance and ensuring that the board remains effective and balanced.

Accordingly,

a. Ms. M. C. Pieterz shall retire and offer herself for re-election in terms of Article 83 of the Articles of Association at the AGM to be held on 30 June 2025. A brief resume of Ms. M. C. Pieterz is on page 39
b. Ms. L .E. M Yaseen shall retire and offer herself to be re-appointed in terms of section 211 of the CA 2007 at the AGM to be held on 30 June 2025. A brief resume of Ms. L .E. M Yaseen is on page 37
c. Mr. A. Herath shall retire and offer himself for election in terms of Article 89 of the Articles of Association at the AGM to be held on 30 June 2025. A brief resume of Mr. A. Herath is on page 36
d. Mr. M. N. R. Fernando shall retire and offer himself for election in terms of Article 89 of the Articles of Association at the AGM to be held on 30 June 2025. A brief resume of Mr. M. N. R. Fernando is on page 40
e. Mr. D. T. S. H. Mudalige shall retire and offer himself for election in terms of Article 89 of the Articles of Association at the AGM to be held on 30 June 2025. A brief resume of Mr. D. T. S. H. Mudalige is on page 41

Resignations

In the event a Director wishes to resign from his/her position as a Director, he/she is expected to provide a written communication to the Board formally tabling his/her resignation along with reasons for such resignation. Chairman will bring the resignation, to the attention of the Board members.

The resignation shall also be promptly informed to the CSE together with a statement confirming whether or not there are any matters which need to be brought to the attention of the shareholders.

Board Meetings

(Principal A.1.1 of the CG Code 2023)

Process

The dates of board and board sub – committee meetings are scheduled well in advance at the beginning of the year. To assist directors in planning their attendance, the Company Secretary consults every director before fixing the dates for these meetings.

Frequency

Board meetings are usually held on a quarterly basis, unless business exigencies demand the convening of additional meetings.

Urgent matters are also referred to the board via circulation, where an in-person meeting is not feasible, however this is the exception, not the rule. Instances where decisions are made by way of circular resolutions, all relevant information pertaining to the resolution are sent along to enable the directors to clearly understand the purpose for which a resolution is being circulated. However, if a single director deems it necessary that such resolution much be declared at a board meeting and not by circulation, the Chairman shall put the resolution to be decided at a meeting.

As a practice of good governance, all resolutions which are passed during a quarter are tabled at the meeting subsequently by the Company Secretary, for the information of the Board.

Mode of holding meetings

Telephonic attendance and conference via audio – visual communication at board and sub – committee meetings are allowed under the Articles of Association and the Terms of References (TOR) of board sub-committees.

The details of the number of Board meetings held in the year as well as the attendance of each Board member at those meetings are disclosed below:

Name of the Director	Board	BARC	BRPTRC	BHRC	BNGC
Mr. A. Herath – Chairman	10/10		6/6	2/2	2/2
Ms. L. E. M. Yaseen	10/15		2/7		
Ms. L. K. A. H. Fernando**	15/15				
Ms. C. G. Ranasinghe	15/15	9/9	7/7	3/3	5/5
Professor. N. D. Gunawardena	13/15			3/3	
Ms. M. C. Pietersz	14/15	9/9	7/7		5/5
Ms. V. S. Weerasekera	14/15	8/9			
Mr. D. T. S. H. Mudalige	1/1		2/2	0	
Mr. M. N. R. Fernando	1/1	2/2			0

Directors who resigned during the year

Name of the Director	Board	BARC	BRPTRC	BHRC	BNGC
Mr. S. G. Wijesinha	9/9	5/5	3/3	1/1	3/3
Ms. C. R. Kariyawasam	5/5	3/3	2/2		3/3
Mr. K. P. Ariyaratne	7/9	3/4	2/2	3/3	

***Attendance – Attended / Eligible to attend**
**** CEO/Executive Director attended the Board sub-committee meeting by invitation, where necessary**

Minutes of meetings

(Principle A.5.10 of CG Code 2023)

The process for drafting the minutes involves a detailed and comprehensive approach to capture all discussion points. The Company Secretary attends the meetings, meticulously taking down the minutes to ensure accuracy. Once drafted, the minutes are submitted to the Chairman for review and approval.

Afterwards, the draft is circulated to other members for their comments and feedback. In cases where issues cannot be resolved unanimously, the differing opinions and concerns are duly recorded in the minutes to reflect all perspectives. This process ensures that the minutes are thorough, transparent, and a true representation of the meeting's proceedings.

Supply of Information

(Principle A.6 of the CG Code 2023)

In order for the board to effectively discharge its responsibilities, we ensure that comprehensive and timely information is provided on a structured and regular basis. This enables the board to make informed decisions and fulfill its oversight duties. The structure and process for submitting this information have been carefully established and agreed upon by the board, ensuring consistency, clarity, and relevance in the data shared.

In order to facilitate effective conduct of meetings, the agenda and the papers required for the meeting is sent to the directors at least seven days before the meeting.

Procedure to obtain independent professional advice

The board allows directors to seek independent professional advice if dissatisfied with Management or majority opinions on board matters. The director must request this through the Company Secretary, verbally or in writing.

If internal expertise is unavailable or external advice is deemed necessary by the Chairman and director, the board approves an external expert based on qualifications and independence, with costs covered by the Company unless the advice solely benefits the director. The director shares the advice with the board via the Company Secretary, submitting any charges for payment.

What we did in 2024/25

During the year, we initiated a survey titled 'What a Good Board Pack Looks Like' to gather valuable feedback from the board on the types of information they require and the preferred structure for presenting this information. This initiative was aimed at enhancing the quality and relevance of the materials provided to the Board, ensuring they have the right data in the most effective format to support informed decision-making.

In addition, as part of our ongoing commitment to sustainability and efficiency, we transitioned to "Board PAC" the digital meeting platform. This move not only aligns with our environmental goals but also makes it easier for the directors to access and review information in a timely manner, ensuring smoother and more effective communication during meetings.

Effectiveness of Board Meetings

Prior to Board meetings

All Board meetings are informed to the Board at the beginning of the year

Directors are given the opportunity to include matters in the Agenda

The Chairman draws up the agenda in consultation with the CEO, directors and the Company Secretary

Notice of meetings, agenda, Board papers are dispatched at-least 7 days prior to the meeting

Directors have independent access to the Company Secretary and the discretion to obtain external advise ,at the expense of the Company

During Board meetings

Chairman

facilitates the constructive dialogue between all Directors at Board meetings;

ensures effective participation and contributions from all directors within their respective capabilities

Sub-committee Chairman

Board sub-committee Chairmen/ Chairpersons provide updates on matters discussed at committee meetings;

Minutes of Board sub-committee meetings are tabled at subsequent Board meetings, for the information of the Board;

CEO

Gives a comprehensive and complete update on the operational and finacial aspects

Company Secretary

The Company Secretary attends all meetings and ensures that applicable rules, regulations and Board procedures are complied with;

After Board meetings

The Board follows up on the information on issues that were brought up at the Board meetings

The draft minutes of the Board meeting will be circualted for approval by the Company Secretary

The Company Secretary prepares the "Matters arising" in consulation with the CEO and the Chairman

Board induction and training

(Principle A.1.8 of the CG Code 2023)

Board induction

The Company Secretary is responsible to ensure that the Director receives an induction, on joining the Board.

On appointment, the new director undergoes a comprehensive induction program to familiarize of the business and governance policies at R I L. New Director is provided with a comprehensive orientation pack consisting of all relevant external and internal regulations that the director should be aware of. Formal meetings with the senior management are held, thereby facilitating board interaction and independent access to the senior management. As a part of the induction process, site visits are also arranged upon request.

What we did in 2024/25

The directors who were appointed during the year received a comprehensive induction at the time of their appointment to ensure they were well-equipped to carry out their roles effectively.

To further enhance the efficiency of the induction process, a post-evaluation questionnaire was shared with the directors to gather feedback and identify areas for improvement.

Training for Directors

(GRI 2-17)

The board acknowledges the need for continuous development and expansion of knowledge and skills of new and existing directors.

- Adequate knowledge sharing opportunities are provided on a continuous basis at the cost of the Company, in relation to general aspects of directorship as well as matters specific to the industry and the Company;

- The BNGC reviews and makes recommendations on the training and professional development programs to the board;
- The annual self – assessment by directors also identifies if there are any training needs of directors
- As a part of the Company's continuing education process for directors, the Company Secretary circulates to the board any articles, press releases to keep the directors updated on current trends and issues.
- The Company Secretary also informs the directors on the training avenues available, matters that are current and relevant to the board's effective performance, which also include matters specific to the industry and the Company. These training programs may be conducted either by the Company's internal experts in the relevant field or by external agencies.
- From time to time, board members are given insights into regulatory changes that may impact the industry, at board meetings.

What we did in 2024/25

List of trainings conducted during the year

Area	Resource	Number of hours
Industry related		
Real estate market updates	Internal	1.5 hours
ESG training	External	1 hour
Regulatory related		
Amendments to the Listing Rules	Internal	0.5 hours
Personal Data Protection Act	Internal	0.5 hours
Incorporation on anti-corruption policies to corporates	External	3 hours
Board Leadership refresher	External	8 hours
Role of Directors for better Governance	External	2 hours

Performance appraisal of the Board and sub-committees

(Principle A.9 of the CG Code 2023)

It is of importance that the board periodically appraises its own performance, in order to ensure that it adequately meets its responsibilities as well as to facilitate continuous improvement individually and collectively.

The Board has implemented a process for assessing the effectiveness of the board as a whole, effectiveness of its board sub–committees and the contribution by each individual director to the effectiveness of the board, on an annual basis.

What we did in 2024/25

The BNGC reassessed all performance evaluation templates for board and sub-committees, with the aim of facilitating a comprehensive assessment. This strategic initiative was intended to enhance the effectiveness of the board and its sub-committees by ensuring a thorough and holistic evaluation process and considering the changes of the scope in light of the CG Code 2023 as well as the Listing Rules.

The process for the performance evaluation of the board which was followed during the year is as follows:

Area	Conducted by
Overall performance of the Board	All directors
Self – Evaluation by each Director	All directors
Performance Evaluation of the Board sub-committees	Chairman
Performance Evaluation of performance of the Chairman	All directors (Other than Chair)
Performance Evaluation of the Non-Executive Directors	Executive directors
Performance Evaluation of the Executive Directors	Non-Executive directors

The collective outcome thereafter was compiled and tabled at a BNGC meeting, which made recommendations to the board on actions needed to be taken to improve the balance of skills, experience, industry and Company knowledge, training for the directors and other factors pertaining to Board effectiveness.

Performance appraisal of the CEO

(Principle A 11.1 and A.11.2 of the CG Code 2023)

At the beginning of the Financial Year, the board discusses and set financial and non-financial targets to be achieved by the CEO during the year, in line with the short, medium and long- term objectives of the Company.

In doing so, the Board will take into consideration the changes in the operating environment. The CEO is responsible to provide the board with explanations for any adverse variances together with proposed actions to be taken.

Remuneration is revised based on the performance. Areas identified for improvement are communicated to the CEO inclusive of any training needs, skills and any knowledge gaps.

What we did in 2024/25

As delegated by the board, the evaluation of the CEO was conducted by the Board HR and Remuneration Committee (BHRC) during the year. The BNGC ascertained that a suitable process is maintained for the periodic evaluation of the performance of the CEO to ensure that responsibilities are satisfactorily discharged.

Code of conduct for Directors and employees

(Principle D.6.1, D.6.5 and D.6.6 of the CG Code 2023)

The board is committed to creating an ethically conducive culture and set the tone from the top. The board has in place a Code of Conduct and Ethics which all directors and employees are required to adhere to. The Code of Conduct and Ethics for employees is accessible on the intranet, which serves as a base for promoting good business conduct among all employees.

All employees receive training on compliance with the Code as a part of their induction. Thereafter refresher sessions are held on bi-annual basis.

What we did in 2024/25

A confirmation on regular refresher sessions on communicating the Code to employees was provided to the BARC.

The Code of Conduct for employees was revised during the year to ensure it remains aligned with the Company's values and evolving regulatory standards.

To reinforce accountability and adherence, the Company has a two-fold declaration mechanism to monitor compliance with the Code. All employees are required to submit an annual declaration affirming their compliance with the provisions of the Code. In addition, senior management provides a quarterly declaration confirming compliance within their respective divisions. This structured approach serves as a key mechanism to ensure ongoing commitment to ethical conduct and regulatory compliance across all levels of the organization.

Two fold mechanism for monitoring the compliance with the Code of Conduct	Annual declarations from all employees; Quarterly declarations from the Senior Management

Anti-bribery and corruption

Employees under the Code of Conduct are strictly prohibited from participating in any form of corrupt practices, including giving or accepting bribes.

What we did in 2024/25

To formalize the Company's commitment, the Company implemented a comprehensive policy establishing a zero-tolerance stance on bribery and corruption. Additionally, employee awareness of the policy was heightened through targeted training initiatives.

To reinforce our commitment to preventing bribery and corruption, we introduced a Gifts Register for our employees, which is overseen by the HR department. This initiative promotes transparency and accountability by requiring employees to disclose any gifts or benefits received in the course of their work. By maintaining a centralized record, we ensure that any potential conflicts of interest or unethical behavior is identified and addressed promptly.

Managing conflict of interests

(GRI 2-15)

In order to avoid potential conflicts of interests or bias, the approach taken by the Company is illustrated below.

Dealing in shares of the Company

(Principle D.6.2 – D. 6.3 of the CG Code 2023)

The Company has in place a policy on dealing with shares of the Company applicable for directors and employees which sets out the procedure to be followed in case of share trading. All employees sign off a declaration that to the best of their knowledge they have complied with the provisions of the policy on dealing with shares of the Company.

What we did in 2024/25

We revisited the policy on dealing with shares of the Company and implemented more stringent measures to enhance transparency and compliance. A new procedure was established to monitor the trading of shares by directors and Key Management Personnel.

Additionally, we formulated a policy to identify price-sensitive and material information, which is managed through a dedicated compliance committee. These measures help ensure greater accountability and adherence to regulatory requirements, safeguarding the integrity of the Company and promoting fair and transparent trading practices.

Figure: Approach in eliminating conflict of interests

Before appointment	Once appointed	During Board meetings
Nominees are requested to make known their various interests in other companies	The Board is notified • when accepting a new Board position; • Prior to engaging in any transaction that could create or potentially create a conflict of interest; • Quarterly declarations on Board representations in other companies are obtained	Directors who have an interest in a matter under discussion: Excuse themselves from discussing the subject matter; Refrain from voting on the subject matter and ensure that the same is reflected in the minutes

The Company also maintains a register of interests which is available for inspection by the shareholders as required by section 119 (1) of the CA 2007.

Board's policy on other directorships

The Board has formulated a policy governing the acceptance of external directorships by directors to ensure that they are able to allocate sufficient time and attention to effectively discharge their duties and responsibilities to the Company. The Company Secretary plays an active role in monitoring compliance with this policy, ensuring that the prescribed limits on the number of external directorships are not exceeded.

What we did in 2024/25

When considering appointments to the board, the BNGC ensures that candidates have adequate time to dedicate to the role, allowing them to fulfill their responsibilities effectively and satisfactorily. This consideration was one of the key selection criteria used in the appointment process.

Directorships held by each director in other companies as at 31 March 2025 (Including those held in the past 3 years)

Name of Director	No. of Board Seats in Listed Companies (excluding R I L)		No. of Board Seats in Unlisted Companies (excluding R I L)		Total number of directorships and Company names		Material business relation-ships of the director or close family member with other directors
	Executive Capacity	Non Executive Capacity	Executive Capacity	Non Executive Capacity	Number of Directo-rships	Company Name	
Mr. A. Herath		4		10	14	• Senkadagala Finance PLC • Cargills Bank PLC • Watawala Plantations PLC • United Motors Lanka PLC • Data Protection Authority of Sri Lanka • Synapsys Ltd. • Colombo Stock Exchange • Durdans Medical and Surgical Hospital (Pvt) Ltd • Central Depository Systems (Pvt) Limited • CSE Clear (Pvt) Ltd. • Watawala Dairy Limited • Board of Investment • CBL Investment Ltd • The Sri Lanka Institute of Directors	Nil
Ms. L. E. M. Yaseen	N/A			1	1	• RRY Investments (Private) Limited	Nil
Ms. L. K. A. H. Fernando	–	3	–	13	16	• DFCC Bank PLC • United Motors Lanka PLC and it's subsidiaries • Panasian Power PLC and it's subsidiaries • A & T Associates • *PARKLAND* Integrated Solutions (Pvt) Ltd	Nil

Name of Director	No. of Board Seats in Listed Companies (excluding R I L)		No. of Board Seats in Unlisted Companies (excluding R I L)		Total number of directorships and Company names		Material business relationships of the director or close family member with other directors
	Executive Capacity	Non Executive Capacity	Executive Capacity	Non Executive Capacity	Number of Directorships	Company Name	
Ms. C. G. Ranasinghe	N/A		–	1	1	• *PARKLAND* Integrated Solutions (Pvt) Ltd	Nil
Professor. N. D. Gunawardena	–	1	–	7	8	• Resus Energy PLC • Aster Holdings (PVT) LTD • Northshore College of Business & Technology (PVT) LTD • Zays (PVT) LTD • University of Moratuwa • *PARKLAND* Integrated Solutions (Pvt) Ltd • Aster Services (Pvt) Ltd • Ridhi Design Studio	
Ms. M. C. Pietersz	–	4	–	5	9	• Bogala Graphite PLC • Panasian Power PLC • Nations Trust Bank PLC • United Motors Lanka PLC • Hemas Pharmaceuticals (Pvt) Ltd • Compass Advisory Services (Pvt) Ltd • Tambapanni Academic Publishers (Pvt) Ltd • CT CLSA Asset Management (Pvt) Ltd* • CT CLSA Capital (Pvt) Ltd*	Nil
Ms. V. S. Weerasekera	N/A		1		1	• SW Legal	Nil
Mr. M. N. R. Fernando		4	1	1	6	• Haycarb PLC • Dipped Products PLC • Hayleys Fabrics PLC • Hatton National Bank PLC** • Professional Business Consultants (Pvt) Ltd • Assetline Finance Limited**	Nil

Name of Director	No. of Board Seats in Listed Companies (excluding R I L)		No. of Board Seats in Unlisted Companies (excluding R I L)		Total number of directorships and Company names		Material business relation-ships of the director or close family member with other directors
	Executive Capacity	Non Executive Capacity	Executive Capacity	Non Executive Capacity	Number of Directo-rships	Company Name	
Mr. D. T. S. H. Mudalige		6		8	14	• CIC PLC • Ambeon Capital PLC • Ambeon Holdings PLC • Galadari Hotels PLC • Cargo Boat Development PLC • NDB Bank PLC** • CIC Feeds group** • NSBM Green University** • Link Natural Products Limited, ** • Sherwood Capital Limited** • Mahindra Ideal Finance Limited** • Maliban Biscuit Manufactories (Private) Limited** • Allianz Insurance Lanka Limited** • Millennium IT ESP**	Nil

*As at the current date, the director is no longer is a director.

**These directorships are after the reporting date.

Directors who resigned during the year (Directorships as at the resigned date)

Name of Director	No. of Board Seats in Listed Companies (excluding R I L)		No. of Board Seats in Unlisted Companies (excluding R I L)		Total number of directorships and Company names		Material business relation-ships of the director or close family member with other directors
	Executive Capacity	Non Executive Capacity	Executive Capacity	Non Executive Capacity	Number of Directo-rships	Company Name	
Mr. S. G. Wijesinha	N/A			4	4	• SC Securities (PVT) LTD • BizEx Consulting (PVT) LTD • Sampath Centre Limited • Rilagala Farm (Pvt) Ltd	Nil
Mr. L. W. D. Abeyarathne				5	5	• Forest Garden Organics (Pvt) Ltd • H & R Steel Detailing Colombo (Pvt) Ltd • Hynol Lanka (Pvt) Ltd • Wiz Kids Ceylon (Pvt) Ltd • Almaz Equities (Pvt) Ltd	Nil
Ms. C. R. Kariyawasam	N/A		N/A			• Nil	Nil
Mr. K. P. Ariyaratne		1		1	2	• Ceylinco Holdings PLC • Fintrex Finance Ltd	Nil

Further, the Board ensures that no related party benefits from favorable treatment. The Board Related Party Transactions Review Committee (BRPTRC) reviews and provides oversight over related party transactions to ensure they are conducted in a fair manner and in the best interests of the Company.

Delegation of authority and Board sub-committees

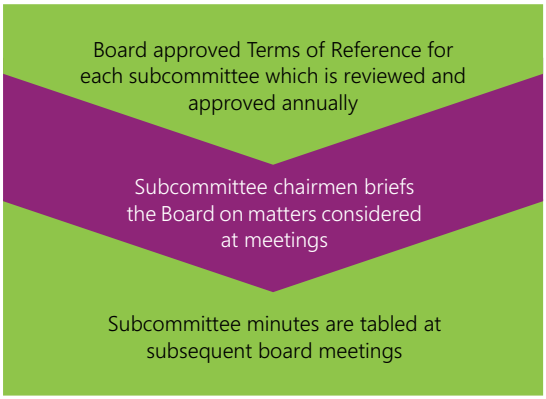
The Board has delegated some of its functions to board sub - committees, enabling the committees to focus on their delegated areas of responsibility and impart knowledge and experience in areas where they have greater expertise.

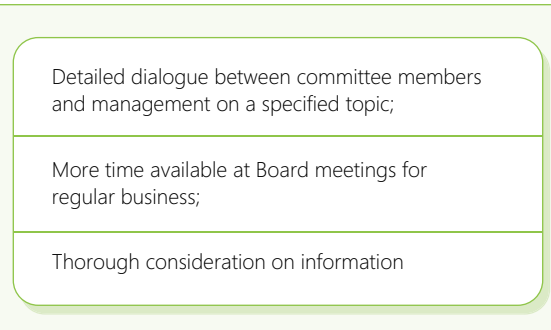
Each board sub-committee has its own written TOR, whose actions are reported to and monitored by the board regularly. The Board accepts that, while these various board sub-committees have the authority to examine particular issues and will report back to the board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board. Recommendations of these Board sub-committees are directly addressed to the Board and minutes of these meetings are tabled and discussed at the main Board meetings.

At present, the Board is supported by the following Board sub-committees:

- Board Audit and Risk Committee (re-named with effect from 18 July 2024);
- Board HR and Remuneration Committee (re-named with effect from 16 October 2024);
- Board Related Party Transactions Review Committee;
- Board Nominations and Governance Committee

Figure : Role of Board sub-committees





Given below are the references to each Board sub-committee report which gives a comprehensive account of each committee.

	Page Number
Board Audit and Risk Committee	139
Board HR and Remuneration Committee	144
Board Nominations and Governance Committee	147
Board Related Party Transactions Review Committee	152

What we did in 2024/25

Following the recent appointments and resignations to the Board, the Board has reconstituted the compositions of its sub-committees. These appointments have been made to ensure that each Committee is composed of members with the appropriate expertise and experience, enabling them to effectively discharge their duties and responsibilities. Additionally, all TORs for the committees were reviewed to ensure they remain adequate and aligned with the Company's governance needs.

Directors Remuneration

Procedures for developing remuneration policies

(Principle B.1 of CG Code 2023)

GRI 2-19

The Company has a robust remuneration procedure, which enables the Company to fix the remuneration of both executive and non-executive directors.

The Board in 2016 established a Board Remuneration Committee (currently known as the Board HR and Remuneration Committee) exclusively consisting of non-executive directors, for the purpose of ensuring that there is a formal and transparent procedure for developing policies on staff remuneration and for fixing the remuneration packages of the individual directors. The input of the Chairman/ CEO is obtained, where necessary. The BHRC from time to time may also seek advice from external professional experts in framing the remuneration policy and determining the level and mix of remuneration for directors.

The Level and make up of remuneration

Principle B.2 of the CG Code 2023

GRI 2-20

Remuneration for Executive Directors

Remuneration for executive Directors is designed to attract, retain and encourage enhanced performance and to ensure that they are rewarded for their individual contribution to the long-term success of the Company in a fair and responsible manner.

Executive Directors do not receive Directors' fees.

Remuneration for employees

In setting the remuneration packages, the BHRC takes into account pay and employment conditions within the same industry, in comparable companies as well as the Company's relative performance.

The remuneration levels of the Company are reviewed from time to time and compared with those of peers in the industry.

When recommending annual salary increases, the BHRC takes into consideration the remuneration and employment conditions of the market. In doing so, the BHRC, may recommend salary surveys to be conducted, if necessary.

Remuneration for Non-Executive Directors

(Principle B.2.13 and B.2.14 of the CG Code 2023)

The BHRC determines the levels of remuneration for Non–executive Directors.

There are no share–based compensation schemes in place for Non–executive Directors.

Compensation for early termination

(Principle B.2.11 and B.2.12 of the CG Code 2023)

In the event of an early termination of a director, there are no compensation commitments, other than for

a. Executive Directors – As per their employment contract, similar to any other employee;
b. Non-executive Directors – accrued fees payable, if any, as per the terms of their contract

What we did in 2024/25

During the year, the remuneration of the non-executive directors was revised. When revising the remuneration of non-executive directors, the BHRC considered several factors to ensure fairness, competitiveness and alignment with the Company's objectives. These factors include market benchmarks to ascertain prevailing industry standards, experience and responsibilities within the Company, the time commitment required for board duties and the Company's financial performance and sustainability.

When determining salary increases for employees, the BHRC carefully considered the appropriate positioning of the Company's remuneration levels, taking into account the compensation offered by comparable companies in the industry.

Communication with shareholders

(Principle C.1 and E.1 of the CG Code 2023)

Policy and methodology for communication

The Company focuses on open communication and fair disclosures with emphasis on the integrity, timeliness and relevance of the information provided.
The Company is committed to having regular, proactive and effective communication with the investors as well as shareholders.

Figure: Communication modes

Shareholder meetings

The AGM is the main event for the shareholders to meet with the board which allows a reasonable opportunity for informed shareholders to communicate their views on various matters affecting the company.

Announcements to the CSE

Announcements of quarterly Interim/ annual financial results, press releases and various announcements on corporate actions are disclosed to the CSE in a prompt and a timely manner in compliance with the Listing Rules of the CSE.

Company website

Information on financial performance, press releases, annual reports, all relevant announcements to CSE and other corporate information is made available on the Company website at http://www.rilproperty.lk/

Designated officer for shareholder communication

Shareholders may contact at any time, the Company Secretary or in her absence the Chairman, on matters related to their shareholding and the Company.

Further, for investor relations, the Chief Finance Officer has been designated.

Feedback from shareholders

In reflection of its commitment to pay heed to the needs of the shareholders, the Company has included a stakeholder feedback form in this Annual Report.

Annual General Meeting (AGM)

(Principle C.1.1 – C. 1. 5 of the CG Code 2023)

The Company ensures that the notice of the AGM together with the circular to the shareholders along with the summary of the procedure governing voting, are sent within fifteen (15) working days to the shareholders. On each substantially separate issue, a separate resolution is proposed and in particular ensures that a resolution is proposed relating to the adoption of the report and the financial statements.

The Company ensures that all valid proxy appointments received for any shareholder meetings are properly recorded and counted and ensures that the following information is maintained in respect of a resolution to be passed:

- The number of shares in respect of which proxy appointments are validly made;
- The number of votes for the resolution;
- The number of votes against the resolution;
- The number of shares in respect of which the vote was directed to be withheld.

The Chairman ensures that the Chairmen of the board sub-committees are available to answer any queries at the AGM if requested by the Chairman.

What we did in 2024/25

The proxy appointment form circulated to shareholders provided them with the option to vote in favor, against, or to withhold their vote if preferred.

Shareholder voting

(Principle E.1 and F.2 of the CG Code 2023)

The Company ensures to conduct regular and structured dialogues with shareholders when required and the Chairman ensures to have the views of shareholders communicated to the Board.

Shareholders are encouraged to participate in General Meetings and to exercise their voting rights.

Process for responding to shareholder matters

(Principle C.2.1 – C. 2.7 of the CG Code 2023)

Shareholders may at any time contact the Company Secretary or in her absence the Chairman on their matters.

Shareholders are encouraged to maintain direct communication with the Board by contacting the Company Secretary, through the following channels.

Email: secy.ril2020@gmail.com
Telephone: +94 112 332 850-1
Address: 33, *PARKLAND*, Park Street, Colombo 02

The Company Secretary maintains records of all correspondence received. As soon as practicable the Company Secretary delivers such correspondence to the board or individual Director, as appropriate.

What we did in 2024/25

The Company formalized the shareholder communications by way of a policy which is available on the Company website. The policy aims to facilitate shareholders' and investors access to public information, promote active engagement and exercise their rights through effective communication channels established by the Company.

Communication of critical concerns

(GRI 2-16)

The policy details the process to be followed in case of major issues and concerns which is as follows:

- Shareholders or investors can raise their queries/ concerns to the board in writing via the Company Secretary.
- Upon receipt of any such communication, the Company Secretary shall immediately forward the same to the board for their review.
- Upon thorough examination, the board will deliberate on the concerns raised and approve the course of action to address these issues.
- Prompt feedback will be provided to the concerned shareholders or investors, either within a specified timeline or as soon as practically feasible, outlining the resolution or steps taken to address their concerns.
- The Company Secretary shall maintain records of all correspondence received.

Major and material transactions

(Principle C.3.1 – C.3.3 of the CG Code 2023)

The Directors ensure that all proposed material transactions are disclosed to the shareholders which if entered into would materially alter/vary the consolidated Group net asset base. In addition, the Company ensures that it complies with the disclosure requirements and the approval of the shareholders in terms of the Listing Rules which relates to the Related Party Transactions.

Board and stakeholder engagement

What we did in 2024/25

During the year, the Board actively engaged with stakeholders to ensure our strategies reflected their priorities.

Clients benefited from the Board's oversight of client relationship management, reviewing tenant feedback to address issues promptly and advising on incorporating environmentally friendly practices into leasing offerings, enhancing tenant satisfaction and sustainability.

Employees were supported through the board's review of engagement survey results, oversight of HR policies, monitoring of systemic grievances and endorsement of training programs for growth, while ensuring that executive compensation is aligned with Company goals and fostering a positive, ethical workplace culture.

Shareholders were engaged via the AGM and the board's approval of quarterly and annual financials alongside the annual report prior to publication, promoting transparency and trust.

Regulators saw collaboration through the board's oversight of compliance with reporting requirements and alignment with industry standards, ensuring adherence to legal and ethical benchmarks across operations.

Financial institutions were also a key focus, with the board engaging in discussions with banking partners to manage exposure to interest rate volatility and enhance financial planning.

Risk management and internal controls

(Principle D.2.1- D.2.2)

The Board with the assistance of the BARC is responsible for the governance of risks by ensuring that the management maintains a sound system of risk management and internal controls to

a. safeguard the interests of the shareholders and the assets of the Company and
b. determine the nature and extent of risks the board is willing to accept in achieving its strategic objectives.

The board has approved a risk management framework for the identification, management and reporting of significant risks.

The board recognizes the overall responsibility for securing the integrity of the information, managing risks and implementing an effective internal control system. The board with the assistance of BARC takes the necessary steps to ensure that there is an effective system of internal controls, so that the interests of the shareholders' investment and the Company assets are safeguarded.

The BARC evaluates the adequacy and effectiveness of the system of internal controls through the internal audit reports provided by the Internal Auditors, the management as well as the External Auditors and reports its' findings to the board. The review covers all material controls including operational, financial, compliance controls and risk management systems.

The board uses two types of assurance namely internal assurance (internal audit) and external assurance (external audit) to evaluate whether policies and procedures implemented by the management are being carried out effectively.

Please refer Risk Management Framework and Governance page on 93 for more details.

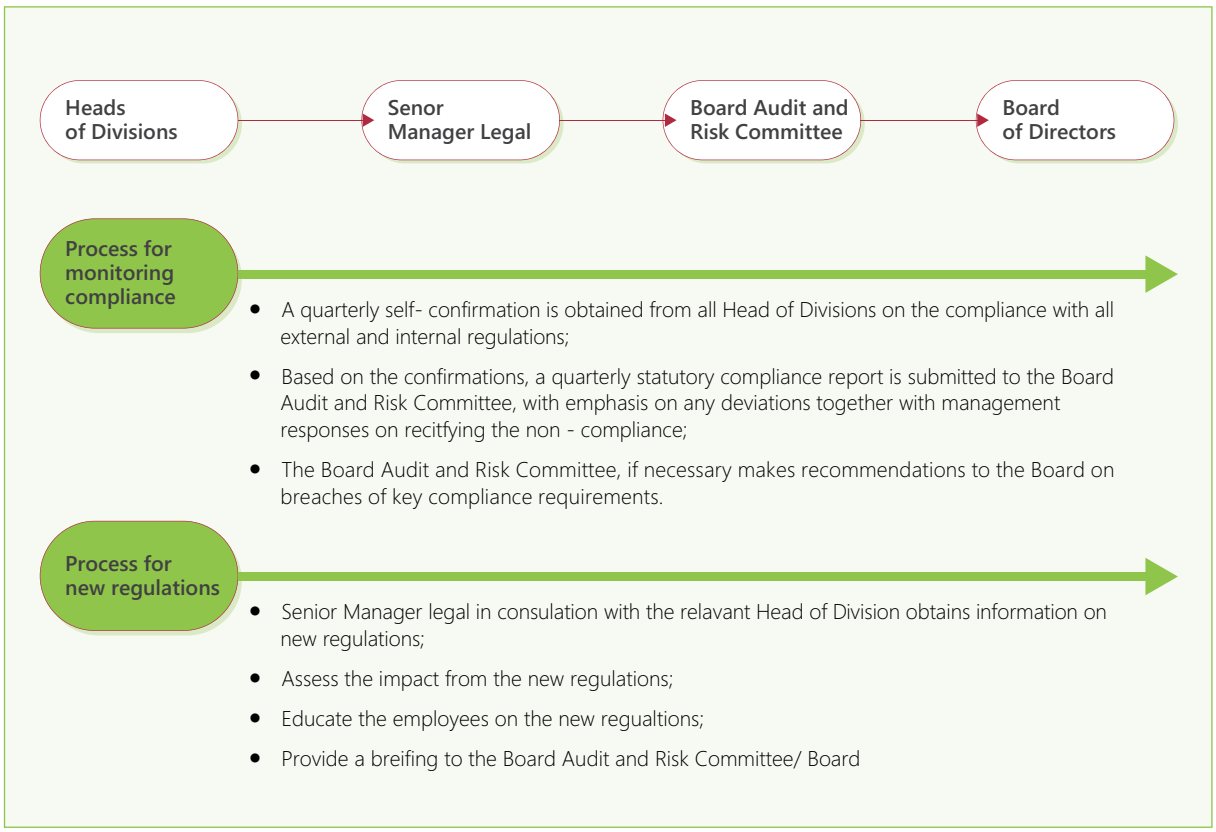
Regulatory and statutory governance

(GRI 2-27)

In order to conduct business in accordance with the prevalent laws of the country, R I L has established a monitoring process to assess compliance with laws, regulations, internal controls and board approved policies and procedures.

The Company has in place a compliance policy, the purpose of which is to identify and detail how the Company remains compliant with all of the legislative, regulatory and policy requirements associated with its activities.

Figure: Compliance framework



What we did in 2024/25

Although the effective date for full compliance has been extended, we proactively decided to implement adequate measures to ensure alignment with the requirements of the Data Protection Act.

The Company enlisted the services of a third party to perform a Privacy Impact Assessment (PIA) covering the business departments of R I L.

In addition, a gap assessment against the Personal Data Protection Act No. 9 of 2022 was conducted, with recommendations provided to ensure compliance.

Certificate of compliance

The Company is fully compliant with all mandatory rules and regulations stipulated in the

- Section 9 of the Listing Rules of the CSE on Corporate Governance (as amended);
- Companies Act No. 07 of 2007 (as amended);

The Company has given due consideration to the CG Code 2023 and have in all instances, other than a few, embraced such practices voluntarily, particularly if such practices have been identified as relevant and has a value addition.

Information Technology (IT) Governance

(Principle G.1 – G.5)

IT governance plays a critical role in assuring integrity, confidentiality and continuity of the information management, within the Company.

The Board is responsible for ensuring prudent and reasonable steps with respect to IT governance including, aligning the IT strategy with the business strategic objectives. It is the responsibility of the Senior Manager IT to continuously review, to ensure that the IT objectives align with the business objectives.

The IT Steering Committee in place, is delegated with the authority to ensure the implementation of the IT governance framework within the Company.

Senior Manager IT who possess sufficient expertise conducts technology audits from time to time, to ensure that all information technology policies are being adhered to. Independent IT Audits are carried out on an annual basis by an independent party and the findings and recommendations are submitted to the BARC, for consideration.

Senior Manager IT annually gives an assurance to the board on the adequacy of the measures in place for cyber security. The Board ensures the effectiveness of the cybersecurity risk management through independent periodic reviews. The scope and the frequency is determined based on the Company business model, incident findings as well as the vulnerability.

The reliability of financial reporting is heavily dependent on a well – controlled IT environment. Therefore, there are adequate IT controls over financial reporting in place, to ensure the quality of information used for financial reporting.

What we did in 2024/25

During the year, the Management presented a well-structured IT roadmap to managing the Company's technology landscape while ensuring alignment with the business strategy while also enhancing operational efficiency and cyber security.

The Company endeavors to safeguard information assets against both internal and external threats to uphold the privacy standards mandated by the provisions of the Personal Data Protection Act No. 09 of 2022. This proactive approach is essential for managing potential reputational risks stemming from unauthorized breaches of privacy concerning various stakeholders.

Board sustainability processes and skills

(Principle H.1 –H.5 of the CG Code 2023)

(GRI 2-14)

Sustainability is central to what R I L stands for and the leadership starts at the board level.

The non-executive directors bring experience in social and sustainability issues from various industries. The recruitment of Non-executive Directors focus on their skills and experience as set out in the skills matrix on page 105 encompassing sustainability to ensure a diverse range of views.

The Company adopts a structured and a systematic approach to strategy formulation, identifying and managing various environmental, social and governance impacts.

The Board understands the importance of embedding sustainability and ESG into decision-making and long-term growth strategies as part of modern corporate governance.

Incorporating ESG into executive performance-related remuneration is an effective way of incentivizing the right behaviors and holding those in leadership positions accountable for the delivery of the Company's ESG goals.

The Board is committed to ensure that there is effective oversight of ESG and sustainability. The Board has delegated the authority to a sub-committee to assess the ESG related risks which make suitable recommendations on managing the ESG related risks and opportunities including those related to the climate.

Please refer the Capital reports on pages 65 to 91 for more details.

What we did in 2024/25

The Board strengthened its oversight of environmental risks and opportunities, ensuring alignment with our sustainability goals. The Board identified opportunities like energy-efficient upgrades and green leasing initiatives.

The Board plays a critical role in overseeing the implementation of the S1 and S2 climate-related disclosures, ensuring that the Company's approach to sustainability is integrated into its overall governance and strategic decision-making. For this purpose, the board enlisted the services of a third party in order to perform a gap analysis and to facilitate the development of an ESG framework for the Company.

Through collaboration with management, the board oversees the integration of environmentally friendly practices into our operations, including the adoption of renewable energy solutions. This proactive approach not only mitigates potential impacts but also enhances our properties' appeal, reinforcing our commitment to sustainable growth and stakeholder value.

Subsidiary Governance

Both United Motors Lanka PLC (UML) and Panasian Power PLC (PAP) being regulated entities, operate within the stringent governance and risk management frameworks, with operations conducted with highest standards of integrity and transparency.

What we did in 2024/25

The preliminary policy on subsidiary governance was further enhanced.

Listing Rule reference	Requirement	Extent of compliance	Section reference in the Annual report
7.6	A Listed Entity must include in its annual report and accounts, inter alia;		
	i) Names of persons who during the Financial Year were directors of the Entity.	✓	Annual Report of the Board of Directors on pages 155 to 162
	ii) Principal activities of the Entity and its subsidiaries during the year and any changes therein.	✓	Annual Report of the Board of Directors on pages 155 to 162
	iii) The names and the number of shares held by the 20 largest holders of voting and non-voting shares denominated in LKR or any other class of Shares denominated in Foreign Currency and the percentage of such shares held.	✓	Shareholder information on page 274
	iv) (a) In respect of a Local Entity which has its LKR denominated Shares listed on the Exchange, such Entity shall disclose the float adjusted market capitalization, public holding percentage (%), number of public shareholders and under which option the Listed Entity complies with the Minimum Public Holding requirement, in respect of voting ordinary shares. The public holding percentage (%) in respect of non- voting ordinary Shares (where applicable). Provided however, this Rule shall not be applicable to Entities whose Securities are listed on the Empower Board in the Alternate Market Segment.	✓	Share information on page 274
	(b) In respect of a Local Entity which has its Foreign Currency denominated Shares listed on the Exchange, such Entity shall disclose the public holding percentage (%) and the number of public shareholders.	N/A	N/A
	v) A statement of each director's holding and Chief Executive Officer's holding in each class of shares of the Entity denominated in LKR and in Foreign Currency (as applicable).	✓	Annual report of the Board of Directors on pages 155 to 162
	vi) Information pertaining to material foreseeable risk factors of the Entity.	✓	Risk management report on page 93
	vii) Details of material issues pertaining to employees and industrial relations of the Entity.	✓	Please refer the Human Capital report on page 76
	viii) Extents, locations, valuations and the number of buildings of the Entity's land holdings and investment properties.	✓	Note 6 and 7 to the Financial statements
	ix) Number of shares representing the Entity's stated capital.	✓	Note 16 to the Financial statements
	x) A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holdings	✓	Share information on page 274
	xi) The following ratios and market price information:	✓	

Listing Rule reference	Requirement	Extent of compliance	Section reference in the Annual report
	EQUITY		
	1. Dividend per share	✓	Financial Highlights on page 7 and Shareholder information on page 274
	2. Dividend pay out		
	3. Net asset value per share		
	4. Market value per share		
	– highest and lowest values recorded during the Financial Year		
	– value as at the end of Financial Year		
	DEBT (only if listed)	N/A	N/A
	1. Interest rate of comparable government security		
	2. Debt/equity ratio		
	3. Interest cover		
	4. Quick asset ratio		
	5. Debt Service Coverage Ratio (where applicable)		
	6. The market prices & yield during the year (ex interest) - Highest Price - Lowest price - Last traded price (as at dd/mm/yy)		
	7. Any changes in credit rating (for the Entity or any other instrument issued by the Entity), if applicable.		
xii)	Significant changes in the Entity's or its subsidiaries' fixed assets and the market value of land, if the value differs substantially from the book value;	✓	Note 6 and 7 to the financial statements
xiii)	If during the Financial Year the Entity has raised funds through an Initial Public Offering and/or a further issue of Securities (as applicable); a) the manner in which the funds of such issue/s have been utilized in conformity with the format provided by the Exchange from time to time; b) if any shares or debentures have been issued, the number, class and consideration received and the reason for the issue; and, c) any material change in the use of funds raised through an issue of Securities. In the event the funds raised through the Initial Public Offering and/or the further issue of Securities (as applicable) have been fully utilized by the Listed Entity as disclosed in the Prospectus and/or Circular to shareholders between two financial periods, the Entity shall disclose such fact in the immediate succeeding Annual Report or the Interim Financial Statement, whichever is published first.	N/A	During the year under review, there were no public issues, rights issues or private placements
xiv)	a) and b) information in respect of employee share options or share purchase schemes	N/A	The Company does not have any Employee Share Option or Share Purchase Schemes at present.

Listing Rule reference	Requirement	Extent of compliance	Section reference in the Annual report
	xv) Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the Rules.	✓	Please refer page 132
	xvi) Related Party transactions exceeding 10% of the Equity or 5% of the total assets of the Entity as per Audited Financial Statements, whichever is lower. Details of investments in a Related Party and/or amounts due from a Related Party to be set out separately. The details shall include, as a minimum: i. The date of the transaction; ii. The name of the Related Party; iii. The relationship between the Entity and the Related Party; iv. The amount of the transaction and terms of the transaction; v. The rationale for entering into the transaction.	N/A	There were no related party transactions which exceeded 10% of the Equity or 5% of the total assets, during the year under review.
	xvii) In the event a Listed Entity has its Foreign Currency denominated Securities listed on the Exchange, the Entity shall additionally disclose the following in its Annual Report: a) The Trading Currency of such Securities b) A detailed description of the utilization of the proceeds held in the SFCA of the Entity for any capital transaction/s outside Sri Lanka, including the amount of proceeds utilized, as a percentage (%) of the total proceeds credited to the SFCA of the Entity pursuant to the Initial Public Offering.	N/A	The Company does not have any Foreign Currency denominated securities listed on the exchange
	c) A Statement of compliance by the Listed Entity vis-à-vis the Applicable Foreign Exchange Regulations including but not limited to the following: i) Maintenance of foreign exchange earnings at a minimum level of fifty per centum (50%) of its total annual revenue which is equivalent to a minimum of USD 5 Mn (5,000,000) or a negative statement; ii) The amount of proceeds held in the SFCA, which have been utilized by the Entity for any capital transactions outside Sri Lanka; iii) Repatriation of income of the investments made through the SFCA into Sri Lanka; and, iv) The amount of capital gains of the proceeds utilized for any capital transactions outside Sri Lanka.		
	d) A status update on the residual of the proceeds which are not utilized for capital transactions outside Sri Lanka.		
	e) The extent to which the Financial Statements of the Entity are in compliance with the International Financial Reporting Standards (IFRS) and in the event of a deviation from IFRS, the details/impact of such deviation to the Financial Statements		

Compliance with Colombo Stock Exchnage (CSE)Listing Rules - Secition 9 on Corporate Governance

Listing rule reference	Requirement	Extent of compliance		
9.1	**Corporate Governance Rules**			
	Extent of Compliance with Corporate Governance Rules	The extent of compliance with Corporate Governance Section 09 of the listing rules issued by CSE is tabulated below.		
9.2.1	Policies			
	Availability of Policies	(a)	Policy on the matters relating to the Board of Directors	Complied. The policies are available on the website
		(b)	Policy on Board sub-committees	
		(c)	Policy on Corporate Governance, Nominations and re-election	
		(d)	Policy on Remuneration	
		(e)	Policy on internal code of conduct	
		(f)	Policy on risk management and internal controls	
		(g)	Policy on Shareholder and Investor Communications	
		(h)	Policy on ESG	
		(i)	Policy on control and management of Company assets and shareholder investments	
		(j)	Policy on Corporate Disclosures	
		(k)	Policy on whistle blowing	
		(l)	Policy on anti-bribery and corruption	
9.2.2	Waivers and exemptions from compliance with the Code of business conduct and ethics	✓		No waivers or exemptions from compliance with the Code.
9.2.3	Disclosures in the Annual report on polices	✓		All polices are in place and are published on the website. No changes to the policies were made during the year.

Listing rule reference	Requirement	Extent of compliance	
9.2.4	Requesting of policies by shareholders	✓	The Company shall make available all such policies to shareholders upon a written request being made for any such Policy.
9.3	**Board Committees**		
9.3.1	Establishment of Board committees	✓	Below mentioned committees are in place: Board Nominations and Governance Committee, Board HR and Remuneration Committee, Board Audit and Risk Committee, Board Related Party Transactions review committee
9.3.2	Board Compositions, Responsibilities and Disclosures	✓	Please refer the Board sub-committee reports for the compostion of the sub-committees, responsibilities and disclosures required in line with the Listing Rules.
9.3.3	Chairperson of Board committees	✓	The Chairman, Mr. A. Herath does not serve as the Chair in any of the board sub-committees.
9.4	**Adherence to principles of democracy in the adoption of meeting procedures and the conduct of general meetings with shareholders**		
9.4.1	Record maintenance on resolutions	✓	The Company Secretary maintains records of all resolutions and information in respect of those resolutions (Number of shares in respect of which proxy appointments are made , number of votes in favour/against and abstained from voting).Copies of such records will be made available to CSE/SEC upon request.
9.4.2 a-c	Communication and relations with shareholders and investors	✓	The Company has in place a policy on communications and relations with shareholders and investors which is also available on the Company website. In relation to communications with shareholders and investors, the designated contact person shall be the Company secretary. In addition for investor relations, the CFO has been designated. The policy includes a process to make all directors aware of major issues and concerns of the shareholders
9.4.2.d	Holding general meetings virtually/hybrid means	✓	The Company will adhere to the guidelines issued by CSE on conducting virtual/hybrid shareholder meetings if the need arises to convene meetings virtually.
9.5	**Policy on matters relating to the Board of Directors**		
9.5.1	Formal governing policy on matters relating to the Board of Directors	✓	The policy covering the requirements indicated under rule 9.5.1 is in place.
9.5.2	Disclosures in the Annual report relating to 9.5.1	✓	The Company has fully complied with the requirements in the policy.

Listing rule reference	Requirement	Extent of compliance	
9.6	**Chairperson and CEO**		
9.6.1	Position of Chairperson and CEO	✓	The Chairperson is a Non-Executive Director. The position of Chairperson and CEO is not held by the same individual.
9.6.2	Disclosure of non-compliance with 9.6.1	N/A	Not applicable
9.6.3 a-e and 9.6.4	The requirement for a SID	N/A	The need to appoint a SID has not arisen.
9.7	**Fitness of Directors and CEO**		
9.7.1	Appointment of fit and proper persons as Directors and CEO	✓	The Board Nominations and Governance Committee has been delegated with the authority to ensure that the Directors and the CEO meet the fitness and propriety criteria under the Listing Rules.
9.7.2	Appointment of fit and proper persons as Directors and CEO	✓	The Board Nominations and Governance Committee ensures that persons recommended as directors when a director is coming up for re-election/ re-appointment at the AGM are fit and proper as required under the Listing Rules.
9.7.3	Fit and proper assessment criteria	✓	When determining the fitness and propriety of a director, the Board Nominations and Governance Committee takes the criteria laid out under rule 9.7.3 into cconsideration.
9.7.4	Annual declarations from Directors	✓	Annual declarations from Directors confirming that each of them have continuously satisfied the fit and proper assessment criteria during the Financial Year and as at the date of confirmation as set out in section 9.7.3 of listing rules were obtained.
9.7.5 (a) - (b)	Disclosures in the Annual report	✓	Please refer the 'Chairman's message" in the Corporate Governance report on page 99 for the disclosures.
9.8	**Board Composition**		
9.8.1	Board at minimum to consist of five (5) Directors	✓	The Board as at the reporting date comprised of 9 directors.
9.8.2	Minimum number of Independent Directors, (Min: 2 or 1/3 of total number, whichever is higher)	✓	As at the reporting date, out of the 9 directors, 6 are independent.
9.8.3 – 9.8.4	Criteria for determining independence	✓	The Board Nominations and Governance Committee took into consideration, the criteria laid out in rule 9.8.3 when determining the indepedence of directors.

Listing rule reference	Requirement	Extent of compliance	
9.8.5	Declarations to be obtained from independent directors and annual determination	✓	Each indepedent director submitted a signed and dated declaration of indepedence against the criteria specified in the Listing Rules based on which the Board made an annual determination as to the indepedence/non-independence of each director based on the recommendation of the Board Nominations and Governance Committee. The names of indepedent directors are disclosed in the Corporate Governance Report on page 99 If the Board determined that the independence of an independent director is impaired, an immediate market disclosure will be made.
9.9	**Alternate Directors**		
9.9 a-c	Appointment of Alternate Director	To be complied as and when it is required	The requirements set out under rule 9.9 (a) -© have been incorporated into the Articles of Association of the Company. In the event alternate directors are appointed the requirements under rule 9.9 will be complied with.
9.9 d	Immediate market disclosure on the appointment of an alternate director	To be complied as and when it is required	An immediate market disclosure will be made in the event of appointment of an alternate director.
9.9 e	Attendance of alternate director at meetings	To be complied as and when it is required	The attendance of an alterante director including a sub-committee meeting, will be counted for the purpose of the quorum.
9.10	**Disclosures relating to Directors**		
9.10.1	Policy on maximum number of Directorships	✓	The policy on Board matters specifies the maximum number of directorships a director is permitted to hold. The Compay Secretary will closely monitor the same to ensure that the directors do not exceed the permitted limit.
9.10.2	Appointment of new Directors	✓	During the year, three directors were appointed to the Board and immdiate market disclosures were made covering the information under rule 9.10.2.
9.10.3	Changes to the composition	✓	Any changes to the Committee compositions have been duly disclosed. The announcement included the changes and the nature of directorship and the effective date.
9.10.4	Disclosures in the annual report		
a	Name, qualifications and profile	✓	Please refer “Directors’ profiles” on pages 36 to 41
b	Nature of expertise in relavant functional areas	✓	Please refer “Directors’ profiles” on pages 36 to 41
c	Material business relationships	✓	Please refer “Corporate Governance report” on page 99
d	Nature of directorship	✓	Please refer “Directors’ profiles” on pages 36 to 41
e	total number and names of other directorships	✓	Please refer “Corporate Governance report” on page 99
f	Attendance at Board meetings	✓	Please refer “Corporate Governance report” on page 99

Listing rule reference	Requirement	Extent of compliance	
g	Sub-committee memberships	✓	Please refer "Corporate Governance report" on page 99
h	Attendance at sub-committee meetings	✓	Please refer "Corporate Governance report" on page 99
i	TOR and powers of SID	N/A	N/A
9.10.5	Enforcement action on non-compliance with rule 9.10.2 and 9.10.3	N/A	N/A
9.11	**Nominations and Governance Committee**		
9.11.1	Availability of Nomination and Governance Committee	✓	The Board Nominations and Governance Committee was formed on 1 October 2023.
9.11.2	Formal procedure for appointment and re-election of Directors	✓	The Committee maintains a formal procedure for the appointment of new Directors and re-election of Directors to the Board and the same is delegated to the Board Nominations and Governance Committee.
9.11.3	Terms of reference	✓	The Committee has adopted a Term of Reference which define the scope, authority and duties and matters pertaining to the quorum of meetings.
9.11.4(1) - (3)	Committee composition	✓	Please refer the Board Nominations and Governance Committee report on page 147 for details on composition.
9.11.5	Functions	✓	The Committee has documented the functions of the Committee in the Terms of Reference. All functions are effectively discharged by the Committee. Please refer Nominations & Governance Committee Report on page 147
9.11.6	Disclosures in the Annual report	✓	Please refer the Board Nominations and Governance Committee report on page 147 for disclosures.
9.12	**Remuneration Committee**		
9.12.2	Availability of a Remuneration Committee	✓	A Board Remuneration Committee is in place which conforms to the requirements under the Listing Rules.
9.12.3 9.12.4	Remuneration Policy – Executive Directors/Non-Executive Directors	✓	The Board has established this Committee with the purpose of providing assistance to the Board of Directors in fulfilling their oversight responsibility to establish and maintain a formal and transparent procedure for developing remuneration policies on Directors including Executive Directors and for employees including the CEO. The remuneration for non-executive directors is based on the principle of non-discriminatory pay practices to ensure that their indepedence is not impaired.
9.12.5	Terms of reference	✓	The Committee has adopted a Terms of Reference which defines the scope, authority and duties and matters pertaining to the quorum of meetings.

Listing rule reference	Requirement	Extent of compliance	
	Board Remuneration Committee		
9.12.6 (1) – (2)	Composition	✓	Please refer the Board HR and Remuneration Committee report on page 144 for details on composition.
9.12.7	Functions	✓	The Committee has documented the functions of the Committee in the Terms of Reference. All functions are effectively discharged by the Committee. Please refer Board HR and Remuneration Committee Report on page 144 for details.
9.12.8	Disclosures in the Annual report	✓	Please refer Board HR and Remuneration Committee Report on page 144 for disclosures.
9.13	**Audit Committee**		
9.13.1	Audit Committee	✓	Both the risk and audit functions are performed by the Board Audit Committee, which has been renamed as the "Board Audit and Risk Committee".
9.13.2	Terms of reference	✓	The Committee has documented the functions of the Committee in the Terms of Reference.
9.13.3 (1) – (6)	Composition	✓	Please refer the Board Audit and Risk Committee report on page 139 for composition, quorum, meetings and other information.
9.13.4	Functions	✓	The Commiittee has documented the functions of the Committee in the TOR. Functions are effectively discharged by the Committee. Please refer Board Audit and Risk Committee Report on page 139
9.13.5	Disclosures in the Annual report	✓	Please refer the Board Audit and Risk Committee report on page 139 for disclosures.
9.14	**Related Party Transactions Review Committee**		
9.14.1	Availability of the Related Party Transactions Review Committee	✓	A Board Related Party Transactions Review Committee is in place.
9.14.2	Composition	✓	Please refer the Board Related Party Transactions Review Committee report on page 152 for composition.
9.14.3	Functions	✓	The Commiittee has documented the functions of the Committee TOR. Functions are effectively discharged by the Committee. Please refer Board Related Party Transactions Review Committee Report on page 152
9.14.4(1)	Quarterly Meetings	✓	Please refer page 112 on the corproate governance report for the committee meeting details. The minutes of all meetings are properly documented and tabled at the subsequent Board meetings for information
9.14.4(2)	Access to knowledge or expertise to assess all aspects of proposed Related Party Transactions	✓	The Committee ensures that they have or have access to knowledge and expertise to assess all aspects of the proposed Related Party Transactions. Under the Terms of Reference the Committee is empowered to seek appropriate professional and expert advice from a qualified person.

Listing rule reference	Requirement	Extent of compliance	
9.14.4(3)	Approval by Board of Directors	To be complied as and when it is required	Where necessary, the Committee shall request the Board of Directors to approve the Related Party Transactions which have been reviewed by the Committee.
9.14.4(4)	Conflict of interest	✓	If a Director of the Listed Entity has a material personal interest being considered at a Board Meeting to approve a Related Party Transaction as required in Rule 9.14.4 (3), such Director shall not: 1) Be present while the matter is being considered at the meeting and ;2) Vote on the matter
9.14.5	Review of Related Party Transactions by Related Party Transactions Review Committee	✓	The Committee takes into account the provisions of the listing rules when reviewing related party transactions.
9.14.6	Shareholder approval	To be complied as and when it is required	The Company ensures to obtain the shareholder approval by way of a special resolution for the related party transactions where necessary. No such requirement arose during the year.
9.14.7	Immediate disclosures	To be complied as and when it is required	The Company ensures to make immediate market disclosures in respect of the related party transactions exceeding the thresholds specified under the Listing Rules. However no such requirement arose during the year.
9.14.8	Disclosures in the Annual report	To be completed as and when it is required	Please refer the Board Related Party Transactions Review Committee report on page 152 and Annual Report of the Board of Directors on page 155 for disclosures.
9.14.9	Acquisitions and disposal of assets from related parties	To be completed as and when it is required	The Company ensures to comply with the Listing Rules when acquiring or disposing a subsitantial asset from/to a related party.
9.14.10	Exempted related party transactions	✓	The related party transactions laid out in Listing Rule 9.14.10 does not fall within the ambit of the Listing Rules
9.17	Additional disclosures	✓	Please refer the Chairman's message on page 99 for the additional disclosures

Report of the Board Audit and Risk Committee

Dear shareholder

As the chairperson of the Board Audit and Risk Committee (BARC/Committee) (formally known as the Board Audit Committee), on behalf of the other committee members, I am pleased to present to you the Board Audit and Risk Committee report of R I L Property PLC, for the year 2024/2025.

As required by section 9.13.5 of the Listing Rules of the Colombo Stock Exchange and the Code of best practice on corporate governance issued by the Institute of Chartered Accountants of Sri Lanka 2023 (CG Code 2023), this report details the manner in which the duties and responsibilities of the Committee were discharged, during the year under review.

Introduction and purpose

The Committee assists the Board in discharging its responsibilities and exercises independent oversight over financial reporting, the adequacy of internal control systems, management and monitoring of risk, performance and effectiveness of internal audit, compliance with laws/ regulations, and implementation of the whistleblowing policy and makes recommendations on the appointment of the External Auditors.

As the Committee had already been overseeing the risk management function as part of its responsibilities the Board resolved to formally reflect this expanded scope by renaming the Committee as the Board Audit and Risk Committee with effect from 18 July 2024.

Committee composition

The Committee composition as at 31 March 2025 is as follows:

Name	Nature of Directorship	Committee status	Date of appointment
Ms. M. C. Pietersz	Independent Non – Executive	Chairperson	25 March 2021
Ms. C. G. Ranasinghe	Independent Non – Executive	Member	6 September 2016
Ms. V. S. Weerasekera	Non-independent Non – Executive	Member	8 April 2024
Mr. M. N. R. Fernando	Independent Non – Executive	Member	29 January 2025

The current Committee composition is as follows:

Name	Nature of Directorship	Committee status	Date of appointment
Ms. M. C. Pietersz	Independent Non – Executive	Chairperson	25 March 2021
Ms. C. G. Ranasinghe	Independent Non – Executive	Member	6 September 2016
Ms. V. S. Weerasekera	Non-independent Non – Executive	Member	8 April 2024
Mr. M. N. R. Fernando	Independent Non – Executive	Member	29 January 2025
Professor. N. D. Gunawardena	Independent Non – Executive	Member	30 April 2025

The Committee composition comprise exclusively of non-executive directors and the majority on the Committee are independent.

Chairperson, Ms. M. C. Pietersz, is a fellow member of the Institute of Chartered Accountants of Sri Lanka.

Changes to the Committee composition

Mr. S. G. Wijesinha who served on the Committee as a non –independent non-executive director during the year, ceased to be a member with effect from 31 August 2024, following his resignation from the Board.

Mr. L. W. D. Abeyarathne who served on the Committee as a non –independent non-executive director during the year, ceased to be a member with effect from 1 April 2024, following his resignation from the Board.

Ms. C. R. Kariyawasam who served on the Committee as an independent non-executive director during the year, ceased to be a member with effect from 28 June following her resignation from the Board.

Mr. K. P. Ariyaratne who served on the Committee as an independent non-executive director during the year, ceased to be a member with effect from 31 December 2024, following his resignation from the Board.

Terms of Reference (TOR)

The Committee has a Board approved TOR dealing with its authority and duties and carefully designed to discharge the Committee's purpose.

The TOR of the Committee was reviewed during the year as part of the periodic governance review process. The review aimed to ensure that the TOR remains relevant, comprehensive and aligned with evolving regulatory expectations and industry best practices.

Meetings

In terms of the TOR of the Committee, the BARC is required to meet on a quarterly basis. However, the Committee meets more regularly as determined by the Chairperson of the Committee or as requested by any member of the Committee.

The quorum for the meetings require the majority of those in attendance to be independent directors.

The Committee held nine (9) meetings during the year, including meetings on a quarterly basis prior to recommending the financials to be released to the market.

The attendance of the members during the year was satisfactory and a summary of the attendance is given on page 112.

The CEO, CFO other members of the Management and the Internal and External Auditors attended meetings,by invitation.

Private Sessions without the executive management

The Committee holds a private meeting with the CFO on an annual basis and also on a needs basis to discuss any matters pertaining to financial reporting and the external audit.

The Committee meets the internal auditors without the presence of the management on a regular basis to discuss any matters that the committe or the internal auditors belive should be discussed seperately.

Once a year, the Committee meets with the External Auditor, without Management present, either at the Committee's direction or at the External Auditor's request.

The Committee met once with the CFO to discuss matters pertaining to financial reporting and the external audit.

Two private sessions were held with the internal auditors as well as the external auditors respectively, during the year under review.

Secretary to the Committee

Ms. Roshini Weudagedara - Company Secretary functions as the Secretary to the Committee.

Scope of Committee in relation to subsidiaries

Both United Motor Lanka PLC (UML) and Panasian Power PLC (PAP) are listed entities with its own BAR committees.

Reporting to the Board

The proceedings of the BARC meetings are regularly reported to the Board via the Committee Chair's report and minutes outlining proceedings, outcomes and recommendations.

Financial Reporting

The Committee, reviewed and discussed with the Management and the external auditors, the quarterly and annual financial statements, prior to their publication.

The Committee also discussed with the External Auditors and Management, any matters communicated to the Committee by the External Auditors in their reports on the audit for the year and monitored the progress made by the Management in resolving the issues raised by the Auditors.

Declaration from the CEO and CFO

The Committee obtained and reviewed the assurances received below in line with 9.13.4(1) (iv) of the Listing rules from the

a. CEO and CFO, the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances;
b. CEO and other Key Management Personnel (KMPs) responsible regarding the adequacy and the effectiveness of the Company's risk management and the internal control systems.

Internal Audit

At the direction of the Committee, the internal audit function, has been outsourced to M/S. KPMG.

The scope of authority and responsibility of the internal audit function is documented in the Internal Audit Charter.

At the beginning of the year, the internal audit plan, based on an assessment of risk, is submitted to the Committee for their review and approval. The BARC then reviews the coverage of the audit plan, to ensure that the scope of the review on internal controls cover all significant operating procedures in the Company's business model.

The internal audit team carried out audits in accordance with the pre-approved audit plan and reported to the Committee, on a quarterly basis.

The Internal Audit Charter was reviewed by the Committee. The review aimed to ensure that the Charter remains aligned with leading practices, regulatory requirements and the evolving risk profile of the Company. The Committee assessed whether the scope, authority, and responsibilities outlined in the Charter continue to support the independence and effectiveness of the internal audit function.

The Committee assessed the independence of the internal audit function to ensure that it continues to operate objectively and free from undue influence.

External Audit

M/S Ernst & Young, Chartered Accountants (Ernst & Young) (approved by the SEC) have acted as the Group's External Auditor since 2016. The audit partner changed in 2023.

Deloitte (formerly known as PricewaterhouseCoopers) acts as the Auditors of the Company's subsidiary, UML Group, while Ernst & Young acts as the auditors for the other subsidiary, PAP Group.

The BARC reviewed the auditor's declaration regarding theri independence, confirmaing compliance with the Code of Conduct and Ethics of the CA Sri Lanka.

In line with the policy on the engagement of the external auditor to supply non – audit services (which was reviewed during the year), CFO is required to table details of any non – audit services obtained during the year. There was one such service obtained during the year. The Committee is satisfied that the independence and objectivity of the independent external auditors, Ernst & Young has not been impaired.

Having considered the engagement letter, the Committee approved and recommended to the Board the audit fees for the current engagement. Prior to the recommendation of the re – appointment of the External Auditor, the management and the BARC conducted an evaluation on the External Auditor.

The Committee recommended to the Board the re-appointment of Ernst & Young, as External Auditors for the Financial Year ending 31 March 2026, subject to the approval of the Shareholders at the Annual General Meeting.

Risk Management and internal controls

The Committee is entrusted with overseeing the Company's risk management function, thereby ensuring dedicated and integrated governance without the need for a separate committee.

The Committee assesses the adequacy and effectiveness of the Company's internal controls and risk assessment. A risk-based audit approach was adopted in planning the internal audit to identify the effectiveness of the internal control procedures in place and significant risks were reviewed by the Committee. The Committee assessed the effectiveness of the Company's internal controls by reviewing the reports submitted by the Internal Audit and External Auditors' Management Letter.

The Committee reviewed the risk management framework, practices and key risk indicators as well as the defined roles and responsibilities. The Committee also reviewed the processes in place for identification, measuring, controlling, monitoring of significant risks. The Company and subsidiaries have identified and documented key risks to the business and related mitigating controls. During the year, detailed risk assessments and evaluations carried out by the Management were conducted and the mitigation strategies were reviewed by the Committee.

The Committee, recognizing that risks identified at subsidiaries within the Group can potentially impact the parent Company, implemented a Group-level risk management framework. This framework aims to enhance risk identification and reporting across the entire Group, ensuring a comprehensive understanding of the risks faced by the organization as a whole.

The Committee was also responsible for overseeing the process of setting the Company's risk appetite levels. This included reviewing management's proposals, ensuring alignment with the Company's strategic objectives and confirming that the risk appetite framework appropriately reflected the Company's capacity and willingness to take on risk. The Committee also ensured that the established risk appetite levels provided a sound basis for risk-based decision-making across the organization.

Please refer the Risk Management Report on page 93 for more details.

Compliance

The Committee exercised diligent oversight over compliance matters. This included reviewing reports from the Senior Manager Legal to assess the effectiveness of compliance monitoring systems and ensured that the robust process in place to ensure adherence to laws and regulations.

Additionally, it carefully examined findings from regulatory examinations and auditor observations. The Committee oversaw the communication of the Code of Conduct to employees and monitored their compliance.

Although the effective date for full compliance has been extended, the Company has proactively decided to implement adequate measures to ensure alignment with the requirements of the Data Protection Act. For this purpose, the services of a third party to perform a Privacy Impact Assessment (PIA) covering the business departments of R I L, has been enlisted.

In relation to the implementation of the S1 and S2 climate-related disclosures, the Company enlisted the services of a third party to perform a gap analysis and to facilitate the development of an ESG framework for the Company.

Whistleblowing

The Company's whistleblowing policy continued to be actively implemented during the year, reinforcing its role as a vital communication channel for employees and stakeholders to confidentially report suspected misconduct, unethical behavior or potential fraud. This policy serves as an integral component of the Company's broader corporate fraud risk management framework, supporting transparency, accountability, and early detection of irregularities.

The Committee reviewed the current Whistleblowing Policy to ensure its continued effectiveness in promoting a culture of transparency, accountability, and ethical conduct across the organization.

Professional advice and access to Management

The Committee is empowered to obtain, at the Company's expense, any outside legal or other professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary for the fulfilment of its duties.

Evaluation of the Committee

The Committee conducted a performance assessment to evaluate its effectiveness.

Conclusion

The Committee is satisfied that internal controls and procedures in place for assessing and managing risks are adequately designed and operate effectively and is of the view that they provide reasonable assurance that the Company's assets are safeguarded and that the financial statements of the Company are reliable.

The Committee is of the view that Company's External Auditors as well as the Internal Auditors have been effective and independent through-out the year.

The Committee confirms compliance with Sri Lanka Accounting Standards (LKAS/SLFRS) issued by CA Sri Lanka, the Listing Rules, CA 2007, SEC Act, and any other relevant regulations governing financial reporting.

On behalf of the Board Audit and Risk Committee



M. C. Pietersz
Chairperson of the Board Audit and Risk Committee

4 June 2025
Colombo

Report of Board HR and Remuneration Committee

Dear shareholder

As the Chairman of the Board HR and Remuneration Committee (formerly known as the Board Remuneration Committee), on behalf of the other committee members, I am pleased to present to you the Board HR and Remuneration Committee report of R I L Property PLC, for the year 2024/25.

As required by section 9.12.8 of the Listing Rules of the Colombo Stock Exchange, this report details the manner in which the duties and responsibilities of the Committee were discharged, during the year under review.

Introduction and purpose

The purpose of the Board HR and Remuneration Committee (BHRC/ Committee) is to provide assistance to the Board of Directors in fulfilling their oversight responsibility to establish and maintain a formal and transparent procedure for developing remuneration policies on Directors including Executive Directors and employees including the CEO.

During the year, the scope of the Committee was enhanced beyond its original mandate of developing remuneration policies to include oversight of broader human resource matters to create a supportive environment that prioritizes employee well-being and organizational effectiveness. This enhancement reflects the Company's commitment to fostering a supportive and effective workplace by prioritizing employee well-being, talent development and organizational effectiveness.

Committee composition

The Committee composition as at 31 March 2025 is as follows:

Name	Nature of Directorship	Committee status	Date of appointment
Professor. N. D. Gunawardena	Independent Non-Executive	Chairman	1 November 2018
Mr. A. Herath	Independent Non-Executive	Member	1 July 2024
Mr. D. T. S. H. Mudalige	Independent Non-Executive	Member	29 January 2025

The current Committee composition is as follows:

Name	Nature of Directorship	Committee status	Date of appointment
Professor. N. D. Gunawardena	Independent Non-Executive	Chairman	1 November 2018
Mr. A. Herath	Independent Non-Executive	Member	1 July 2024
Mr. D. T. S. H. Mudalige	Independent Non-Executive	Member	29 January 2025
Mr. M. N. R. Fernando	Independent Non-Executive	Member	30 April 2025

The Committee composition comprise exclusively of non-executive directors and all 4 members are independent. The composition does not include executive directors.

Chairman, Professor. N. D. Gunawardena is an independent Non-Executive director.

Changes to the Committee composition

Mr. S. G. Wijesinha who served on the Committee as a Non–Independent Non-Executive Director during the year, ceased to be a member with effect from 31 August 2024, following his resignation from the Board.

Ms. C. G Ranasinghe who served on the Committee as a independent Non-Executive Director during the year, ceased to be a member with effect from 29 January 2025.

Mr. K. P. Ariyaratne who served on the Committee as a independent Non-Executive Director during the year, ceased to be a member with effect from 31 December 2024 following his resignation from the Board.

Terms of Reference (TOR)

The Committee has a Board approved written TOR dealing with its authority and duties and carefully designed to discharge the Committee's purpose. In alignment with the enhanced oversight function related to human resource matters, aimed at fostering a supportive environment that prioritizes employee well-being and organizational effectiveness, the TOR of the Committee was amended accordingly.

Meetings

In terms of the TOR of the Committee, the Committee meets at least once a year and at such other times as the Chair or members of the Committee shall require. The CEO attends meetings by invitation.

The Committee held three (03) meetings during the year.

Please refer page 112 for details on meeting attendance at Committee meetings.

Secretary to the Committee

Ms. Roshini Weudagedara - Company Secretary functions as the Secretary to the Committee.

Scope of Committee in relation to Subsidiaries

Both United Motors Lanka PLC (UML) and Panasian Power PLC (PAP) are listed entities with its own Committees.

Reporting to the Board

The proceedings of the BHRC meetings are regularly reported to the Board via the Committee Chair outlining proceedings, outcomes and recommendations.

The minutes of BHRC meetings are also tabled at successive Board meetings, for informational purposes.

Remuneration Policy

The remuneration policy of the Company is driven by two principles:

a. To reward in a manner that ensures that employees and directors are properly incentivized and motivated to perform in the best interests of the Company in the long term;
b. To provide the level of remuneration required to attract and retain personnel of sufficient caliber;

Accordingly, the remuneration is designed in such a way to ensure fair remuneration to all members of the staff and the remuneration is linked to the achievement of individual objectives which are aligned to the short – term and long term objectives of the Company.

The remuneration of the Non-Executive Directors is fixed considering factors including market benchmarks to ascertain prevailing industry standards and responsibilities within the Company, the time commitment required for board duties and the Company's financial performance and sustainability.

The proposals relating to remuneration are arrived at, in consultation with the Chairman and the CEO, if it is deemed necessary. No Director is involved in deciding his own remuneration. The policy on remuneration provides a framework and outline principles for determining the remuneration for both employees and non-executive directors.

Please refer pages 122 and 123 for more details.

Oversight on human capital

As part of its enhanced oversight of human resource matters, the Committee undertook several key initiatives to support a healthy organizational culture and effective governance dynamics. These include periodic assessments of director interactions and the relationship between the Board and senior executives, to ensure a culture of respectful, constructive engagement. The Committee reviewed the Company culture through metrics such as employee engagement, turnover and feedback.

Performance evaluation of the Chief Executive Officer

In line with its oversight responsibilities, the Committee conducted a bi-annual assessment of the Chief Executive Officer's performance against pre-defined Key Performance Indicators (KPIs).

The evaluation focused on strategic, operational, and leadership outcomes and the results were reported to the Board of Directors to support accountability and continuous performance improvement.

Directors' emoluments

The Directors' emoluments are disclosed in note 25 to the Financial Statements.

Professional advice

The Committee is authorised by the Board to obtain, at the Company's expense, any outside legal or other professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary for the fulfilment of its duties.

Evaluation of the Committee

The Committee carried out a self-evaluation. The Board was satisfied with the Committee's performance during the period and that its remit and scope was sufficient.

On behalf of the Board HR and Remuneration Committee



N. D. Gunawardena
Chairman of the Board HR and Remuneration Committee

4 June 2025
Colombo

Report of the Board Nominations and Governance Committee

Dear shareholder

As the Chairman of the Board Nominations and Governance (BNGC/ Committee) I am pleased to present to you the Board Nominations and Governance Committee report of R I L Property PLC, for the year 2024/25.

As required by section 9.11.6 of the Listing Rules of the Colombo Stock Exchange and the Code of best practice on corporate governance issued by the Institute of Chartered Accountants of Sri Lanka 2023 (CG Code 2023), this report details the manner in which the duties and responsibilities of the Committee were discharged, during the year under review.

Introduction and purpose

The Committee is delegated by the Board with the authority to review the Board's composition and to formulate and implement a transparent process of Board recruitment, make recommendations to the Board on the appointment of directors and Board sub-committee members and assess the independence of directors.

The BNGC is also responsible for succession planning for directors and senior executives and the oversight of matters relating to corporate governance.

Committee composition

The Committee composition as at 31 March 2025 is as follows:

Name	Nature of Directorship	Committee status	Date of appointment
Mr. M. N. R. Fernando	Independent Non-Executive	Chairman	29 January 2025
Mr. A. Herath	Independent Non-Executive	Member	1 July 2024
Ms. M. C. Pietersz	Independent Non-Executive	Member	1 October 2023

The current Committee composition is as follows:

Name	Nature of Directorship	Committee status	Date of appointment
Mr. M. N. R. Fernando	Independent Non-Executive	Chairman	29 January 2025
Mr. A. Herath	Independent Non-Executive	Member	1 July 2024
Ms. M. C. Pietersz	Independent Non-Executive	Member	1 October 2023
Ms. V. S. Weerasekera	Non-Independent Non-Executive	Member	30 April 2025

The Committee composition comprises exclusively of non-executive directors, out of there are a minimum of three independent directors. The composition does not include executive directors.

The Chairman, Mr. M. N. R. Fernando is an independent non-executive director.

Changes to committee composition during the year

Mr. S. G. Wijesinha who served on the Committee as a non –independent non-executive director during the year, ceased to be a member with effect from 31 August 2024, following his resignation from the Board.

Ms. C. R. Kariyawasam who served on the Committee as an independent non-executive director during the year, ceased to be a member with effect from 28 June 2024, following her resignation from the Board.

Ms. C. G. Ranasinghe who served on the Committee as an independent non-executive director during the year, ceased to be a member with effect from 29 January 2025.

Terms of Reference (TOR)

The Committee has a Board approved written TOR dealing with its authority and duties and carefully designed to discharge the Committee's purpose.

The TOR of the Committee was reviewed during the year as part of the periodic governance review process. The review aimed to ensure that the TOR remains relevant, comprehensive and aligned with evolving regulatory expectations and industry best practices.

Meetings

In terms of the TOR of the Committee, the Committee meets at least once a year and at such other times as the Chair or members of the Committee shall require.

The Committee convened five meetings during the period under consideration.

Please refer page 112 for details on meeting attendance at Committee meetings.

Reporting to the Board

The proceedings of the BNGC meetings are regularly reported to the Board via the Committee Chair outlining proceedings, outcomes and recommendations.

The minutes of BNGC meetings are also tabled at successive Board meetings, for informational purposes.

Secretary to the Committee

Ms. Roshini Weudagedara – Company Secretary functions as the Secretary to the Committee.

Board Diversity

The BNGC assessed the Board composition against the pre-defined criteria of skill and knowledge requirements to ascertain whether the collective knowledge and experience of the Board matches the strategic, governance and business demands of the Company. The assessment of the Board composition comprehensively addresses aspects of diversity and inclusion, including age, tenure, gender, expertise and independence, ensuring a balanced and effective board composition.

The Committee is satisfied that the Board continues to be of adequate size and composition to suit the current scale of its operations and has an appropriate balance of skills, knowledge, experience and diversity to enable it to effectively discharge its duties. The Committee has time-effectively focused on Board refreshment giving due consideration to vacancies arising and Board effectiveness assessments.

As at 31 March 2025, the Board had five (5) female directors representing 56% of the Board. Outside of gender diversity, as a Committee, we are confident the current Board's skillset also ensures the ability to oversee management and contribute to the development of strategy. The Committee considers maintaining at least gender-parity as significant to its long-term diversity perspective.

The Committee notes mandatory requirements of age and tenure imposed on the determination of independence by the Listing Rules. The average tenure and age of the incumbent Board as at 31 March 2025 was approximately 4 years and 62 years respectively. The average tenure and age of independent non-executive directors of the Board as at 31 March 2025 was approximately 3 years and 61 years respectively.

Please refer page 104 for more details on Board composition and diversity considerations.

Process for Board appointments/ re-elections/re-appointments

The Committee has a formal documented policy in place where all appointments, re-elections/re-appointments are assessed against pre-defined criteria for suitability.

In appointing directors, the Committee considers whether candidates bring complementary skills and experience aligned with the Board's needs. Key factors include sound business judgment, a strong track record in governance, the ability to provide effective oversight and a demonstrated commitment to fulfilling Board duties. Those proposed as Independent Non-Executive Directors must meet the independence requirements under the Listing Rules.

In considering a Director for re-election, the Board evaluates their ongoing time commitment, attendance, and active participation in meetings. The Director's skills, knowledge, and expertise are assessed against the Board's skills matrix and the strategic needs of the Company. For Independent Directors, any factors affecting independence or objectivity are reviewed. The Director's overall contribution, including alignment with the Company's strategic goals and impact on its growth and stability, is also taken into account.

The findings of the board composition related assessment were taken into account in case of new board appointments and when incumbent directors came up for re-election/re-appointment.

In terms of the articles of association, a third (1/3) of the directors (other than executive directors) who have been longest in office are required to retire by rotation. In addition, in terms of the Companies Act No. 07 of 2007, Directors who are over 70 must be re-appointed by the shareholders at the Annual General Meeting (AGM). Article 89 requires directors who were elected during the year to retire and seek election at the next AGM.

According to the assessment, the Committee recommended the following directors for election/ re-election/re-appointment at the AGM.

Name of Director	Role in Board sub committee	First date of appointment	Last reappointment date	Details of Directorships including those held within the past three years in listed entities	Relationships between the director with other directors, Company, shareholders having more than 10% in the Company
Mr. A. Herath	BNGC/ BRPTRC/ BHRC Member	1 July 2024	N/A	Number of Directorships in listed entities within the past three years – 4. Pease refer pages 118 to 121 for Directorships	Nil
Ms. L. E. M. Yaseen	BRPTRC – Member	12 June 2009	28 June 2024	Number of Directorships in listed entities within the past three years – Nil. Pease refer pages 118 to 121 for Directorships	Close family member of Ms. L. E. M. Yaseen, holds more than 10% in the Company.
Ms. M. C. Pietersz	BARC – Chair BRPTRC/ BNGC – Member	25 March 2021	30 July 2021	Number of Directorships in listed entities within the past three years – 6. Pease refer pages 118 to 121 for Directorships	Nil
Mr. M. N. R. Fernando	BNGC- Chair BHRC/ BARC – Member	29 January 2025	N/A	Number of Directorships in listed entities within the past three years – 4. Pease refer pages 118 to 121 for Directorships	Nil
Mr. D. T. S. H. Mudalige	BRPTRC/ BHRC – Member	29 January 2025	N/A	Number of Directorships in listed entities within the past three years – 6. Pease refer pages 118 to 121 for Directorships	Nil

Determinations on director independence

An independent Board has the benefit of providing objective judgement and constructive challenge to the viewpoints presented by management. Non-executive directors' independence is assessed upon appointment, annually and if at any other time circumstances warrant reconsideration.

Over the year, the Committee made recommendations to the Board as to determinations of director independence including in case of new appointments.

Additionally, the Committee offered insights when necessary regarding the potential impact of proposed related party transactions on a director's independence.

Please refer page 107 for the details of independent directors as at 31 March 2025.

External appointments

The Board has a written policy as regards the maximum number of other appointments that directors should hold. Before recommending new appointments to the Board, the Committee considers other demands on candidates' time. Once appointed any proposed additional external appointments are also reviewed by the Committee to ensure that the additional demands are within the threshold imposed.

Considering reviewed and updated directors' interests, the Committee is satisfied that each director has sufficient time to discharge their duties, taking into consideration their external appointments and commitments.

Performance evaluation

The Committee guided the design and conduct of the annual reviews of the Board, sub-committees and governance professionals including the Company Secretary, for effectiveness and performance.

The Board undertook a performance evaluation of the Board. The outcome was tabled at a BNGC meeting for recommendations.

The Committee carried out a self-evaluation. The Board was satisfied with the Committee's performance during the period and that its remit and scope was sufficient.

The BNGC established that a suitable process encompassing expectation setting, guidance and assessment is maintained for periodic evaluation of the performance of the CEO. For year 2024/25 this evaluation was conducted by the Board HR and Remuneration Committee as delegated by the Board. .

Board induction and training

Induction programs encompass both institutional document-packs and one-on-one interactions. The orientation has been designed to supplement existing practices whereby a continuing understanding of the business is developed through appropriate business engagements for non-executive directors such as interactions with employees, site visits and corporate events worked into the annual cycle of Board meetings. The Committee oversaw that induction programs have been conducted for the new appointees to the Board including on corporate governance, Listing Rules, securities market regulations and other applicable laws and regulations.

The senior executives of the Company and subsidiaries are invited, as appropriate, to Board and strategy meetings to make presentations on their areas of responsibility. Training on specific areas of risk and governance, performance reviews by the Chief Executive Officer, details on strategic matters and industry trends are provided to the Board. Internal senior leaders and external specialists may also impart their knowledge to the Board through presentations, roundtable discussions and other sessions.

The Board was also provided regular briefings to ensure that directors are kept up to date on relevant legal and governance developments or changes, best practice developments and changing commercial and other risks.

Please refer page 114 for details.

Process to inform independent directors of major issues relating to the Company

To uphold corporate governance best practices, it's essential to keep independent directors informed of major issues within the Company. This involves regular updates through board meetings and timely communication of urgent matters between meetings. Directors also receive detailed reports and relevant documentation and have direct access to the management for clarification or additional information as needed.

Corporate governance

The Committee oversaw the Company's governance structure and processes, ensuring alignment with Listing Rules, regulatory requirements and industry best practices.

The Committee also received reports from management regarding compliance with the corporate governance framework, including adherence to the Listing Rules and other relevant laws.

Succession planning

The Committee meticulously oversaw the succession planning process for Key Management Personnel (KMPs), actively developing strategies and identifying training and development needs for the individuals earmarked for succession.

Scope of Committee in relation to Subsidiaries

The Committee's role in governance oversight extends to formulating and implementing a robust subsidiary governance policy which guides the manner in which parent Company representation, information architecture and risk management in particular, cohesively support Group governance. The Committee ensures that the Board is sufficiently diverse as regards capabilities, experience and knowledge in the nature that are useful for not only the Company but also its subsidiaries, engendering effective oversight.

Both majority owned subsidiaries, United Motors Lanka PLC (UML) and Panasian Power PLC (PAP) are listed entities and have their respective BNGCs.

Directors and Officers Liability Cover (D & O Cover)

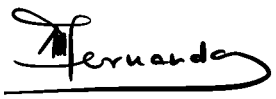
The Committee reviewed the Company's D&O insurance policies and is satisfied on the adequacy of D&O insurance coverage.

Declaration

During the year,

1. an annual update on Corporate Governance, Listing Rules, securities market regulation and other applicable laws has been provided to the Directors;
2. The Directors have met the criteria for independence as outlined in the Listing Rules of the Colombo Stock Exchange;
3. Compliance with the Listing Rules on Corporate Governance Rules has been ensured.

On behalf of the Board Nominations and Governance Committee



M. N. R. Fernando
Chairman of the Board Nominations and Governance Committee

4 June 2025
Colombo

Report of the Board Related Party Transactions Review Committee

Dear shareholder

As the chairperson of the (BRPTRC/Committee), on behalf of the other committee members, I am pleased to present to you the Board Related Party Transactions Review Committee report of R I L Property PLC, for the year 2024/2025.

As required by section 9.14.8 of the Listing Rules of the Colombo Stock Exchange and the Code of best practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka 2023 (CG Code 2023), this report details the manner in which the duties and responsibilities of the Committee were discharged, during the year under review.

Introduction and purpose

The purpose of the Committee is to provide assistance to the Board of Directors in fulfilling their oversight responsibility for the following:

- Evaluate and consider transactions with related parties (other than those exempted) of the Company as defined by Section 9 of the Listing Rules of the Colombo Stock Exchange before they are undertaken, in order to ensure that related parties are treated on par with other shareholders and other stakeholders of the Company.
- Ensure that necessary processes are in place to identify, approve, disclose and monitor Related Party Transactions according to the provisions contained in the Board approved Manual for Related Party Transactions pertaining to the Company.

Committee composition

The Committee composition as at 31 March 2025 is as follows:

Name	Nature of Directorship	Committee status	Date of appointment
Ms. C. G. Ranasinghe	Independent Non–Executive	Chairperson	1 September 2016
Ms. L. E. M. Yaseen	Non-independent Non –Executive	Member	1 November 2018
Mr. A. Herath	Independent Non–Executive	Member	1 July 2024
Ms. M. C. Pietersz	Independent Non–Executive	Member	25 March 2025
Mr. D. T. S. H. Mudalige	Independent Non–Executive	Member	29 January 2025

*There are no changes to the committee composition after the reporting date

The Committee composition comprises exclusively of Non-Executive Directors and 4 members are independent. Chairperson, Ms. C. G. Ranasinghe is an Independent Non-Executive Director.

Changes to Committee composition during the year:

Mr. S. G. Wijesinha who served on the Committee as a Non-Independent Non-Executive Director during the year, ceased to be a member with effect from 31 August 2024, following his resignation from the Board.

Ms. C. R. Kariyawasam who served on the Committee as an Inpendent Non-Executive Director during the year, ceased to be a member with effect from 28 June 2024, following her resignation from the Board.

Mr. K. P. Ariyaratne who served on the Committee as an Independent Non-Executive Director during the year, ceased to be a member with effect from 31 December 2024, following his resignation from the Board.

Terms of Reference (TOR)

The Committee has a Board approved written TOR dealing with its authority and duties and carefully designed to discharge the Committee's purpose.

The TOR of the Committee was reviewed during the year as part of the periodic governance review process.

Meetings

In terms of the TOR of the Committee, the BRPTRC meets on a quarterly basis.

The CEO and the CFO attends meetings by invitation.

The Committee convened seven meetings during the period under consideration.

Please refer page 112 for details on meeting attendance at Committee meetings.

Secretary to the Committee

Ms. Roshini Weudagedara - Company Secretary functions as the Secretary to the Committee.

Scope of Committee in relation to Subsidiaries

Both United Motors Lanka PLC (UML) and Panasian Power PLC (PAP) are listed entities with its own BRPTRC Committees. However, intra Group transactions concerning subsidiaries are reviewed by the parent BRPTRC.

Reporting to the Board

The proceedings of the BRPTRC meetings are regularly reported to the Board via the Committee Chair outlining proceedings, outcomes and recommendations. Where necessary, the Committee requests the Board of Directors to approve the Related Party Transactions under review and in such instances, the Board approval is obtained prior to entering into such transaction. The minutes of BRPTRC meetings are also tabled at successive Board meetings, for informational purposes.

Policies and Procedures

A Board approved Procedure Manual on Related Party Transactions is in place with the objective to establish a frame work for the Company for identification of related parties and their transactions.

Identification of RPs

Related parties are identified in accordance with the criteria set out in the Sri Lanka Accounting Standards (LKAS 24) as well as the Listing Rules.

In terms of the Manual, the CFO, is entrusted with the responsibility to identify and update the list of related parties, as and when an event occurs.

The Company adopts a disclosure based approach in identifying related parties.

Reporting and reviewing Related Party Transactions

The Company has set up a process which enables the Company to generate and track data on Related Party Transactions, throughout the Company's ERP system.

All Related Party Transactions (other than those exempted) are submitted to the Committee prior to entering into the transaction.

All recurrent Related Party Transactions are submitted to the Committee on a quarterly basis for review. The Committee has established guidelines to follow, when reviewing these recurrent Related Party Transactions.

The Committee when reviewing Related Party Transactions looks at the objective, economic and commercial substance over legal form and technicality.

The Company Secretary will make the necessary market disclosures in respect of transactions with identified related parties that trigger shareholder or Board approval, as well as those requiring immediate disclosure.

The Internal Audit function ensures that Related Party process is carried out according to the established procedure manual and applicable laws.

Professional advice and access to Management

The Committee ensured that it had access to sufficient knowledge and expertise to assess all aspects of the transaction. To this extent, the Committee is empowered to obtain, at the Company's expense, any outside legal or other professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary for the fulfilment of its duties.

Conflict of interest

If a member has a personal material interest in a matter being considered or a Related Party Transaction involves directly or indirectly one of the members of this Committee, the conflicted member informed the Committee immediately and excused himself at the meeting. Such member was not present while the matter was being considered at the meeting, unless for the express purpose of providing information to the Committee at the request of the other members and abstained from voting on the matter.

Performance evaluation

The Committee carried out a self-evaluation. The Board was satisfied with the Committee's performance during the period and that its remit and scope was sufficient.

Declaration

Other than those exempted, all transactions with related parties entered into during the year 2024/25, were reviewed by the Committee and the observations were duly communicated to the Board. For this purpose all relevant facts and circumstances of the proposed transactions were provided to the Committee by the Senior Management.

During the year under review, the Company has complied with the Related Party Transactions rules set out in Section 9 of the Listing rules. An affirmative statement of compliance with the rules pertaining to Related Party Transactions by the Board of Directors is included on page 155 of this annual report.

On behalf of the Board Related Party Transactions Review Committee



C. G. Ranasinghe
Chairperson of the Board Related Party Transactions Review Committee

4 June 2025
Colombo

Annual Report of the Board of Directors

The Board of Directors of R I L Property PLC (R I L/ the Company) have the pleasure in presenting to its shareholders the Annual Report of the Company which covers and includes the Audited Financial Statements for the Financial Year ended 31 March 2025, Chairman's message, CEO's review, Corporate Governance report together with the Board sub-committee reports, Risk Management report, Statements on Directors' responsibility, Auditors' Report together with the other relevant information.

This Report provides the information required by the Companies Act No. 07 of 2007(as amended) (CA 2007), as well as the Listing Rules of the Colombo Stock Exchange (as amended)(CSE).

The Board acknowledges its responsibility to ensure that this integrated Annual Report provides a balanced view of its performance during the Financial Year 2024/25 and is of the opinion that it addresses all material issues that it believes may have a bearing on the Group's capacity to create value over the short term.

The Management of R I L Property PLC have prepared and reviewed the integrated Annual Report and submitted the same to the Board Audit and Risk Committee who recommended the same to the Board of Directors for approval. Accordingly, the annual report of the Company including the annual report of the Board of Directors was adopted by the Board of Directors on 2 June 2025.

The required number of copies of the Company's Annual Report will be submitted to the relevant regulatory authorities within the stipulated time.

General

The Company was incorporated on 15 July 2009 as a Private Limited Liability Company and subsequently converted to a Public Limited Liability Company on 13 September 2016 under the CA 2007.

The Ordinary shares of the Company are quoted on the main Board of the CSE since 4 May 2017.

Principal activities

The principal business activities of the Group are into diverse sectors.

The principal activity of the parent Company, R I L is developing and managing Grade "A" commercial office space in selected core markets in the Central Business District (CBD) whilst offering multifaceted real estate solutions including facilities management, leasing, land acquisition, construction management services, consulting and strategic investment.

PARKLAND Integrated Solutions (Private) Limited, a fully owned subsidiary incorporated on 4 January 2024, is primarily engaged in providing facilities and project management services.

Subsidiary, United Motors Lanka PLC (UML) continues as the distributor for brand new Mitsubishi and Fuso vehicles, genuine spare parts of brands and provides after sales services and export trailers for Ports and Road trailers globally.

Subsidiary, Panasian Power PLC (PAP) is one of Sri Lanka's leading suppliers of clean, renewable energy to the country's national energy grid.

Subsidiary, R-E-D Capital Asia (Pvt) Ltd., subsidiary of PAP is the sole shareholder of four operating companies which are operating four, 5MW x 07 solar power projects.

There were no significant changes in the nature of the principal activities of the Company and the Group during the Financial Year under review.

Changes to Group Structure

The Group Structure is elaborated on page 13 of the Annual Report.
The following were the changes which occurred to the Group structure, during the year under review.

- Our shareholding in PAP increased from 74.84% to 75% during the period under review.
- R I L acquired a 37% of the stake of R-E-D Capital Asia (Pvt) Ltd which was a wholly own subsidiary of Panasian Power PLC on 31 March 2025.
- The Shareholding held by the holding Companies in the following companies were transferred in its entirety to R-E-D Capital Asia (Pvt) Ltd is the sole shareholder of these companies.

Holding Company	Company
Manelwala Hydropower (Pvt) Ltd	PAP MHPL Solar (Pvt) Ltd
Solar Power Generation Matara (Pvt) Ltd	PAP SPGM Solar (Pvt) Ltd
Eco Green Solar Solutions (Pvt) Ltd	PAP EGSS Solar (Pvt) Ltd
Panthree Solaro Energy (Pvt) Ltd	PAP PTS Solar (Pvt) Ltd

Review of performance

A review of the Company and its subsidiaries' performance during the Financial Year together with the future outlook is found in the Chairman's message, CEO's review and the Management Commentary on pages 29 to 31, 32 to 35 and 65 to 91 respectively.

Financial Statements

The Financial Statements of the Company and the Group have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRs/LKASs) issued by the Institute of Chartered Accountants of Sri Lanka and comply with the requirements of the CA 2007 as well as the Listing Rules of the CSE.

As at the balance sheet date, the Financial Statements give a true and fair view of

a. the state of affairs of the Group
b. the profit and loss or income and expenditure of the Group

These Financial Statements, duly certified by the Chief Finance Officer, were approved by the Board of Directors and signed by two (02) members of the Board and are given on pages 173 to 271 of the Annual Report.

Directors' responsibility for financial reporting

The Directors are responsible for the preparation of the Financial Statements of the Company, which reflect a true and fair view of the financial position and the performance of the Company and the Group.

The statement of Director's responsibility statement for Financial Reporting provided on page 165 of this Annual Report forms an integral part of this Report.

Auditors' Report

The Auditors' Report on the Financial Statements of the Company and the Group are given on pages 170 to 172 of the Annual Report.

Significant accounting policies

The Accounting Policies adopted in the preparation of the Financial Statements of the Company and the Group are given on pages 181 to 271 of the Annual Report.

There were no changes in Accounting Policies during the year under review other than those disclosed in note 5.1 on page 189.

Going concern

The Board of Directors after considering the financial position, operating conditions, regulatory and other factors, has a reasonable expectation that the Company and its subsidiaries possess adequate resources to continue operations in the foreseeable future.

Accordingly, the Financial Statements are prepared based on the "Going Concern Concept".

Stated capital

As at 31 March 2025, the stated capital of the Company was LKR 7,360 Mn. comprising of 800 Mn. ordinary shares.

No new share issues took place during the year under review.

Financial results

	2025 LKR Mn.	2024 LKR Mn.
Company		
Revenue	**1,457**	1,288
Profit before Tax	**1,610**	1,305
Profit after Tax	**1,348**	993
Group		
Revenue	**14,727**	14,353
Profit before Tax	**1,918**	1,190
Profit after Tax from continued operations	**1,523**	733
Reserves		

	2025 LKR Mn.	2024 LKR Mn.
Company		
Reserves		
Capital Reserve	**419**	363
Revenue Reserve	**10,958**	9,775
Group		
Reserves	**14,279**	12,880

• The composition of the Reserves is shown in the statement of changes in equity on pages 176 to 178.

Segmental reporting

Segmental reporting is disclosed in note 27 to the Financial Statements on pages 251 to 253.

Provision for taxation

Provision for taxation has been computed at the prescribed rates and details are given in note 26 to the Financial Statements on pages 247 to 251.

Dividends

The Board has approved the payment of a first and final dividend of LKR 0.55 per share for the Financial Year 2024/25. Although the approval of the shareholders is not required in terms of the Articles of Association, keeping in line with good governance, the approval of the shareholders will be sought at the upcoming AGM scheduled for 30 June 2025.

In terms of section 56 (2) of CA 2007, the Board of Directors have certified that the Company satisfies the Solvency Test in accordance with Section 57 of the CA 2007 and a certificate from the Auditors will be obtained to this effect.

Donations

Donations given by the Company and the Group are disclosed in note 25 to the Financial Statements on page 246.

Events occurring after the reporting date

There have been no material events subsequent to the reporting date that would require adjustment to or disclosure in the Financial Statements other than those disclosed in note 32 to the Financial Statements on page 257.

Property, plant and capital expenditure

Capital expenditure during the year on Property Plant and Equipment by the Company and the Group were LKR 1 Mn. (LKR 10 Mn. (2023/24) and LKR 1,725 Mn. (LKR 275 Mn. – 2023/24), respectively.

Details relating to Property Plant and Equipment, Investment properties and intangible assets are detailed in notes 6, 7 and 8 to the Financial Statements, on pages 192 to 208.

Value of the owner occupied area of the investment property is LKR. 473 Mn. (LKR 446 Mn. – 2023/24) and is disclosed separately under Property Plant and Equipment notes 6 and 7 to the Financial Statements on pages 192 to 205.

Extents, locations, number of the buildings and the valuation of the properties of the Company and the Group are given in notes 6 and 7 to the Financial Statements on pages 192 to 205.

All freehold land of the Group were revalued by professionally independent valuers and incorporated into the Financial Statements. The investment properties are accounted using the fair value method.

Details of fair values of investment properties are given on note 7 to the Financial Statements. Details of revaluation of land are given in notes 6 and 7 to the Financial Statements.

Contingent liabilities and capital commitments

There has been no capital commitments or contingent liabilities other than disclosed in notes 33 and 34 to the Financial Statements on pages 257 and 258 of the Annual Report.

Employment

The Company's and the Group's strength of manpower as at 31 March 2025 is 107 and 997 respectively.

The Company's practices and policies inter alia relating to recruitment, training and development, and employee relations are discussed in detail under "Human Capital" on page 76.

There were no material issues pertaining to employees and industrial relations in the year under review.

Share information

There were 4,176 (4,195 –2023/24) registered shareholders as at 31 March 2025.

Distribution schedule of shareholders

The details are given on page 275.

Information on ratios and market price information

Disclosures under section 7.6 (xi) (i.e Dividend per share, Dividend pay out, Net asset value per share, Market value per share and highest and lowest values recorded during the Financial Year) of the Listing Rules of the CSE are indicated on page 7.

Substantial shareholdings and other share information

The names of the twenty largest shareholders, the number of shares held and the percentages are given on page 274 of the Annual Report.

Disclosures required under section 7.6 (iv) (i.e the float adjusted market capitalization, public holding percentage (%), number of public shareholders and under which option the Company complies with the Minimum Public Holding requirement, in respect of voting ordinary shares) of the Listing Rules of the CSE is indicated on page 274.

Related party transactions

Non-recurrent related party transactions

There were no non–recurrent Related Party Transactions of which the aggregate value exceeded 10% of the Equity or 5% of the Total Assets of the Company during the year ended 31 March 2025, which require specific disclosures in the Annual Report in terms of section 9.14.8 of the Listing Rules of the CSE and the Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka.

Recurrent related party transactions

There were no recurrent Related Party Transactions which in aggregate exceeded 10% of the consolidated revenue of the Group as per latest audited Financial Statements, which require specific disclosures in the Annual Report in terms of section 9.14.8 of the Listing Rules of the CSE and the Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka.

The identified Related Parties as well as the Related Party transactions undertaken during the year are set out in note 30.3.2 to the Financial Statements on page 256.

The members of the Board and the senior managers have been identified as "Key Management Personnel" of the Company. There were no Related Party transactions by the Key Management Personnel with the Company other than note 30 to the Financial Statement on page 254.

As required by the Listing Rules of the CSE, the Board confirms that the Company has complied with all requirements as per Section 9 of the Listing Rules of the CSE on Related Party transactions.

Corporate Governance

The measures taken and the extent to which the Company has complied with the Listing Rules of the CSE are set out under the "Corporate Governance Report" on page 99.

Board of Directors

As at 31 March 2025, the Board of Directors of R I L Property PLC consisted of nine (09) Directors.

Mr. A. Herath
Independent Non-Executive Chairman

Ms. L. K. A. H. Fernando
Chief Executive Officer/Executive Director

Ms. L. E. M. Yaseen
Non-Independent Non-Executive Director

Ms. C. G. Ranasinghe
Independent Non-Executive Director

Professor N. D. Gunawardena
Independent Non-Executive Director

Ms. M. C. Pietersz
Independent Non-Executive Director

Ms. V. S. Weerasekera
Non-Independent Non-executive Director

Mr. D. T. S. H. Mudalige
Independent Non-Executive Director

Mr. M. N. R. Fernando
Independent Non-Executive Director

The Directors' profiles are given on page 36 of the Annual Report.

The names of the Directors of the subsidiary companies are given on pages 14 to 21.

Changes in the Directorate

New appointments and resignations of the Company

During the year, three new directors were appointed to the Board.

Name of the Director	Date of appointment
Mr. A. Herath	1 July 2024
Mr. M. N. R. Fernando	29 January 2025
Mr. D. T. S. H. Mudalige	29 January 2025

The following directors resigned from the Board during the year.

Name of the Director	Date of resignation
Mr. L. W. D. Abeyarathne	1 April 2024
Ms. C. R. Kariyawasam	28 June 2024
Mr. S. G. Wijesinha	31 August 2024
Mr. K. P. Ariyaratne	31 December 2024

Retirement and re-election of Directors

In terms of Article 83 of the Articles of Association, Ms. M. C. Pietersz will retire by rotation.

In terms of section 211 of the Companies Act No. 07 of 2007 (as amended), Ms. L. E. M. Yaseen who will be retiring due to being over the age of 70 years, will offer herself for re-appointment on the unanimous recommendation of the Board Nominations and Governance Committee and the Board of Directors.

In terms of Article 89 of the Articles of Association, Mr. A. Herath, Mr. M. N. R. Fernando and Mr. D. T. S. H. Mudalige will retire and seek election by the shareholders at the AGM, on the unanimous recommendation of the Board Nominations and Governance Committee and the Board of Directors.

Board sub-committees

The Board, while assuming overall responsibility and accountability for the management of the Company, has appointed 4 Board sub-committees, Board Audit and Risk Committee (Formerly known as the Board Audit Committee), Board Related Party Transactions Review Committee, Board HR and Remuneration Committee (Formerly known as the Board Remuneration Committee) and the Board Nominations and Governance Committee to ensure oversight and control over certain affairs of the Company.

The Board approved Terms of References are in place for each of these Board sub-committees.

Changes to the Sub-committee compositions during the year as well as the current Committee compositions are indicated in the respective Committee reports:

Board Sub-committee	Page reference
Board Audit and Risk Committee	139
Board HR and Remuneration Committee	144
Board Nominations and Governance Committee	147
Board Related Party Transactions Review Committee	152

Directors' meetings

The attendance of Directors at Board and Board sub-committee meetings are given on page 112 of this Annual Report.

Directors' interest in shares

Name of the Director	Number of shares held as at 31 March		Percentage (%) of shares held as at 31 March	
	2025	2024	2025 (%)	2024 (%)
Mr. A. Herath	–	–	–	–
Ms. L. K. A. H. Fernando	–	–	–	–
Ms. L. E. M. Yaseen	**45,868,832**	45,868,832	**5.73**	5.73
Ms. C. G. Ranasinghe	–	–	–	–
Professor. N. D. Gunawardena	–	–	–	–
Ms. V. S. Weerasekera				
Ms. M. C. Pietersz	–	–	–	–
Mr. D. T. S. H. Mudalige	–	–	–	–
Mr. M. N. R. Fernando	–	–	–	–

The Directors or Close Family Members do not have any material business relationship with other Directors of the Company.

Directors' interests register

The Group, in compliance with the CA 2007, maintains Interests Registers. Where applicable, all necessary entries were made in the Interests Register during the year under review.

The Interests Registers are available at the respective Registered Offices of the Group in keeping with the requirements of section 119 (1) (d) of the CA 2007.

Directors' interest in contracts

All Directors of the Company make the necessary declarations of their interests in contracts, to the Board and such interests are duly recorded in the Directors Interests Register. The Directors will have no direct or indirect interest in any contracts or proposed contracts with the Company other than those disclosed in the Interests Register.

During the year, there were no such interested transactions warranting disclosure.

The Directors disclose transactions, if any, that could be classified as Related Party Transactions in terms of the Sri Lanka Accounting Standard – LKAS 24 on "Related Party disclosures".

As a practice of good governance, Directors refrain from voting on matters in which they are materially interested.

Directors' insurance

The Directors and Officers of the Company are covered under the Directors' and Officers' liability cover obtained by the Company.

Directors' remuneration

Details of Directors' remuneration and other benefits in respect of the Company and the Group for the Financial Year ended 31 March 2025 are given in note 30.2.2 to the Financial Statements, on page 255.

Declaration

The Directors declare that:

1. The Company has not engaged in any activity which contravenes the laws and regulations;
2. All material interests in contracts involving the Company have been declared and the Directors have refrained from voting on matters they were materially interested;
3. The Company has made all endeavors to ensure equitable treatment to Shareholders;
4. The Business is a going concern and that the Board of Directors have reviewed the Company's business plans and is satisfied that the Company has adequate resources to continue its' operations in the foreseeable future.

   Accordingly, Financial Statements of the Company and the subsidiaries have been prepared on the going concern assumption;
5. A review of the internal controls covering financial, operational, compliance controls and risk management were conducted and have obtained a reasonable assurance from the Internal Audit of their effectiveness and successful adherence.
6. None of the Directors nor their close family members have any material business relationships with other Directors.
7. They have made arrangements to make themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions.

Risk management and internal control

The Board of Directors, through the involvement of the Internal Audit have taken steps to ensure, and have obtained reasonable assurance, that an effective and comprehensive system of internal controls are in place that cover the financial, operational and compliance controls required to carry on the business in an orderly manner, safeguard the Company's assets and secure, as far as possible, the accuracy and reliability of the financial records.

The Board is satisfied with the effectiveness of the system of internal controls that were in place during the year under review. The "Directors' Statement on Internal Control" is contained on page 168 and forms an integral part of this report.

The Directors periodically review and evaluate the risks that are faced by the Company.

The various exposures to risks by the Company and specific steps taken by the Company in managing risks are detailed under the "Risk Management" on page 93 of this Annual Report.

Code of conduct and ethics

The Company has in place a Code of Ethical Business Conduct applicable for all employees. The compliance is mandatory at all levels across the Company, without any exemptions.

A Code of Conduct and Ethics is also available for the Directors.

There were no violations/waivers/exemptions reported in the respective Codes, during the year.

Whistle blowing

A Whistle Blowing Policy operates within the Company and the same has been communicated to employees. Bi –annual awareness sessions are conducted by the Company to educate the employees on the importance of this Policy.

Corporate social responsibility

The Board is fully committed to and considers it a key priority to act responsibly towards all stakeholders and to manage economic, environmental and social impacts during value creation activities efficiently and effectively.

Please refer page 83 for more details.

Material foreseeable risk factors

The Company does not foresee any material risks affecting its business in the foreseeable future.

Environmental protection

The Company has made its best endeavors to comply with the relevant environment laws and regulations. The Company to the best of it's knowledge has not engaged in any activity harmful or hazardous to the environment and has taken all possible steps necessary to safeguard the environment from any pollution that could arise when carrying out its business operations.

Statutory payments

The Directors confirm that to the best of their knowledge, all payments due to the government and regulatory institutions and those related to employees have been made on time during the year under review.

Outstanding litigation

The Directors confirm that there is no outstanding litigation other than those disclosed under note 34 to the financial statements.

Employee share ownership plans

The Company does not have any employee share ownership/option plans.

Auditors

Appointment

Retiring Auditors, Messrs. Ernst & Young, Chartered Accountants, have indicated their willingness to continue as External Auditors of the Company and a resolution to re-appoint them as Auditors and authorizing the Directors to fix their remuneration, will be proposed at the forthcoming AGM.

Independence

A declaration has been provided by Messrs. Ernst & Young indicating that having exercised their professional judgment, they are not aware of any relationship or interest in the Group that can reasonably be thought as having a bearing on their independence within the meaning of the Code of Conduct and Ethics of The Institute of Chartered Accountants of Sri Lanka.

Remuneration

The fees paid to Auditors, Messrs. Ernst & Young for the audit and other services are given in note 25 in page 246 to the Financial Statements.

Annual General Meeting

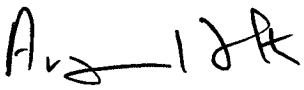
The 16th Annual General Meeting of the Company will be held on 30 June 2025 at 10.00 a.m.

The Notice of meeting is given on page 284 of the Annual Report.

Acknowledgement of the contents of the Annual report

As required by section 168 (1) (k) of the CA 2007, the Board of Directors hereby acknowledge the contents of this Annual Report.

This Annual Report is signed for and behalf of the Board of Directors



A. Herath
Chairman



L. K. A. H. Fernando
Chief Executive Officer/Executive Director



Y. C. R. Weudagedara
Company Secretary

4 June 2025
Colombo

Financial Reports



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Financial Calendar

Annual General Meeting Calendar



Audited Financial Statements for the year ended 31 March 2025 signed on — 4

16th Annual General Meeting — 30

Audited Financial Statements for the year ended 31 March 2026 to be signed on — 5

17th Annual General Meeting — 30

Dividend Calendar

Payment of first and final dividend for the Financial Year 2024/25 — 21

Interim Financial Statement Calendar



Submission to the Colombo Stock Exchange in terms of Rule 7.4

First quarter ending 30 June — 12th — 15th

Second quarter ending 30 September — 13th — 15th

Third quarter ending 31 December — 13th — 15th

Fourth quarter ending 31 March — 29th — 31st

Statement of Directors' Responsibility for Financial Reporting

The responsibility of the Board of Directors in relation to the Financial Statements of the Company and the Group is set out in this statement, which should be read in conjunction with the Auditors' statement set out in their report on pages 170 to 172 of this Annual Report.

The Companies Act No. 07 of 2007 (CA 2007) (as amended) requires the Directors to prepare the Financial Statements for each Financial Year, giving a true and fair view of the state of affairs of the Company and the Group as at the end of the Financial Year, the profit and loss of the Company and the Group for the Financial Year and present the same to the Shareholders.

The Financial Statements comprise of:

- The Statement of Financial Position;
- The Statements of Profit or Loss and Other Comprehensive Income;
- The Statement of Changes in Equity and Cash flows;
- Accounting policies and notes thereto

The Board of Directors confirms that the Financial Statements of the Company and the Group give a true and fair view of the:

- Financial position of the Company and Group as at 31 March 2025; and
- Financial performance of the Company and Group for the year ended 31 March 2025.

The Directors have ensured that in preparing these Financial Statements:

- The appropriate accounting policies have been selected and applied in a consistent manner and material departures, if any, have been disclosed and explained; and
- All applicable accounting standards in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) as relevant have been applied; and
- Reasonable and prudent judgments and estimates have been made so that the form and substance of transactions are properly reflected; and
- To the best of their knowledge, the statements provide the information required by and otherwise comply with, the CA 2007, the Listing Rules of the Colombo Stock Exchange and the requirements of any other regulations applicable to the Company.

The Directors have a responsibility to ensure that the Company and the Group maintain sufficient accounting records to disclose, with reasonable accuracy, the financial position of the Company and the Group.

The Board of Directors accepts full responsibility for the integrity and objectivity of the Financial Statements presented. The Directors are also responsible for taking reasonable steps to safeguard the assets of the Company/Group and in this regard to give proper consideration to the establishment of appropriate internal control systems with a view to preventing and detecting frauds and other irregularities.

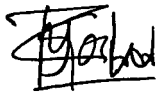
The Directors are required to provide the Auditors with every opportunity to take whatever steps and undertake whatever inspections they may consider appropriate to enable them to express their audit opinion.

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company and the Group and all contributions, levies and taxes payable relating to the employees of the Company and the Group, which were due and payable as at the reporting date, have been paid or where relevant, provided for.

As required by Section 56 (2) of the Companies Act No. 7 of 2007, the Board of Directors have confirmed that the Company, based on the information available, satisfies the solvency test immediately after the distribution, in accordance with Section 57 of the Companies Act No. 7 of 2007, and have obtained a certificate from the auditors, prior to distribution of dividends.

Following a review of the Company's financial and related information including cash flows and borrowing facilities, the Directors are satisfied that the Company and the Group have adequate resources to continue in operation and have continued to adopt the going concern basis in preparing these Financial Statements.

By order of the Board



Y. C. R. Weudagedara
Company Secretary

4 June 2025
Colombo

Responsibility Statement of Chief Executive Officer and Chief Finance Officer

Compliance with the Laws and Regulations

The Financial Statements of R I L Property PLC (The Company/R I L) and the Group for the Financial Year 2024/25 have been prepared and presented in compliance with the requirement of the following:

- Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka (SLFRS/LKAS);
- The Companies Act No. 07 of 2007 (CA 2007) (as amended);
- Listing Rules of the Colombo Stock Exchange (CSE) (as amended).

Financial Reporting

The accounting policies used in the preparation of these Financial Statements are appropriate and are consistently applied except where otherwise stated in the notes to the Financial Statements. There are no departures from the prescribed Accounting Standards in their adoption. The significant accounting policies and estimates that involved a high degree of judgement and complexity were discussed with the Board Audit and Risk Committee (BARC) as well as the Company's External Auditors. Comparative information has been reclassified wherever necessary to comply with the current presentation.

The Board of Directors and the Management assume full responsibility for the integrity and objectivity of the Financial Statements presented. The estimates and judgment relating to Financial Statements were made on a prudent and reasonable basis, in order that the Financial Statements reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs. To ensure this, the Group has taken proper and sufficient care in implementing a system of internal controls for safeguarding assets and for preventing and detecting frauds as well as other irregularities.

We the undersigned, confirm that to the best of our knowledge, R I L and its subsidiaries maintain sufficient accounting records, to disclose with reasonable accuracy the financial position and performance of the R I L Group. The financial statements give a true and fair view of the Company and Group's operations and finances.

We also confirm that the Company and the Group have adequate resources to continue in operation and have applied the Going Concern basis in preparing these Financial Statements.

System of Internal Controls

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 are reviewed, evaluated and updated on an ongoing basis. We have evaluated the internal controls and procedures of the Company for the Financial Year under review and confirm, based on such evaluations there were no significant deficiencies and material weaknesses in the design or operation of internal controls and frauds that involves the management or other employees.

Company's Internal Audit function has been outsourced to Messrs. KPMG, Chartered Accountants which conducts periodic audits in accordance with the audit plan and provides comfort on the efficiency and effectiveness of the internal control system. However, there are inherent limitations that should be recognized in weighing the assurance provided by any system of internal control and accounting.

United Motors Lanka PLC (UML) and Panasian Power PLC (PAP) has its own BAR Committee which the Company relies for the efficiency and effectiveness of their internal control systems.

Report of Independent Auditors

Messrs. Ernst & Young, Chartered Accountants, the External Auditors of the Company have examined the Financial Statements made available together with the relevant financial records, related data and minutes of meetings and accordingly expressed their opinion in their report. Their report is given on pages 170 to 172.

Board Audit and Risk Committee

The BARC pre–approves the audit and other services provided by Messrs. Ernst & Young, Chartered Accountants. The Committee also reviews the level of non-audit services performed by the External Auditor.

The BARC meets periodically with the Internal Auditors and the External Auditors to review the manner in which their responsibilities are discharged and to discuss matters on internal controls identified by the Internal Auditors, the Independent External Auditors and the Management and evaluates the adequacy and effectiveness of the internal control system.

To ensure complete independence, the Internal Auditors and the External Auditors have full and free access to the members of the BARC to discuss any matter of substance.

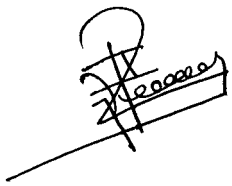
Conclusion

We confirm that to the best of our knowledge

- The Financial Statements reflect in a true and fair manner, the form and substance of transactions and reasonably present the Group's state of affairs and have applied the Going Concern basis in preparing these Financial Statements;
- The system of internal controls and risk management is operating effectively;
- To the best of our knowledge, the Group has complied with all applicable laws and regulations and there is no material litigation against Group.
- All taxes, duties, levies and all statutory payments by the Group and all contributions, levies and taxes payable on behalf and in respect of the employees of the Group as at 31 March 2025 have been paid or provided for, where relevant.



L. K. A. H. Fernando
Chief Executive Officer/Executive Director



W. A. I. R. Perera
Chief Finance Officer

4 June 2025
Colombo

Directors' Statement on Internal Controls

Responsibility and Acknowledgement

Maintaining a sound system of internal controls to safeguard the investment of the Shareholders and the assets of the Company, is the responsibility of the Board of Directors.

The Board has established an ongoing process for identifying, evaluating and managing significant risks faced by the Company, and this process includes enhancing the system of internal controls as and when there are changes to the business operations as well as regulations. This process was in place during the year under review and was periodically reviewed by the Board through the Board Audit and Risk Committee (BARC).

However, such system is designed to manage the Company's key areas of risk within an acceptable risk profile, rather than to eliminate the risk of failure to achieve the business objectives. Therefore, the system of internal controls can only provide reasonable and not absolute assurance on the successful management of risks, financial losses or frauds.

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 that the preparation of Financial Statements is in accordance with the applicable accounting standards and regulatory requirements.

Key processes adopted for the review of the adequacy and effectiveness of internal controls

Summarised below are the key processes adopted for the review of the adequacy and effectiveness of the system of internal controls

- Board Sub-committees are established to assist the Board in ensuring
  - I. the effectiveness of the operations;
  - II. that the operations are conducted in accordance with the business direction/strategies;
  - III. that the Company's operations are in line with the annual budget and approved policies.
- At the direction of the BARC, the internal audit function, has been outsourced to M/S. KPMG. Internal Audit function reviews on an ongoing basis, the design and effectiveness of the Company's internal control systems including systems for compliance with applicable laws and regulations and highlights areas of non –compliances and provide recommendations on areas of improvement.
- The purpose, authority, and responsibility of the internal audit function have been formally defined in an internal audit charter, which is reviewed and approved by the BARC on an annual basis.
- Internal audits are conducted according to the audit plan approved by the BARC. The frequency of the audits is determined based on the level of risk assessed. Findings of the internal audits are submitted to the BARC on a quarterly basis.
- The BARC reviews the internal control issues highlighted by the Internal Auditors and evaluates the adequacy and effectiveness of the risk management and internal control systems. The BARC reviews Internal Audit functions with particular emphasis on the scope and quality of audits. The minutes of BARC meetings are tabled at successive Board meetings for informational purposes.
- Each subsidiary has its own BARC on which the Company relies for the efficiency and effectiveness of internal control systems.
- IT audits are conducted by independent external parties to ensure the integrity of the financial information, data security and adequate access controls with regard to processing data.
- Recommendations by the External Auditors in connection with the internal control systems are reviewed and appropriate steps are taken to implement them.
- Policies/Procedures are developed covering functional areas of the Company and these are approved by the Board or approved subcommittees. Such policies and procedures are reviewed and approved periodically.

Confirmation

Based on the above processes, the Board of Directors of R I L Property PLC confirms that the financial reporting system of the Company and the Group have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes, and has been carried out in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS), Companies Act No.07 of 2007 (as amended), Listing Rules of the Colombo Stock Exchange, Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka 2023 (CG code 2023) and requirements of any other regulatory authority as applicable to the Company.

A. Herath
Chairman

L. K. A. H. Fernando
Chief Executive Officer/Executive Director

M. C. Pieteresz
Chairperson
Board Audit and Risk Committee

4 June 2025
Colombo

Independent Auditors' Report

Shape the future with confidence

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

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

To the Shareholders of R I L Property PLC
Report on the audit of the Financial Statements

Opinion

We have audited the Financial Statements of R I L Property 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 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 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 March 2025, and of their financial performance and 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our 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 FCCA, B E Wijesuriya FCA FCMA RN 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 Gamage ACA ACMA, C A Yalagala ACA ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), B Vasanthan ACA ACMA, W D P L Perera ACA

Principals: T P M Ruberu FCMA FCCA MBA (USJ-SL), G B Goudian ACMA, D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakthivel 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 land, buildings and power plants As at 31 March 2025, investment properties carried at fair value amounted to LKR 18.1 Bn. and represented 33.6% of the total assets of the Group. The fair value gain recognized in statement of profit or loss of the Group for the year ended 31 March 2025 represent 45.1% of profit before tax of the Group. PPE include land and buildings of the Group and power plants of subsidiaries carried at fair value. As at the reporting period end such assets amounted to LKR 14.7 Bn. and represented 27.3% of the total assets of the Group. The fair value of such assets were determined by an external valuer engaged by the Group. Assessment of fair value was a key audit matter due to: • materiality of the reported amounts • degree of assumptions, judgements and estimation uncertainties associated with assessing fair value Key areas of significant judgments, estimates and assumptions used in assessing the fair value of land and buildings, as disclosed in Notes 6 and 7 to the financial statements, include judgements involved in ascertaining the appropriate valuation techniques and estimates such as: • price per perch/acre for valuation of land, • anticipated maintenance cost, rent per sq. ft., occupancy rate, yield rate and discount rate for valuation of buildings; • actual annual average generation KW, Cost per MW, Plant Factor, Selling price (Tarif rate), price per perch, discount rate, yield rate, anticipated maintenance cost and Capacity Rate for valuation of power plants;	Our audit procedures included the following key procedures: • assessed the competence, capability and objectivity of the external valuer engaged by the Group. • read the external valuer's reports and understood the key estimates made and the approach taken by the external valuer in determining fair values • assessed the appropriateness of the valuation techniques used and assessed the reasonableness of the significant judgements, estimates and assumptions made by the valuer such as – price per perch/acre for valuation of land – anticipated maintenance cost, rent per sq. ft., occupancy rate, yield rate and discount rate for valuation of buildings – actual annual average generation KW, Cost per MW, Plant Factor, Selling price (Tarif rate), price per perch, discount rate, yield rate, anticipated maintenance cost and Capacity Rate for valuation of power plants. We also assessed the adequacy of the related Financial Statement disclosures in Notes 6 and 7.

Other Information included in the 2025 Annual Report

Other information consists of the information included in the 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 do 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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the management and those charged with governance

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, 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 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.

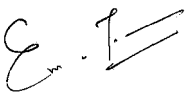
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards 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 4169.



4 June 2025
Colombo

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March	Notes	GROUP 2025 LKR '000	GROUP 2024 LKR '000	COMPANY 2025 LKR '000	COMPANY 2024 LKR '000
Revenue	22	**14,727,355**	14,353,245	**1,457,495**	1,287,840
Cost of sales		**(8,958,867)**	(9,527,463)	**(183,035)**	(134,263)
Gross profit		**5,768,488**	4,825,782	**1,274,460**	1,153,577
Other income and gains	23	**150,545**	175,870	**198,671**	67,052
Fair value gain on investment property	7.8	**866,682**	1,038,266	**866,682**	1,038,266
Revaluation gain		**12,103**	23,965	–	–
Marketing and promotional expenses		**(895,941)**	(681,969)	**(4,004)**	(599)
Administrative expenses		**(3,586,591)**	(2,986,792)	**(486,776)**	(398,453)
Profit from operating activities		**2,315,286**	2,395,122	**1,849,033**	1,859,843
Finance expenses	24.1	**(1,013,106)**	(1,628,582)	**(375,429)**	(687,825)
Finance income	24.2	**615,455**	421,302	**136,136**	133,463
Net finance expenses		**(397,651)**	(1,207,280)	**(239,293)**	(554,362)
Share of profit of equity accounted investees,net of tax	10.3.1	**848**	1,799	–	–
Profit before tax	25	**1,918,483**	1,189,641	**1,609,740**	1,305,481
Income tax expense	26.2	**(395,227)**	(457,012)	**(262,059)**	(312,482)
Profit for the year		**1,523,256**	732,629	**1,347,681**	992,999
Profit for the year attributable to:					
Owners of the parent		**1,404,826**	831,771	**1,347,681**	992,999
Non-controlling interest		**118,430**	(99,142)	–	–
		1,523,256	732,629	**1,347,681**	992,999
Other comprehensive income					
Items that will not be reclassified to the profit or loss in subsequent periods:					
Changes in fair value of other investments at fair value through other comprehensive income	14.1.1	**70,929**	77,216	–	–
Revaluation of property, plant and equipment	6.1 & 6.2	**429,452**	1,330,075	**64,951**	76,145
Actuarial loss on retirement benefit obligation	18.4	**(51,581)**	(151,359)	**(6,146)**	(3,291)
Equity Accounted Investee – Share of other comprehensive income	10.3.1	**(577)**	–	–	–
Tax effects on other comprehensive income	21	**(117,303)**	(314,378)	**(6,495)**	(12,615)
Other comprehensive income for the year, net of tax		**330,920**	941,554	**52,310**	60,239
Total comprehensive income for the year, net of tax		**1,854,176**	1,674,183	**1,399,991**	1,053,238
Total comprehensive income for the year attributable to:					
Owners of the parent		**1,575,364**	1,424,619	**1,399,991**	1,053,238
Non controlling interest		**278,812**	249,564	–	–
		1,854,176	1,674,183	**1,399,991**	1,053,238
Earnings per share (EPS) LKR	28.1	**1.76**	1.04	**1.68**	1.24

The Accounting Policies and Notes on pages 181 to 271 form an integral part of the Financial Statements.
Figures in brackets indicate deductions.

Statement of Financial Position

As at 31 March	Notes	GROUP 2025 LKR '000	GROUP 2024 LKR '000	COMPANY 2025 LKR '000	COMPANY 2024 LKR '000
ASSETS					
Non-current assets					
Property, plant and equipment	6	**16,472,867**	14,772,643	**484,707**	465,282
Investment property	7	**18,147,475**	17,169,828	**18,161,523**	17,169,828
Intangible assets	8	**189,325**	222,436	**1,270**	2,227
Right of use assets	9.1	**431,063**	259,236	–	–
Investments in subsidiaries	10.1	–	–	**6,099,462**	6,020,563
Investment in preference shares	10.2	–	4,154	–	–
Investment in joint ventures	10.3	**10,466**	10,196	–	–
Financial assets at fair value through other comprehensive income	14.1	**86,200**	170,513	–	–
Other financial assets at amortised cost	14.3	**466,761**	414,066	–	–
Reimbursable right	18.3	**631**	88	–	–
Deferred tax assets	21	**977,750**	1,202,205	–	–
Straight line adjustment on lease rentals receivable	12.4	**68,738**	57,489	**68,738**	57,489
Advances paid for acquisition	10.4	**22,115**	6,115	–	–
Amounts due from related parties		–	–	–	199,103
Total non-current assets		**36,873,391**	34,288,969	**24,815,700**	23,914,492
Current assets					
Inventories	11	**6,495,762**	4,325,667	**18,398**	17,842
Trade and other receivables	12	**6,127,477**	3,511,597	**94,570**	151,916
Income tax receivable	13	**26,254**	20,537	–	–
Financial assets at fair value through profit or loss	14.2	**2,462,462**	2,088,499	**609,115**	158,783
Other financial assets at amortised cost	14.3	**193,917**	301,525	**43,365**	203,946
Amounts due from related parties		–	–	**250,000**	–
Cash and bank	15.1	**1,849,745**	767,635	**31,413**	43,072
Total current assets		**17,155,617**	11,015,460	**1,046,861**	575,559
Total assets		**54,029,008**	45,304,429	**25,862,561**	24,490,051
EQUITY AND LIABILITIES					
Equity					
Stated capital	16.1	**7,360,000**	7,360,000	**7,360,000**	7,360,000
Revaluation reserve		**2,058,711**	1,902,652	**419,142**	362,530
Other components of equity		**(16,029)**	(50,039)	–	–
Retained earnings	16.2	**12,236,098**	11,027,633	**10,958,168**	9,774,789
Total equity attributable to equity holders of the Company		**21,638,780**	20,240,246	**18,737,310**	17,497,319
Non controlling interests		**7,460,444**	7,260,189	–	–
Total equity		**29,099,224**	27,500,435	**18,737,310**	17,497,319

As at 31 March	Notes	GROUP 2025 LKR '000	GROUP 2024 LKR '000	COMPANY 2025 LKR '000	COMPANY 2024 LKR '000
Non-current liabilities					
Interest bearing loans and borrowings	17.1	**5,461,344**	4,484,307	**2,941,365**	3,305,184
Employee benefits	18.1	**542,311**	452,286	**43,258**	28,823
Lease liabilities	9.2	**329,241**	198,414	–	–
Deferred tax liabilities	21	**4,593,427**	4,716,504	**2,384,165**	2,119,500
Rent received in advance	19.1	**305,676**	365,851	**305,676**	365,851
Customer deposits	20.1	**229,726**	265,794	**229,726**	265,794
Total non-current liabilities		**11,461,725**	10,483,156	**5,904,190**	6,085,152
Current liabilities					
Trade and other payables	19	**4,377,227**	1,865,436	**705,226**	429,879
Interest bearing loans and borrowings	17.1	**8,391,921**	4,936,204	**406,879**	468,714
Lease liabilities	9.2	**114,160**	70,960	–	–
Income tax payable	13	**220,703**	233,572	**3,115**	618
Bank overdrafts	15.2	**364,048**	214,666	**105,841**	8,369
Total current liabilities		**13,468,059**	7,320,838	**1,221,061**	907,580
Total equity and liabilities		**54,029,008**	45,304,429	**25,862,561**	24,490,051

These Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007 (as amended).

W. A. I. R. Perera
Chief Finance Officer

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

A. Herath
Chairman

L. K. A. H. Fernando
Chief Executive Officer/Executive Director

The Accounting Policies and Notes on pages 181 to 271 form an integral part of the Financial Statements.

Figures in brackets indicate deductions.

4 June 2025
Colombo

Statement of Changes in Equity

Group	Notes	Stated capital	Revaluation reserve
		LKR '000	LKR '000
As at 1 April 2023		7,360,000	1,292,325
Profit for the year		–	–
Other comprehensive income			
Changes in fair value of other investments at fair value through other comprehensive income	14.1.1	–	–
Net gain on disposal of equity investments at fair value through other comprehensive income	14.1.2	–	–
Revaluation of property, plant and equipment	6.1	–	822,967
Actuarial gain/(loss) on retirement benefit obligation	18.4	–	–
Equity accounted investees – share of other comprehensive income		–	–
Transfers to retained earnings		–	–
Tax effects on other comprehensive income		–	(213,451)
Total comprehensive income for the year		–	609,516
Transactions with owners of the Company			
Contributions and distributions			
Dividends to equity holders	29	–	–
Total contributions and distributions		–	–
Changes in ownership interests			
Adjustment on changes to non controlling interest in subsidiaries		–	811
Dividends to equity holders		–	–
Total changes in ownership interests		–	811
Total transactions with owners of the Company		–	811
As at 31 March 2024		7,360,000	1,902,652
Profit for the year		–	–
Other comprehensive income			
Changes in fair value of other investments at fair value through other comprehensive income	14.1.1	–	–
Net gain on disposal of equity investments at fair value through other comprehensive income		–	–
Revaluation of property, plant and equipment	6.1	–	223,112
Actuarial loss on retirement benefit obligation	18.4	–	–
Equity accounted investees – share of other comprehensive income	10.3.1	–	(433)
Tax effects on other comprehensive income	21	–	(67,335)
Total comprehensive income for the year		–	155,344
Transactions with owners of the Company			
Contributions and distributions			
Dividends to equity holders	29	–	–
Total contributions and distributions		–	–
Changes in ownership interests			
Adjustment on changes to non controlling interest in subsidiaries		–	715
Total changes in ownership interests		–	715
Total transactions with owners of the Company		–	715
As at 31 March 2025		7,360,000	2,058,711

The Accounting Policies and Notes on pages 181 to 271 form an integral part of the Financial Statements.

Figures in brackets indicate deductions.

Other components of equity FVOCI reserve LKR '000	Retained earnings LKR '000	Shareholders funds LKR '000	Non–controlling interests LKR '000	Total equity LKR '000
(18,517)	10,192,461	18,826,269	7,124,908	25,951,177
–	831,771	831,771	(99,142)	732,629
39,380	–	39,380	37,836	77,216
(2,563)	2,563	–	–	–
–	–	822,967	507,108	1,330,075
–	(79,321)	(79,321)	(72,038)	(151,359)
–	–	–	–	–
(68,339)	68,339	–	–	–
–	23,272	(190,179)	(124,200)	(314,379)
(31,522)	846,624	1,424,618	249,564	1,674,182
–	–	–	(108,552)	(108,552)
–	–	–	(108,552)	(108,552)
–	(11,452)	(10,641)	(5,731)	(16,372)
–	–	–	–	–
–	(11,452)	(10,641)	(5,731)	(16,372)
–	(11,452)	(10,641)	(114,283)	(124,924)
(50,039)	11,027,633	20,240,246	7,260,189	27,500,435
–	1,404,826	1,404,826	118,430	1,523,256
36,174	–	36,174	34,755	70,929
(2,164)	2,164	–	–	–
–	–	223,112	206,340	429,452
–	(29,982)	(29,982)	(21,599)	(51,581)
–	–	(433)	(144)	(577)
–	9,001	(58,334)	(58,969)	(117,303)
34,010	1,386,009	1,575,363	278,813	1,854,176
–	(160,000)	(160,000)	(85,637)	(245,637)
–	(160,000)	(160,000)	(85,637)	(245,637)
–	(17,544)	(16,829)	7,079	(9,750)
–	(17,544)	(16,829)	7,079	(9,750)
–	(177,544)	(176,829)	(78,558)	(255,387)
(16,029)	12,236,098	21,638,780	7,460,444	29,099,224

Company	Notes	Stated capital LKR '000	Revaluation reserve LKR '000	Retained earnings LKR '000	Total LKR '000
As at 1 April 2023		7,360,000	299,987	8,784,094	16,444,081
Profit for the year		–	–	992,999	992,999
Other comprehensive income					
Revaluation of buildings	6.2	–	76,145	–	76,145
Actuarial (loss) on retirement benefit obligation	18.1	–	–	(3,291)	(3,291)
Tax effects on other comprehensive income	21	–	(13,602)	987	(12,615)
Total comprehensive income for the year		–	62,543	990,695	1,053,238
As at 31 March 2024		7,360,000	362,530	9,774,789	17,497,319
Profit for the year		–	–	1,347,681	1,347,681
Other comprehensive income					
Revaluation of buildings	6.2	–	64,951	–	64,951
Actuarial (loss) on retirement benefit obligation	18.1	–	–	(6,146)	(6,146)
Tax effects on other comprehensive income	21	–	(8,339)	1,844	(6,495)
Total comprehensive income for the year		–	56,612	1,343,379	1,399,991
Dividends to equity holders	29	–	–	(160,000)	(160,000)
As at 31 March 2025		7,360,000	419,142	10,958,168	18,737,310

The Accounting Policies and Notes on pages 181 to 271 form an integral part of the Financial Statements.

Figures in brackets indicate deductions.

Statement of Cash Flows

Year ended 31 March	Notes	GROUP 2025 LKR '000	GROUP 2024 LKR '000	COMPANY 2025 LKR '000	COMPANY 2024 LKR '000
Cash flows from/(used in) operating activities					
Profit before tax from continuing operations		**1,918,483**	1,189,641	**1,609,740**	1,305,481
Adjustments for;					
Depreciation, amortisation	6 & 8	**468,233**	416,452	**47,225**	41,901
(Increase)/decrease in fair value of investments property	7	**(866,682)**	(1,038,266)	**(866,682)**	(1,038,266)
Loss on disposal of intangible assets	8	**–**	30	**–**	30
(Gain) on disposal of property, plant and equipment	23	**(29,531)**	(42,426)	**(13,559)**	(2,049)
(Gain) on fair value of financial assets at FVTPL	24.2	**(83,283)**	(78,691)	**(56,556)**	(757)
Loss on fair value of financial assets at FVTPL	24.1	**–**	592	**–**	592
Net gains on disposal of financial assets at fair value through profit or loss	24.2	**(111,795)**	(100,090)	**–**	(71,739)
Provision for slow moving/obsolete inventories	11.2	**3,820**	103,846	**–**	–
Impairment of trade receivables and bad debt written off	12.3	**11,338**	506	**6,882**	(6,541)
Amortisation of right of use assets	9.1	**142,297**	146,817	**–**	–
Finance costs	24.1	**1,013,106**	1,627,990	**375,429**	687,233
Finance income	24.2	**(392,409)**	(324,748)	**(78,530)**	(126,837)
Dividend income from subsidiaries	23	**–**	(715)	**(163,935)**	(50,507)
Dividend income from FVOCI investments	24.2	**(18,719)**	(3,795)	**–**	–
Dividend income from FVTPL investments	24.2	**(9,249)**	(14,068)	**(1,050)**	(5,869)
Share of results of equity accounted investees	10.3.1	**(270)**	(548)	**–**	–
Provision for defined benefit obligations	18.1	**102,503**	74,605	**8,538**	7,004
Return expected from reimbursable right	18.3.2	**–**	(2,837)	**–**	–
Operating profit/(loss) before working capital changes		**2,147,842**	1,954,295	**867,502**	739,676
(Increase)/decrease in inventories		**(2,173,915)**	1,209,312	**(556)**	(55)
(Increase)/decrease in trade and other receivables		**(2,627,218)**	1,338,520	**39,217**	(154,140)
(Increase)/decrease in amounts due from related parties		**–**	–	**(50,897)**	–
Increase/(decrease) customer deposits		**21,180**	44,421	**21,180**	35,063
Increase/(decrease) in trade and other payables		**2,394,368**	871,740	**133,389**	257,645
Cash generated from/(used in) operations		**(237,743)**	5,418,288	**1,009,835**	878,189
Finance cost paid	24.1	**(991,646)**	(1,605,951)	**(350,893)**	(687,233)
Income tax paid	13	**(405,476)**	(301,434)	**(1,393)**	(3,563)
Employee benefits paid by the plan	18.3 & 18.3.2	**(29)**	19,074	**–**	–
Gratuity paid	18.1	**(64,603)**	(94,128)	**(249)**	(707)
Net cash from/(used in) operating activities		**(1,699,497)**	3,435,849	**657,300**	186,686

Year ended 31 March	Notes	GROUP 2025 LKR '000	GROUP 2024 LKR '000	COMPANY 2025 LKR '000	COMPANY 2024 LKR '000
Cash flows from/(used in) investing activities					
Acquisition of property, plant and equipment	6	**(2,013,673)**	(272,884)	**(742)**	(10,366)
Acquisition of intangible assets	8	**(1,193)**	(8,135)	–	(1,990)
Proceeds from sale of property, plant and equipment		**160,527**	71,495	**13,559**	9,198
Net cash & cash equivalents on acquisition of subsidiary		–	(873,336)	–	–
Redemption of investments in preference shares	10.2	**4,154**	6,923	–	–
Expenditure incurred on investment property	7	**(110,965)**	(31,394)	**(125,013)**	(31,394)
Advance paid for acquisitions	10.4	**(16,000)**	–	–	–
(Net investment in)/proceeds from other financial assets and unit trust	14.2	**388,814**	(1,254,629)	**(193,778)**	94,137
(Net Investment in)/proceeds from financial assets designated at FVOCI		**155,242**	29,235	–	–
Net investments in call & short term deposits	15.1	**(84,376)**	(27,182)	–	–
Dividend income from subsidiaries		–	–	**163,935**	50,507
Dividend income from FVOCI investments	24.2	**18,719**	3,795	–	–
Dividend income from FVTPL investments	24.2	**9,249**	14,068	**1,050**	5,869
Finance income	24.2	**488,728**	324,748	**78,530**	126,837
Investment in subsidiaries	10.1.1	–	–	**(78,899)**	(16,373)
Net cash flows from/(used in) investing activities		**(1,000,774)**	(2,017,296)	**(141,358)**	226,425
Cash flows from/(used in) financing activities					
Proceeds from interest bearing loans and borrowings	17.1	**35,718,259**	36,399,428	**454,330**	849,410
Repayment of interest bearing loans and borrowings	17.1	**(31,285,505)**	(36,929,981)	**(879,984)**	(1,251,699)
Investment in fixed deposit	14.3	**(155,016)**	(515,591)	**(39,419)**	(3,946)
Principal element of lease payments	9.2	**(483,478)**	(185,099)	–	–
Dividend paid to equity holders of the parent	29	**(160,000)**	–	**(160,000)**	–
Dividend paid to non controlling interests		**(85,637)**	(108,552)	–	–
Net cash flows from/(used in) financing activities		**3,548,623**	(1,339,795)	**(625,073)**	(406,235)
Net increase/(decrease) in cash and cash equivalents		**848,352**	78,758	**(109,131)**	6,876
Cash and cash equivalents at the beginning of the year	15.2	**316,131**	237,373	**34,703**	27,827
Cash and cash equivalents at the end of the year	15.2	**1,164,483**	316,131	**(74,428)**	34,703

The Accounting Policies and Notes on pages 181 to 271 form an integral part of the Financial Statements.

Figures in brackets indicate deductions.

Notes to the Financial Statements

1. Corporate information

1.1 Reporting Entity

R I L Property PLC (the Company) is a public limited liability Company listed on the Colombo Stock Exchange incorporated and domiciled in Sri Lanka. The Company's registered office and the principal place of business located at No. 33, Park Street, Colombo 02.

R I L Property PLC is registered with the Board of Investment of Sri Lanka under section 17 of the BOI Act No. 4 of 1978.

R I L Property PLC does not have an identifiable parent of its own. The Company is the ultimate parent of the Group.

1.2 Principal business activities and nature of operation

Descriptions of the Principal business activities and nature of operation of the Company, its subsidiaries are given on page 155 and on page 13 to the Group Structure. Information on other related party relationships of the Group is provided on page 13.

There were no other significant changes in the nature of the principal activities of the Group during the Financial Year under review.

2. Basis of Preparation

2.1 Statement of compliance

The consolidated Financial Statements of the Group and the separate Financial Statements of the Company have been prepared in accordance with the Sri Lanka Accounting Standards (herein referred to as SLFRSs/LKASs), laid down by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and in compliance with the requirements of Companies Act No. 07 of 2007 (as amended) and the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995.

2.2 Consolidated Financial Statements

The consolidated Financial Statements of the Group as at and for the year ended 31 March 2025, encompasses the Company (referred to R I L Property PLC as the holding Company) and its subsidiaries (together referred to as the "Group" and individually as "Group Entities").

All subsidiaries of the Company have been incorporated in Sri Lanka.

The consolidated Financial Statement of R I L Property PLC and its subsidiaries (collectively the group) for the year ended 31 March 2025 were authorised for issue by the Board of Directors on 2 June 2025.

2.3 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 realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised 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 counter-party, 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.

2.4 Going concern

The Directors have assessed the ability of the Group to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future. The assessment took into consideration the prevailing economic environment, current business performance, and other internal and external factors relevant to the Group's operations. In making this assessment, the Directors have considered the Company's current financial position, cash flow forecasts, available financing facilities, and other relevant factors. Based on this evaluation, the Board is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Accordingly, the financial statements of the Group continue to be prepared on a going concern basis.

2.5 Basis of measurement

The consolidated Financial Statements have been prepared on the historical cost except for following material items in the statement of financial position.

Financial assets at fair value through profit or loss (FVTPL) are measured at fair value.

Financial assets measured at fair value through other comprehensive income (FVOCI) are measured at fair value.

Defined benefit obligation is measured after actuarially valuing and the present value of the defined benefit obligation is recorded.

Reimbursable right is measured at fair value.

Freehold land measured at cost at the time of acquisition and subsequently at revalued amounts which are the fair value at the date of valuation.

Investment property is measured at fair value.

Owner occupied buildings are measured at fair value as at date of revaluation less accumulated depreciation and accumulated impairment losses after such date.

Solar pv generation system, civil construction and electromechanical equipments are stated at cost at the time of acquisition and subsequently measured at fair value at the next valuation.

2.6 Functional and presentation currency

Items included in the Financial Statements of the Group and the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency), which is the Sri Lankan Rupees (LKR). All amounts have been rounded to the nearest thousand, unless otherwise indicated.

2.7 Materiality and aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately, unless they are immaterial as permitted by the LKAS 01 and amendments to LKAS 01 on "Disclosures initiatives".

2.8 Offsetting

Assets and liabilities and income and expenses in the Financial Statements are not offset unless required or permitted by a Sri Lanka Accounting Standards.

2.9 Comparative information

Comparative information including quantitative, narrative and descriptive information is disclosed in respect of the previous year in the Financial Statements in order to enhance the understanding of the current year's Financial Statements and to enhance the inter period comparability. The presentation and classification of the Financial Statements of the previous year is reclassified, where relevant for better presentation and to be comparable with those of the current year.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

2.10 Significant accounting judgements, estimates and assumptions

In preparing these Consolidated Financial Statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Estimation uncertainty in preparation of Financial Statements due to economic conditions.

In determining the above, significant management judgements, estimates and assumptions, the impact of the macroeconomic uncertainties, including interest rate volatilities, exchange rate volatilities and inflation have been considered as of the reporting date and specific considerations have been disclosed under the notes, as relevant.

2.10.1 Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which has the most significant effect on the amounts recognised in the Financial Statements.

i) Classification of property

The Group determines whether a property is classified as investment property, owner occupied property using significant judgement as disclosed in note 6 and note 7.

Investment property comprises land and buildings which are not 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.

The Group determines whether a property qualifies as investment property by considering whether the property generates cash flows largely independently of the other assets held by the entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions can be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgement.

ii) Deferred taxation

Deferred taxation on investment property

Deferred tax on fair value gains on investment property carried at fair value is required to be measured using a rebuttable presumption that the carrying amount will be recovered through sale.

The investment property of the Group consists of freehold land and buildings. With regard to the building, the presumption is rebutted, as the Group's business model is to consume substantially all the economic benefits embodied in the building over time, rather than through sale.

Tax base in respect of the investment property has been made in line with new Inland Revenue Act No. 24 of 2017 as disclosed in note 21

The Company and its subsidiaries hold land to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes and they are classified as investment property or under property plant and equipment as appropriate in the Financial Statements.

With the enactment of the Inland Revenue Act No. 24 of 2017, taxes applicable to the gains resulting from realisation of capital assets are subject to taxation at rates prescribed in the Act.

2.10.2 Accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation of uncertainty at the reporting date, that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next Financial Year are discussed below. The respective carrying amounts of assets and liabilities are given in related notes to the Financial Statements.

(i) Estimation of fair value of investment properties

The Group carries its investment properties at fair value, with changes in fair values being recognised in the statement of profit or loss. The Group engaged an independent valuer to determine the fair value as at 31 March 2025. The valuation of investment property, management requires to make significant estimates such as current market price per perch, yield rate which are based on current and future market or economic conditions.

The value of investment property of the Company and the Group has been ascertained by an independent valuer and due consideration has been given to recommended best practice in the valuation of real estate in uncertain times.

(ii) Principal assumptions for management's estimation of fair value

If information on current or recent prices of assumptions underlying the discounted cash flow approach of investment properties is not available, the fair values of investment properties are determined using discounted cash flow valuation techniques. The Group uses assumptions that are mainly based on market conditions existing at each reporting date.

The principal assumptions underlying management's estimation of fair value are those related to: the future rentals, maintenance requirements, and appropriate capitalisation rates/yields and voids. These valuations are regularly compared to actual market yield data and actual transactions by the Group and those reported by the market.

(iii) Deferred Taxation

Following judgments were made in where adopting IFRIC 23 on "uncertainty over income tax treatments" to determine the provision required for taxes on gains on realisation of capital assets applicable to freehold land.

Due to uncertainties that exist in the interpretation of the Inland Revenue Act No. 24 of 2017 relating to taxes applicable to the gains on realisation of freehold land, significant judgement was exercised to determine the provision required for Deferred taxes on such gains. As a result, probability of future outcome relating to uncertain tax treatment relating to capital assets were duly made by management in consultation with relevant experts.

In assessing whether and how an uncertain tax treatment affects the determination of, tax bases and tax rates, the Group has assumed that the taxation authority will examine amounts it has a right to examine and have full knowledge of all related information when making those examinations.

In the event that it is not probable that the taxation authority will accept the Group's uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related tax bases, or tax rates as more fully described in note 21.3

Where the final outcome of these matters is different to the amounts recorded, such differences generally will impact the provision for income taxes in the period in which such a determination is made.

(iv) Fair value of financial instruments

The fair values of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases, the fair values are estimated from observable data in respect of similar financial instruments or using models. Where market observable inputs are not available, they are estimated based on appropriate assumptions.

3. Significant Accounting Policies

3.1 Basis of consolidation

I. Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is measured at the acquisition date fair value. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred and included in administrative expenses.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration which is deemed to be an asset or liability that is a financial instrument and within the scope of SLFRS 09 financial instruments: Recognition and Measurement, is measured at fair value with changes in fair value either in profit or loss or as a change to other comprehensive income (OCI). If the contingent consideration is not within the scope of SLFRS 09 financial instruments, it is measured in accordance with the appropriate SLFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

II. Subsidiaries

Subsidiaries are investees that are controlled by the Group. Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power to govern the financial and operating policies over the investee. The Financial Statements of subsidiaries are included in the consolidated Financial Statements from the date that control commences until the date that control ceases.

A list of the Group's subsidiaries is set out in note 10.1 to the Financial Statements.

There are no significant restrictions on the ability of subsidiaries to transfer funds to the Company (the parent) in the form of cash dividend or repayment of loans and advances.

III. Non-controlling interest

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted as equity transactions.

IV. Transactions eliminated on consolidation

Intra-Group balances and transactions, and any unrealised income and expenses arising from intra-Group transactions are eliminated.

V. Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any gains or losses arising on the loss of control is recognised in the income statement. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date the control is lost. Subsequently it is accounted for as an equity accounted investee or in accordance with the Group's accounting policy for financial instruments depending on the level of influence retained.

VI. Accounting under separate Financial Statements

Investments in subsidiaries, associates and joint ventures are measured at cost less accumulated impairment in the separate Financial Statements.

3.2 Foreign currency

I. Foreign currency transactions

Transactions in foreign currencies are translated to Sri Lanka Rupees at the exchange rate prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to Sri Lanka Rupees at the exchange rate prevailing as at the reporting date. The foreign currency gains or losses on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities which are measured at historical cost denominated in foreign currencies are translated to Sri Lanka Rupees at the exchange rate prevailing at the dates of the transactions. Non-monetary assets and liabilities that are measured at fair value denominated in foreign currencies are translated to Sri Lanka Rupees at the exchange rate prevailing at the dates that the fair values were determined. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income.

3.3 Warranties

Costs incurred by the subsidiaries under the terms of the warranty agreement between principal suppliers are reimbursed to the subsidiaries. Any amounts that are not reimbursed under the warranty agreement are charged to the statement of comprehensive income.

3.4 Expenditure

All expenditure incurred in running of the business and in maintaining the property, plant and equipment has been charged to revenue in arriving at the profit for the year. For the purpose of presentation of statement of comprehensive income, the Directors are of the opinion that function of expense method present fairly the elements of the enterprise's performance, hence such presentation method is adopted.

I. Capital expenditure

Expenditure incurred for the purpose of acquiring, expanding or improving assets of a permanent nature by means of which to carry on the business or for the purpose of increasing the earning capacity of the business has been treated as capital expenditure.

II. Repairs and maintenance expenses

All expenditure incurred in maintaining the property, plant and equipment in a state of efficiency has been charged to the statement of profit or loss in arriving at the profit of the year.

III. Other expenses

Other expenses are recognised in the statement of profit or loss on the basis of a direct association between the cost incurred and the earnings of specific items of income. Provisions in respect of other expenses 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.

3.5 Financial instruments

I. Non-derivative financial assets

Initial recognition and measurement

Financial assets are recognised when and only when the Company becomes a party to the contractual provisions of the financial instruments. The Company determines the classification of its financial assets at initial recognition.

All financial assets are measured initially at their fair value plus transaction costs that are directly attributable to acquisition or issue of such financial instruments, except in the case of financial assets designated at fair value through profit or loss according to Sri Lanka Accounting Standard - SLFRS 09 on "Financial Instruments". Transaction costs in relation to financial assets at fair value through profit or loss are dealt with through the statement of profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. The financial assets include cash and cash equivalents, short term deposits, investments in unit trusts, treasury bills, equity shares and trade and other receivables.

Classification and subsequent measurement

At inception, a financial asset is classified into one of the following categories;

- Amortised cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVTPL)

As per SLFRS 9, the Group classifies its financial assets based on business model for managing the financial assets and the contractual terms of the cash flows measured at either;

- Amortised cost
- Fair value (either through other comprehensive income or through statement of profit or loss)

Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows;

(a) Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold 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.

Any gains or losses arising on derecognition is recognised directly in profit or loss and presented in finance income/ cost together with foreign exchange gains and losses. Cash and cash equivalents, trade and other receivables and receivables from related parties are measured at amortised cost.

(b) Financial assets measured at fair value through other comprehensive income (FVOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other gains / (losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

Investment in long term equity securities are measured at FVOCI. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other finance income when the Group's right to receive payments is established.

(c) Financial assets measured at fair value through profit or loss (FVTPL)

As per SLFRS 09, all financial assets other than those classified at amortised cost or FVOCI are measured at FVTPL.

Financial assets at fair value through profit or loss include financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis as they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets and financial assets designated upon initial recognition at fair value through profit or loss.

Changes in the fair value of financial assets at FVTPL are recognised in other gains / (losses) in the statement of profit or loss as applicable. Investments in unit trust and equity securities acquired for the purpose of trading are measured at FVTPL.

De-recognition

The Company and Group derecognise a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Impairment

The Group assesses on a forward looking basis the expected credit losses (ECLs) associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by SLFRS 09, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

II. Non derivative financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when and only when the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are recognised initially at fair value net of transaction cost that are directly attributable to the issue of the financial liability, which are not at fair value through profit or loss. Financial liabilities are classified as financial liabilities measured at amortised cost and financial liabilities at fair value through profit or loss (FVTPL). The Group classifies its financial liabilities as measured at amortised cost.

Classification and subsequent measurement

Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Such financial liabilities measured at amortised cost includes trade and other payables, interest bearing borrowings, overdrafts, rent received in advance, customer deposits and amounts due to related companies etc.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. 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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

III. Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

IV. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position when and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Classification of financial assets

	Notes	SLFRS 09 measurement category
Classification of financial assets		
Non-current financial assets		
Financial assets at fair value through other comprehensive income		FVOCI
Preference shares	10.2	Amortised cost
Debenture	14.3	Amortised cost
Current financial assets		
Trade and other receivables	12	Amortised Cost
Financial assets at fair value through profit and loss	14.2	FVTPL
Cash and bank	15	Amortised Cost
Classification of financial liabilities		
Non-current financial liabilities		
Interest bearing loans and borrowings	17	Amortised Cost
Rent received in advance	19.1	Amortised Cost
Customer deposits	20	Amortised Cost
Current financial liabilities		
Trade and other payables	19	Amortised Cost
Interest bearing loans and borrowings	17	Amortised Cost
Bank overdrafts	15.2	Amortised Cost

3.6 Impairment – Non-financial Assets

The carrying value of the Group's non-financial assets, other than inventories, and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

For impairment testing, assets are grouped together into the smallest Group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (CGU).

The recoverable amount of an asset or cash generating unit is the greater of if it's value in use and its fair value less costs to sell. 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.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest Group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ("Cash Generating Unit or CGU") for the purposes of goodwill impairment testing, goodwill acquired in a business combination is allocated to the Group of CGUs that is expected to benefit from the synergies of the combination. This allocation is subject to an operating segment ceiling test and reflects the lowest level at which that goodwill is monitored for internal reporting purposes.

An impairment loss is recognised if the carrying amount of asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

3.7 Liabilities and provisions

I. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, where 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, the reimbursement is recognised as separate assets but only when the reimbursement is virtually certain. The expense relating to any 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 determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

II. Dividend payable

Provision for final dividend is recognised at the time the dividend is approved by the shareholders. Interim dividend payable is recognised when the Board approves such dividend in accordance with the provisions of the Companies Act No. 07 of 2007. Dividend for the year that are approved after the reporting period are disclosed under events after the reporting period in accordance with the Sri Lanka Accounting Standard LKAS 10.

3.8 Cash flow statement

The statements of cash flows has been prepared by using the "indirect method" of preparing cash flows in accordance with the Sri Lanka Accounting Standard - LKAS 07 on 'statement of cash flows'.

I. Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank balances and cash in hand balances. Cash and cash equivalents as referred to in the statement of cash flows comprised of those items as explained in note 15. Bank overdrafts are included as a component of cash and cash equivalents for the purpose of the cash flow statement. The statements of cash flows are given on pages 179 and 180.

3.9 Taxation

I. Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authorities, in which case the sales tax is recognised as a part of the asset or part of the expense items as applicable. The amount of sales tax recoverable and payable in respect of taxation authorities is included as a part of receivables and payables in the statement of financial position.

II. Value Added Tax (VAT)

The Company and its subsidiaries are liable to pay Value Added Tax on taxable supplies and services at the specified rates where applicable.

III. Social Security Contribution Levy (SSCL)

Company and the Group is liable for Social Security Contribution Levy (SSCL), on the liable turnover specified in the Social Security Contribution Act No. 25 of 2022 at the rate of 2.5% with effect from 1 October 2022.

3.10 Capital commitments and contingencies

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefits is not probable or cannot be measured reliably. Capital commitments and contingent liabilities of the Group are disclosed in the respective notes to the Financial Statements.

3.11 Events after the reporting date

The materiality of the events after the reporting date has been considered and appropriate adjustments and provisions have been made in the Financial Statement wherever necessary.

4. Specific Accounting Policies

Set out below is an index of the specific accounting policies, the details of which are available on the pages that follow:

Accounting policy	Page
Property, plant and equipment	192
Investment property	202
Intangible assets	206
Leases	208
Investments	210
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Employee benefits	234
Deferred tax assets / liabilities	239
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Fair value measurement	267

5. Effect of new Accounting Standards

5.1 New Accounting Standards adopted by the Group

The Group has applied the following standards and amendments for the first time for the annual reporting period commencing 01 April 2022:

I. Amendments to LKAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Costs of Fulfilling a Contract

In 25 March 2021, the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) issued amendments to LKAS 37 Provisions, Contingent Liabilities and Contingent Assets (LKAS 37) to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual reporting periods beginning on or after 1 January 2022.

II.Amendments to LKAS 16 Property, Plant & Equipment: Proceeds before Intended Use

In 25 March 2021, the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) issued LKAS 16 Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

III. Amendments to SLFRS 3 Business Combinations

Updating a reference to conceptual framework

In 23 March 2021, the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) issued amendments to SLFRS 03 Business Combinations - Updating a Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

An exception was also added to the recognition principle of SLFRS 03 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of LKAS 37 or IFRIC 21 Levies, if incurred separately. At the same time, it was decided to clarify existing guidance in SLFRS 03 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

IV. SLFRS 01 First-time Adoption of Sri Lanka Financial Reporting Standards – Subsidiary as a first-time adopter

As part of its 2018-2020 annual improvements to SLFRS standards process, the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) issued an amendment to SLFRS 01 First-time Adoption of International Financial Reporting Standards (SLFRS 01). The amendment permits a subsidiary that elects to apply paragraph D16(a) of SLFRS 01 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to SLFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of SLFRS 01.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.

V. SLFRS 09 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to SLFRS standards process, the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) issued an amendment to SLFRS 09 Financial Instruments (SLFRS 09). The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted.

5.2 New Accounting Standards, amendments and interpretations issued but not yet adopted.

The following Sri Lanka Accounting Standards and interpretations were issued by The Institute of Chartered Accountants of Sri Lanka but not yet effective as at 31 December 2024. Accordingly, these accounting standards have not been applied in the preparation of the Financial Statements for the year ended 31 March 2025. Following amendment is not expected to have a material impact on the Financial Statements of the Group in the foreseeable future.

I. 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, nonlife, 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:

- specific adaptation for contracts with direct participation features (the variable fee approach)
- 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.

II. 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.

6. Property, plant and equipment

Accounting policy

Property, plant and equipment is tangible items that are held for use in the production or supply of good or services or for administrative purposes and are expected to be used during more than one period.

I. Basis of recognition

Property, plant and equipment is recognised if it is probable that future economic benefits associated with the assets will flow to the Group and cost of the asset can be measured reliably. Purchased software that is integral to the functionality of the related equipment is capitalised as part of computer equipment.

II. Measurement

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost. Cost includes expenditure that is directly attributable to the acquisition of the asset and subsequent costs. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for their intended use and the costs of dismantling and removing the items and restoring the site on which they are located.

III. Cost model

The Group applies cost model to property, plant and equipment except for freehold land and buildings, civil construction, electromechanical equipments and solar pv generation system records at cost of purchase or construction together with any incidental expenses thereon less accumulated depreciation and any accumulated impairment losses.

IV. Revaluation model

Freehold Land and buildings, Solar pv generation system,civil construction and electromechanical equipments are stated at cost at the time of acquisition and subsequently measured at fair value at the next valuation. Freehold land and buildings,civil construction, electromechanical equipments and solar pv generation system of the Group is revalued at regular intervals to ensure that the carrying amounts do not differ materially from the fair values at the reporting date. On revaluation of an asset, any increase in the carrying amount is recognised in other comprehensive income and accumulated in equity under the heading of revaluation reserve or used to reverse a previous revaluation decrease relating to the same asset, which was charged to the profit or loss. In this circumstance, the increase is recognised as income to the extent of the previous written down value. Any decrease in the carrying amount is recognised as an expense in comprehensive income or is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserve in respect of that asset. Upon disposal or retirement, any balance remaining in the revaluation reserve in respect of an asset is transferred directly to retained earnings.

V. Subsequent costs

The cost of replacing significant parts of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within that part will flow to the Group and its cost can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are charged to the statement of comprehensive income as incurred.

VI. De-recognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. The gains or losses arising from derecognition of an item of property, plant and equipment is included in statement of comprehensive income when the item is derecognised. When replacement costs are recognised in the carrying amount of an item of property, plant and equipment, the remaining carrying amount of the replaced part is derecognised. Major inspection costs are capitalised. At each such capitalisation, the remaining carrying amount of the previous cost is derecognised.

VII. Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset or other amount substituted for cost, less its residual value. Depreciation is recognised in the statement of comprehensive income on straight-line basis over the estimated useful lives of each item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.When parts of an item of property, plant and equipment have different useful lives than the underlying asset, they are identified and accounted separately as major components of property, plant and equipment and depreciated separately based on their useful life.

The estimated useful lives are as follows:

Asset category	Group	Company
Buildings	20-40 years	20 years
Plant and machinery	4-10 years	–
Office equipment	2-5 years	5 years
Furniture and fittings	4-10 years	5 years
Motor vehicles	4-5 years	4 years
Computers and accessories	4-5 years	4 years
Fixtures and fittings	4-10 years	5 years
Electronic equipment	5-10 years	5 years
Tools and utensils	4-10 years	5 years
Maintenance equipment	5 years	5 years
Electrical fixtures and fittings	4-10 years	–
Engineering quarters	32-37 years	–
Solar PV generation system		
Ground solar plants	20 years	–
Rooftop solar plants	20 years	–
Civil construction		
Intake weir	38-53 years	–
Headrace channel	38-53 years	–
De-silting tank	41-58 years	–
Spillway gate	37-53 years	–
Forebay tank	43-53 years	–
Penstock	38-53 years	–
Power house	36-53 years	–
Rest rooms	36-53 years	
Electro mechanical equipment		
Turbines	21-43 years	–
Generators	23-43 years	–
Transformers and power lines	25-40 years	–
Voltage panel	23-40 years	–
Crane	23-40 years	–

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a Disposal Group that is classified as held for sale) and the date that the asset is derecognised.

Leasehold improvements are capitalised and depreciated over the term of the lease or useful life whichever is shorter. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately.

VIII. Borrowing cost

As per LKAS 23 on "Borrowing costs", the Group capitalises borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of the asset. A qualifying asset is an asset which takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are recognised in the statement of comprehensive income in the period it is incurred.

IX. Capital work in progress

Capital expenses incurred during the year which are not completed as at the reporting date are shown as capital work in progress, whilst the capital assets which have been completed during the year and in use have been transferred to property, plant and equipment.

6.1 Group

	Land	Buildings	Plant and machinery	Office equipment	Furniture and fittings	Motor vehicles	Computers and accessories
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
At cost/valuation							
1 April 2023	7,632,361	1,675,987	390,996	81,507	81,386	702,639	188,588
Acquisition of subsidiary	65,741	241,680	113,491	23,860	13,663	5,071	31,999
Additions	–	7,982	55,934	12,809	6,845	32,402	8,780
Revaluations	331,761	698,289	–	–	–	–	–
Disposals	–	(66,567)	(8,894)	(5,518)	(964)	(92,584)	(13,774)
Transfers, reclassifications and adjustments	–	–	–	–	–	–	–
Transfer from capital work-in-progress	–	23,229	–	543	–	–	–
As at 31 March 2024	8,029,863	2,580,600	551,527	113,201	100,930	647,528	215,593
As at 1 April 2024	8,029,863	2,580,600	551,527	113,201	100,930	647,528	215,593
Additions	178,922	36,801	56,697	30,506	11,627	64,223	18,297
Revaluations	363,516	211,236	–	–	–	–	–
Disposals	–	(47,229)	–	(1,958)	(51)	(37,687)	(13,996)
Transfers, reclassifications and adjustments	–	–	(5,297)	14,954	–	12,566	–
Transfer from capital work-in- progress	–	10,938	13	454	340	–	–
Accumulated depreciation on revalued assets	–	–	–	–	–	–	–
As at 31 March 2025	8,572,301	2,792,346	602,940	157,157	112,846	686,630	219,894
Accumulated depreciation							
1 April 2023	–	76,070	279,766	68,106	72,920	624,929	167,420
Acquisition of subsidiary	–	334,551	101,933	23,246	13,099	5,071	26,516
Depreciation for the year	–	130,283	27,970	6,868	4,010	37,094	11,076
Disposals	–	(90,891)	(8,877)	(4,663)	(963)	(68,560)	(13,364)
As at 31 March 2024	–	450,013	400,792	93,557	89,066	598,534	191,648
As at 1 April 2024	–	450,013	400,792	93,557	89,066	598,534	191,648
Depreciation for the year	–	117,443	33,128	11,664	4,208	35,439	10,094
Disposals	–	(43,872)	–	(1,188)	(51)	(37,687)	(11,210)
Transfers, reclassifications and adjustments	–	–	(2,385)	12,043	–	12,566	–
As at 31 March 2025	–	523,584	431,535	116,076	93,223	608,852	190,532
Carrying amount as at 31 March 2025	**8,572,301**	**2,268,762**	**171,405**	**41,081**	**19,623**	**77,778**	**29,362**
Carrying amount as at 1 April 2024	8,029,863	2,130,587	150,735	19,644	11,864	48,994	23,945

Fixture and fittings	Electronic equipment	Tools and utensils	Maintenance equipment	Electrical fixtures and fittings	Solar PV generation system	Engineering quarters	Civil construction	Electro mechanical equipment	Work in progress	Total
LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
306	1,749	1,613	4,799	142,484	1,916,454	1,315	1,078,938	886,435	23,156	14,810,713
–	–	–	–	9,216	–	–	–	–	9,238	513,959
–	–	563	–	1,343	28,528	–	–	–	119,554	274,740
–	–	–	–	–	(21,622)	–	137,088	184,559	–	1,330,075
–	–	(265)	–	(1,064)	–	–	–	–	–	(189,630)
–	–	–	–	–	–	–	–	–	(68)	(68)
–	–	–	–	608	–	–	–	–	(26,236)	(1,856)
306	1,749	1,911	4,799	152,587	1,923,360	1,315	1,216,026	1,070,994	125,644	16,737,933
306	1,749	1,911	4,799	152,587	1,923,360	1,315	1,216,026	1,070,994	125,644	16,737,933
–	–	510	–	4,963	–	–	18,949	–	1,278,054	1,699,549
–	–	–	–	–	17,056	6,038	(93,586)	(62,705)	–	441,555
–	(1,749)	(135)	–	–	499	–	–	–	–	(102,306)
–	–	–	–	–	–	–	–	–	(500)	21,723
–	–	–	–	75	–	–	14,791	–	(26,611)	–
–	–	–	–	–	(106,541)	(1,151)	(37,157)	(52,554)	–	(197,403)
306	–	2,286	4,799	157,625	1,834,374	6,202	1,119,023	955,735	1,376,587	18,601,051
306	1,749	1,469	4,581	114,111	45,289	493	–	–	–	1,457,209
–	–	–	–	6,120	–	–	–	–	–	510,536
–	–	101	132	8,570	112,659	329	31,940	41,909	–	412,941
–	–	(265)	–	(1,064)	(152,900)	–	(31,940)	(41,909)	–	(415,396)
306	1,749	1,305	4,713	127,737	5,048	822	–	–	–	1,965,290
306	1,749	1,305	4,713	127,737	5,048	822	–	–	–	1,965,290
–	–	212	62	9,443	122,191	329	37,157	52,559	–	433,929
–	(1,749)	(135)	–	–	(106,500)	(1,151)	(37,157)	(52,559)	–	(293,259)
–	–	–	–	–	–	–	–	–	–	22,224
306	–	1,382	4,775	137,180	20,739	–	–	–	–	2,128,184
–	**–**	**904**	**24**	**20,445**	**1,813,635**	**6,202**	**1,119,023**	**955,735**	**1,376,587**	**16,472,867**
–	–	606	86	24,850	1,918,312	493	1,216,026	1,070,994	125,644	14,772,643

6.2 Company

	Buildings LKR'000	Office equipment LKR'000	Furniture and fittings LKR'000	Motor vehicles LKR'000
At cost/valuation				
As at 1 April 2023	400,339	4,581	3,999	74,344
Additions	–	613	–	8,400
Revaluations	76,145	–	–	–
Disposals,transfers	(30,805)	(18)	(16)	(8,912)
As at 31 March 2024	445,679	5,176	3,983	73,832
As at 1 April 2024	445,679	5,176	3,983	73,832
Additions	–	151	163	–
Revaluations	64,951	–	–	–
Disposals,transfers	(37,153)	(2)	(9)	(1,943)
As at 31 March 2025	473,477	5,325	4,137	71,889
Accumulated depreciation				
As at 1 April 2023	–	3,909	3,717	52,090
Depreciation for the year	30,805	351	122	7,922
Disposals,transfers	(30,805)	(15)	(16)	(1,766)
As at 31 March 2024	–	4,245	3,823	58,246
As at 1 April 2024	–	4,245	3,823	58,246
Depreciation for the year	37,153	294	99	7,315
Disposals,transfers	(37,153)	(2)	(9)	(1,943)
As at 31 March 2025	–	4,537	3,913	63,618
Carrying amount as at 31 March 2025	**473,477**	**788**	**224**	**8,271**
Carrying amount as at 1 April 2024	445,679	931	160	15,586

6.3 During the Financial Year, the Group acquired property, plant and equipment to the aggregate value of LKR 1,700 Mn. (2023/24 - LKR 275 Mn.) Cash payments amounting to LKR 1,700 Mn. (2023/24 - LKR 275 Mn.) were made during the year for purchase of property, plant and equipment.

6.4 During the Financial Year, the Company acquired property, plant and equipment to the aggregate value of LKR 1 Mn. (2023/24 - LKR 10 Mn.) Cash payments amounting to LKR 1 Mn. (2023/24 - LKR 10 Mn.) were made during the year for purchase of property, plant and equipment.

6.5 During the Financial Year, the Group capitalised borrowing costs of LKR 39 Mn. relating to the ecquisition of property, plant and equipment. (2023/24 - Nil)

6.6 The revalued buildings during the year consist of the owner occupied area of the investment property comprising 8,549 sq. ft. The details of valuation are disclosed in note 6.11.

6.7 There were no compensation received/ receivable from third parties for items of property, plant and equipment that were impaired, lost or given up.

6.8 No restrictions existed on the title of the property, plant and equipment of the Group as at the reporting date, and there were no temporarily idle property, plant and equipment as at the reporting date. There was no permanent fall in value of property, plant and equipment which requires a provision for impairment as at reporting date.

6.9 There were no items of property, plant and equipment pledged as security for liabilities,other than disclosed in note 17.

6.10 Valuation of the land and buildings of the Company and it's subsidiaries as at 31 March 2025 was independently carried out by Mr. J.M.Senanayaka Bandara, a chartered valuation surveyor who has recent experience in valuing properties of similar location and categories.

Computers and accessories LKR'000	Fixture and fittings LKR'000	Electronic equipment LKR'000	Tools and utensils LKR'000	Maintenance equipment LKR'000	Total LKR'000
17,074	306	1,749	1,573	4,799	508,764
790	–	–	563	–	10,366
–	–	–	–	–	76,145
(574)	–	–	(265)	–	(40,590)
17,290	306	1,749	1,871	4,799	554,685
17,290	306	1,749	1,871	4,799	554,685
121	–	–	307	–	742
–	–	–	–	–	64,951
(274)	–	(1,749)	(135)	–	(41,265)
17,137	306	–	2,043	4,799	579,113
14,177	306	1,749	1,455	4,581	81,984
1,436	–	–	92	132	40,860
(574)	–	–	(265)	–	(33,441)
15,039	306	1,749	1,282	4,713	89,403
15,039	306	1,749	1,282	4,713	89,403
1,173	–	–	172	62	46,268
(274)	–	(1,749)	(135)	–	(41,265)
15,938	306	–	1,319	4,775	94,406
1,199	–	–	**724**	**24**	**484,707**
2,251	–	–	589	86	465,282

Valuation of the free hold lands, civil construction, electromechanical equipments, solar pv generation system of subsidiary Panasian Power PLC as at 31 March 2025 was independently carried out by Mr. J.M. Senanayaka Bandara, a chartered valuation surveyor who has considerd estimated annual potential gross income and estimated Rate of Return and has recent experience in valuing properties of similar location and categories.

The Valuation technique used for Hydro Electric Power Plants valuation has changed from the Replacement cost method to the Income approach from Financial Year 2022/23 and all Ground solar and Rooftop solar has been valued using the income approach which is the same technique used in the 2023/24 Financial Year for the valuation carried out as at 31 March 2025.

6.11 Details of land and buildings owned by the Group are as follows:

Location/address	Owned by	Buildings	Land extent			
		No.of building units	Sq./Ft	Acre	Rood	Perch
33,Park Street, Colombo 02	R I L Property PLC (R I L)	1	8,549	–	–	–
100 & 100A, Hyde Park Corner, Colombo 02	United Motors Lanka PLC Group (UML)	10	81,794	1	3	0.54
143 & 145 Majeed Place, Orugodawatte		27	126,382	7	–	15.14
Vauxhall Street, Colombo 02		2	825	–	1	10.35
Meetotamulla, Orugodawatte		1	3,494	–	1	28.86
Maligawa Road, Ratmalana		25	89,262	9	3	36.50
Navatkuli, Jaffna		3	9,475	1	–	25.69
Off Naththandiya Road, Dankotuwa		4	57,838	7	2	10.71
Ratturugala, Rathnapura – Panasian Power PLC	Panasian Power PLC Group (PAP)	2	4,653	4	–	34.76
Walapane, Nuwaraeliya – Manelwala Hydropower (Pvt) Ltd		3	3,660	2	2	32.30
Walapane, Padiyapelella – Padiyapelella Hydropower Limited		2	4,053	7	1	27.00
Maho – Panthree Solaro Energy (Pvt) Ltd		–	–	5	–	6.00
Maradankadawala – Rajarata Sustainable Development (Pvt) Ltd		1	5,990	5	–	28.25
Maradankadawala – Finergreen Rajarata (Pvt) Ltd		1	5,990	5	–	28.25
Matara – Panthree Solaro Energy (Pvt) Ltd		–	–	4	–	–
Matara – Solar Power Generation Matara (Pvt) Ltd		1	1,590	8	–	–
Pannala – Panthree Solaro Energy (Pvt) Ltd		–	–	3	–	7.00
Thirappane – Finergreen Rajarata (Pvt) Ltd		1	5,990	4	–	–
Thirappane – Rajarata Sustainable Development (Pvt) Ltd		1	5,990	4	–	–
Beliatta – Eco Green Solar Solutions (Pvt) Ltd		–	–	4	2	34.00
Kurunegala – PAP MHPL Solar (Private) Limited		–	–	20	–	–
Ampara – PAP MHPL Solar (Private) Limited		–	–	21	2	15.10
Matara – PAP SPGM Solar (Private) Limited		–	–	21	–	6.00
Mho – PAP PTS Solar (Private) Limited		–	–	18	2	15.00
Anuradhapura – PAP EGSS Solar (Private) Limited		–	–	22	2	15.25
Hiyare – PAP EGSS Solar (Private) Limited		–	–	19	–	7.04
Baddegama – PAP EGSS Solar (Private) Limited		–	–	19	2	22.05

Land extent			Valuation technique	Fair value hierarchy	Unobservable inputs	Significant unobservable valuation inputs	Correlation to fair value
Cost/carrying value LKR'000	Change for the period LKR'000	Total value LKR'000					
–	–	–	Income approach	Level 3	35% from rental income 6.2%	Anticipated maintenance cost Yield/discount rate	Negatively correlated sensitivity
4,558,500	140,500	4,699,000	Market approach	Level 3	LKR 16.75 Mn. per perch	Price per perch of land	Positively correlated sensitivity
1,387,500	78,500	1,466,000	Market approach	Level 3	LKR 1.25 Mn. 1.4 Mn. per perch		
815,000	39,250	854,250	Market approach	Level 3	LKR 17 Mn. per perch		
113,500	5,500	119,000	Market approach	Level 3	LKR 1.725 Mn. per perch		
838,000	80,000	918,000	Market approach	Level 3	LKR 0.575 Mn. per perch		
51,000	9,500	60,500	Market approach	Level 3	LKR 0.325 Mn. per perch		
102,000	4,000	106,000	Market approach	Level 3	LKR 14 Mn. per perch		
164,363	185,188	349,551	Income approach	Level 3	LKR 1.5 - 6.6 Mn per acre	Price per acre of land	Positively correlated sensitivity
8,029,863	**542,438**	**8,572,301**					

6.12 Valuation techniques and significant unobservable inputs of Panasian Power PLC (PAP) and United Motors Lanka PLC (UML)

Entity	Nature	Capacity	Valuation technique	Signifcant unobservable inputs	Correlation to fair value	Effective date of valuation
Panasian Power PLC	Hydro Power	3 Mw	Income approach	Annual average generation – 13,468,771 Kw	Positively correlated sensitivity	31 March 2025
				Capitalization rate -12%	Negatively correlated sensitivity	
				Outgoing precentage -25%	Negatively correlated sensitivity	
				Total extent -4A -0R-34.76P		
				Per acre - LKR 7,250,000	Positively correlated sensitivity	
				Power purchase agreement -15 years	Positively correlated sensitivity	
Manelwala Hydropower (Pvt) Ltd	Hydro Power	2.4 Mw	Income approach	Annual average generation – 7,510,744 Kw	Positively correlated sensitivity	31 March 2025
				Capitalization rate -12%	Negatively correlated sensitivity	
				Outgoing precentage - 25%	Negatively correlated sensitivity	
				Total extent – 2A -2R-32.3P		
				Per acre - LKR 5,500,000	Positively correlated sensitivity	
				Power purchase agreement –18 years	Positively correlated sensitivity	
Padiyapelella Hydropower Limited	Hydro Power	4.4 Mw	Income approach	Annual average generation – 15,332,218 Kw	Positively correlated sensitivity	31 March 2025
				Capitalization rate – 12%	Negatively correlated sensitivity	
				Outgoing precentage – 25%	Negatively correlated sensitivity	
				Total extent -7A -1R-27P		
				Per acre - LKR 5,000,000	Positively correlated sensitivity	
				Power purchase agreement – 13 years	Positively correlated sensitivity	
PAP Solar One (Pvt) Ltd	Rooftop Solar	3.8 Mw	Income approach	Annual average generation – 3,537,708 Kw	Positively correlated sensitivity	31 March 2025
				Capitalization rate -12%	Negatively correlated sensitivity	
				Outgoing precentage -20%	Negatively correlated sensitivity	
				Rental -3% of total revenue	Negatively correlated sensitivity	
Solar Power Generation Matara (Pvt) Ltd	Ground Solar	2 Mw	Income approach	Annual average generation – 3,675,042 Kw	Positively correlated sensitivity	31 March 2025
				Capitalization rate -12%	Negatively correlated sensitivity	
				Outgoing precentage -20%	Negatively correlated sensitivity	
				Total extent -8A -0R-0P		
				Per acre - LKR 3,000,000	Positively correlated sensitivity	

Entity	Nature	Capacity	Valuation technique	Signifcant unobservable inputs	Correlation to fair value	Effective date of valuation
Panthree Solaro Energy Solutions (Pvt) Ltd	Rooftop Solar	3 Mw	Income approach	Annual average generation – 4,952,002 Kw	Positively correlated sensitivity	31 March 2025
				Capitalization rate -12%	Negatively correlated sensitivity	
				Outgoing precentage -20%	Negatively correlated sensitivity	
				Total extent -12A -0R-13 P		
				Per acre - LKR 2,425,000	Positively correlated sensitivity	
Rajarata Sustainable Development (Pvt) Ltd	Rooftop Solar	2 Mw	Income approach	Annual average generation – 3,241,361 Kw	Positively correlated sensitivity	31 March 2025
				Capitalization rate -12%	Negatively correlated sensitivity	
				Outgoing precentage -20%	Negatively correlated sensitivity	
				Total extent -9A -0R-28.25 P		
				Per acre - LKR 1,750,000	Positively correlated sensitivity	
Finergreen Rajarata (Pvt) Ltd	Rooftop Solar	2 Mw	Income approach	Annual average generation – 3,303,895 Kw	Positively correlated sensitivity	31 March 2025
				Capitalization rate -12%	Negatively correlated sensitivity	
				Outgoing precentage -20%	Negatively correlated sensitivity	
				Total extent – 9A -0R-28.25 P		
				Per acre - LKR 1,750,000	Positively correlated sensitivity	
Eco Green Solar Solutions (Pvt) Ltd	Ground Solar	1 Mw	Income approach	Annual average generation – 1,412,956 Kw	Positively correlated sensitivity	31 March 2025
				Capitalization rate -12%	Negatively correlated sensitivity	
				Outgoing precentage -20%	Negatively correlated sensitivity	
United Motors Lanka PLC No.146, Maligawa Road, Thelawala (Borupana), Ratmalana	Rooftop Solar	944.3 Kw	Income approach	Annual average generation – 1,195,850 Kw	Positively correlated sensitivity	31 March 2025
United Motors Lanka PLC Postal No.145, Majeed Place, Orugodawatta, Wellampitiya	Rooftop Solar	1,101.24 Kw	Income approach	Annual average generation – 1,433,518 Kw	Positively correlated sensitivity	31 March 2025

6.13 Cost of fully depreciated assets which are still in use as at reporting date is as follows.

	GROUP		COMPANY	
As at 31 March	**2025 LKR '000**	2024 LKR '000	**2025 LKR '000**	2024 LKR '000
Buildings	**173,973**	167,210	–	–
Plant and machinery	–	204,364	–	–
Fixture and fittings	**306**	306	**306**	306
Office equipment	**84,932**	76,959	**3,850**	2,983
Furniture and fittings	**80,871**	71,004	**3,694**	3,458
Motor vehicles	**597,348**	624,184	**44,628**	42,572
Computers and accessories	**161,844**	154,422	**13,450**	11,458
Electronic equipment	**83,178**	78,676	–	1,750
Tools and utensils	**224,601**	1,092	**1,014**	1,092
Maintenance equipment	**4,613**	4,139	**4,613**	4,139
Reference books	**107**	107	–	–
	1,411,773	1,382,463	**71,555**	67,758

6.14 The carrying amount of revalued property, plant and equipment if they were carried at cost less depreciation and impairment, would be as follows:

	GROUP					
	2025			2024		
As at 31 March	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Electro mechanical equipment	**564,452**	**509,792**	**54,660**	564,452	476,290	88,162
Civil construction	**964,255**	**698,741**	**265,514**	945,306	643,260	302,046
Freehold land	**1,155,361**	–	**1,155,361**	976,440	–	976,440
Solar power plants	**1,781,479**	**408,395**	**1,373,084**	1,781,479	323,074	1,458,405
Buildings	**1,483,438**	**860,580**	**622,858**	1,445,276	772,390	672,886
Total	**5,948,985**	**2,477,508**	**3,471,477**	5,712,953	2,215,014	3,497,939

	COMPANY					
	2025			2024		
As at 31 March	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	**175,333**	**75,125**	**100,208**	175,333	67,608	107,725
Total	**175,333**	**75,125**	**100,208**	175,333	67,608	107,725

7. Investment Property

Accounting policy

I. Basis of recognition

Investment properties are properties held either to earn rental income or for capital appreciation or both but not for sale in the ordinary course of business, used in the production in the ordinary course of business, used in the production or supply of goods or services or for administrative purposes. Investment properties are recognised if it is probable that future economic benefits that are associated with the investment property will flow to the Group and cost of the investment property can be reliably measured.

Investment property comprises freehold land, freehold buildings together with the integral parts of such properties.

II. Measurement

Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment property is carried at fair value.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions, as appraised by an independent valuer, annually.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of profit or loss during the financial period in which they are incurred.

Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the period in which they arise. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the SLFRS 13.

III. Derecognition

Investment properties are derecognised when disposed, or permanently withdrawn from use because no future economic benefits are expected.

IV. Reclassification of investment property

When the use of a property changes from owner occupied to investment property, the transfers are recorded at carrying amount following the cost model as per LKAS 40 Accounting for investment property.

If an investment property becomes owner occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes.

	GROUP		COMPANY	
	2025 LKR '000	2024 LKR '000	**2025 LKR '000**	2024 LKR '000
As at 1 April	**17,169,828**	16,099,661	**17,169,828**	16,099,661
Subsequent expenditure on investment property	**110,965**	31,394	**125,013**	31,394
Capital work-in progress	–	507	–	507
Net gain from fair value adjustment	**866,682**	1,038,266	**866,682**	1,038,266
As at 31 March	**18,147,475**	17,169,828	**18,161,523**	17,169,828

7.1 Investment properties consist of freehold land and commercial units given on rental in buildings constructed on freehold land at No. 33, Park Street, Colombo 02 and No. 45, Morgan Road, Colombo 02.

7.2 There were no items of investment property pledged as security for liabilities, other than disclosed in note 17.2.

7.3 Details of investment properties – Group/Company

Property	Extent	Valuation date	Value as at 31 March 2025	Value as at 1 April 2024	Valuation technique	Fair value hierarchy
Land						
No. 33, Park Street, Colombo 02	2A-2R-14.87P	31 March 25	LKR 16.5 Mn. per perch	LKR 15.25 Mn. per perch	Market approach	Level 3
No. 45, Morgan Road, Colombo 02	0A-3R-39.91P	31 March 25	LKR 12 Mn. per perch	LKR 11.75 Mn. per perch	Market approach	Level 3
Buildings						
No. 33, Park Street, Colombo 02						
PARKLAND building	192,964.29 Sq. Ft.	31 March 25	LKR 306 - 540 per Sq. Ft	LKR 250 - 522 per Sq. Ft	Income approach	Level 3
PARKLAND 1 building	67,589.72 Sq. Ft.	31 March 25	LKR 170 - 529 per Sq. Ft	LKR 170 - 467 per Sq. Ft	Income approach	Level 3

7.4 The significant assumptions used by the valuer are as follows :

	2025	2024	Correlation to fair value
Anticipated maintenance cost	35% from annual rent income	35% from annual rent income	Negatively correlated sensitivity
Yield/discount rate	6.20%	6.10%	Negatively correlated sensitivity
Risk and other factors	7.5% from net annual rent income	8.00% from net annual rent income	Negatively correlated sensitivity
Price per perch LKR Mn. No. 33, Park Street, Colombo 02	16.50	15.25	Positively correlated sensitivity
Price per perch LKR Mn. Morgan Road, Colombo 02	12.00	11.75	Positively correlated sensitivity
Future rental income per Sq. Ft.	LKR 170 - 540	LKR 170 - 522	Positively correlated sensitivity

7.5 The below table sets out information about significant unobservable inputs used in measuring fair value of land and building as at 31 March 2025

Significant unobservable input	Land/Buildings	
	No 33 Park Street Colombo 2	No 45 Morgan Road, Colombo 2
Estimated price per perch	LKR 16.5 Mn. per perch	LKR 12 Mn. per perch
Estimated market rent per square feet	LKR 170 - 540 per Sq. Ft	–
Anticipated maintenance cost	35% from annual rent income	–
Yield/Discount rate	6.20%	–

7.6 Sensitivity analysis of assumptions employed in investment property valuation

Group/Company

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 2025.

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.

Yield/discount rate increase/(decrease)	Maintenance cost increase/(decrease)	Investment property valuation LKR '000	Fair value gain/(loss) on investment property LKR '000
1%		16,260,300	(1,901,233)
-1%		20,790,500	2,628,977
	5%	17,107,900	(1,053,623)
	-5%	19,213,100	1,051,577

7.7 Fair value of the investment property is ascertained by independent valuations carried out by Mr. J. M. Senanayaka Bandara, a chartered valuation surveyor, who has recent experience in valuing properties of similar location and category. In determining the fair value of building the capitalisation of net income method has been used, which is based upon assumptions including future rental income, anticipated maintenance costs, appropriate discount rate and in determine the fair value of land, make 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.

7.8 Amount recognised in the statement of profit or loss for the investment property

		GROUP/COMPANY	
Year ended 31 March	Notes	**2025 LKR '000**	2024 LKR '000
Rental income from the investment property	22.2	**1,321,499**	1,163,956
Other related services	22.2	**135,996**	123,884
		1,457,495	1,287,840
Direct operating expenses for the investment property		**(183,035)**	(134,263)
Fair value (loss)/gain		**866,682**	1,038,266

7.9 The carrying amount of revalued land and buildings under investment property if they were carried at cost less depreciation and impairment, would be as follows;

	GROUP		COMPANY	
Year ended 31 March	**2025 LKR '000**	2024 LKR '000	**2025 LKR '000**	2024 LKR '000
Cost	**7,181,470**	7,069,997	**7,195,518**	7,069,997
Accumulated depreciation	**(2,177,544)**	(1,932,272)	**(2,178,246)**	(1,932,272)
Carrying value	**5,003,926**	5,137,725	**5,017,272**	5,137,725

7.10 Leasing arrangements

Minimum lease payments receivable on leases of investment property as follows;

	GROUP/COMPANY	
Year ended 31 March	**2025 LKR '000**	2024 LKR '000
Less than one year	**1,021,609**	1,151,656
One to two years	**697,174**	871,929
Two to three years	**383,130**	578,378
Three to four years	**95,934**	332,591
Four to five years	**14,375**	82,826
More than five years	**–**	14,609
	2,212,222	3,031,989

The investment property is leased to tenants under operating leases with rentals payable as per the lease terms.

8. Intangible assets

Accounting policy

An intangible asset is an identifiable non monetary asset without physical substance held for use in the production or supply of goods or services, or for administrative purpose.

I. Basis of recognition and measurement

Intangible assets are recognised if it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of the assets can be measured reliably.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. If the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree less the net amount of the fair value of the assets acquired and liabilities assumed is recognised. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. The negative goodwill is recognised immediately in the statement of comprehensive income. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold net of disposal proceeds.

Software

All licensed computer software costs incurred by the Group, which are not integrally related to associated hardware, which can be clearly identified, reliably measured and is probable that they will lead to future economic benefits, are included in the statement of financial position under the category of intangible assets and carried at cost less amortisation and any accumulated impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss when incurred.

Right to generate hydropower

Right to generate hydropower, which can be clearly identified and reliably measured with the probability of leading to future economic benefits, are capitalised under intangible assets.

Right to generate solar power

Right to generate solar power, which can be clearly identified and reliably measured with the probability of leading to future economic benefits, are capitalised under intangible assets.

II. Useful economic lives and amortisation

Intangible assets are amortised using below mentioned estimated useful economic life on a straight line basis. They are assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation method, useful lives and residual values are reviewed at each reporting date and adjusted if required.

Asset Category	GROUP	COMPANY
Computer software	2 – 10 years	4 years
Right to generate hydropower	20 years	–
Right to generate solar power	20 years	–

III. De-recognition

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gains and losses arising from derecognition of an intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

IV. Reversal of impairment

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Reversals of impairment losses are recognised in the income statement.

	GROUP					COMPANY	
	Computer software LKR '000	Right to generate hydro power LKR '000	Right to generate solar power LKR '000	Goodwill LKR '000	Total LKR '000	Computer software LKR '000	Total LKR '000
Cost							
1 April 2023	312,544	21,190	87,400	468,414	889,548	23,536	23,536
Additions	8,135	–	–	–	8,135	1,990	1,990
Disposals	(1,867)	–	–	–	(1,867)	(1,867)	(1,867)
As at 31 March 2024	318,812	21,190	87,400	468,414	895,816	23,659	23,659
As at 1 April 2024	318,812	21,190	87,400	468,414	895,816	23,659	23,659
Additions	693	500	–	–	1,193	–	–
As at 31 March 2025	**319,505**	**21,690**	**87,400**	**468,414**	**897,009**	**23,659**	**23,659**
Amortisation/impairment							
1 April 2023	145,631	19,974	9,772	465,524	640,901	22,228	22,228
Amotisation for the year	29,029	917	4,370	–	34,316	1,041	1,041
Disposals	(1,837)	–	–	–	(1,837)	(1,837)	(1,837)
As at 31 March 2024	172,823	20,891	14,142	465,524	673,380	21,432	21,432
As at 1 April 2024	172,823	20,891	14,142	465,524	673,380	21,432	21,432
Amortisation for the year	29,617	317	4,370	–	34,304	957	957
As at 31 March 2025	**202,440**	**21,208**	**18,512**	**465,524**	**707,684**	**22,389**	**22,389**
Carrying amount as at 31 March 2025	**117,065**	**482**	**68,888**	**2,890**	**189,325**	**1,270**	**1,270**
Carrying amount as at 1 April 2024	145,989	299	73,258	2,890	222,436	2,227	2,227

8.1 The right to generate hydro power and solar power represent the amounts paid to purchase exclusive rights to generate hydro and solar power.

8.2 The goodwill consisted of acquisitions made by R I L Property PLC.
* Arose from the acquisition of subsidiary United Motors Lanka PLC amounting to LKR 2.89 Mn. on 29 December 2017 which had acquired 50% shares in Unimo Enterprise Limited (formerly known as Associated United Motors Limited) which was acquired on 03 October 2002.

8.3 Assessment of impairment of goodwill

Goodwill impairment is tested annually. The recoverable amount of Cash Generating Unit (CGU) was based on higher of fair value less costs of disposal and value in use. Net assets of CGUs were considered as the fair value as the assets and liabilities reflect approximately the fair value of such assets and liabilities considering the valuation of property plant and equipment and short-term maturity of the rest of the assets and liabilities. This fair value measurement is categorized as level 3 measurement. Significant unobservable input is the net assets CGUs and has a positive correlated sensitivity with the fair value. There is no impairment of goodwill as at the reporting date.

8.4 During the Financial Year, the Group acquired intangible assets to the aggregate value of LKR 1.2 Mn. (2023/24 – LKR 8 Mn.).Cash payments amounting to LKR 1.2 Mn. (2023/24 – LKR 8 Mn.) were made during the year for purchase of intangible assets.

8.5 During the Financial Year, the Company has not acquired intangible assets (2023/24 – LKR 2 Mn.). No cash payments were made during the year for purchase of intangible assets (2023/24 – LKR 2 Mn.).

8.6 Cost of fully amortised computer software of Group amount to LKR 41 Mn. (2023/24 – LKR 39 Mn.) and Company amount to LKR 21 Mn. (2023/24 – LKR 20 Mn.) as at the reporting date.

8.7 There were no restrictions existed on the title of the intangible assets of the Group and Company as at the reporting date. Further there were no items pledged as security for liabilities.

8.8 There were no significant intangible assets controlled by the entity but not recognised as assets because they did not meet recognition criteria or because they were acquired or generated before SLFRS 3 – Business Combinations was effective.

9. Leases

Accounting policy

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Group as a lessee - The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use).

I. Leased assets

The Group's lease hold property includes land and buildings. Rental contract is typically made as per the initial rental or lease agreements. Rental contracts may contain both lease and non-lease components. It has elected not to separate lease and non-lease components and instead accounts for these as a single lease component. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

II. Right-of-use assets

Right of use assets are measured at cost, less any accumulated amortisation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes:

- The amount of lease liabilities recognised,
- Initial direct costs incurred, and
- Lease payments made at or before the commencement date less any lease incentives received.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right of use assets are depreciated on a straight line basis over the shorter of its estimated useful life or the lease term. Right of use assets are subject to impairment.

III. Lease liabilities

On adoption of SLFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of LKAS 17 Leases. These liabilities were measured on a present value basis.

Lease liabilities include the net present value of the fixed payments (including in substance fixed payments), less any lease incentives receivable.

Since the interest rate implicit in the lease is not readily determinable, the Group uses incremental borrowing rate as the discount rate. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of a similar value to the right of use asset in similar economic environment.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

After the commencement date, the amount of lease liabilities are increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities remeasured if there is a modification, a change in the lease term, a change in the in substance fixed lease payments or a change in the assessment to purchase the underlying asset.

9.1 Right-of-use assets

As at 31 March	GROUP 2025 LKR '000	GROUP 2024 LKR '000
Cost		
At the beginning of the year	**1,052,554**	880,740
Acqusition of subsidiary	**–**	53,043
Adjustments	**(63,893)**	(21,454)
Additions during the year	**324,934**	140,225
At the end of the year	**1,313,595**	1,052,554
Accumulated amortisation		
At the beginning of the year	**793,318**	597,325
Acqusition of subsidiary	**–**	49,176
Adjustments	**(53,083)**	–
Amortisation for the year	**142,297**	146,817
At the end of the year	**882,532**	793,318
Carrying amount at the end of the year	**431,063**	259,236

9.2 Lease liabilities

As at 31 March	Note	GROUP 2025 LKR '000	GROUP 2024 LKR '000
At the beginning of the year		**269,374**	291,076
Acqusition of subsidiary		**–**	5,604
Additions during the year		**311,703**	140,225
Interest expense		**44,911**	39,022
Adjustments		**(10,812)**	(21,454)
Payments made		**(171,775)**	(185,099)
At the end of the year		**443,401**	269,374
Classified as non-current liabilities		**329,241**	198,414
Classified as current liabilities		**114,160**	70,960
		443,401	269,374
Amounts recognised in profit or loss			
Interest on lease liabilities	24.1	**42,573**	38,932

As at 31 March	GROUP 2025 LKR '000	GROUP 2024 LKR '000
Maturity analysis of lease liability – discounted		
Less than 2 years	**173,797**	126,350
2-5 years	**147,852**	56,473
5-10 years	**77,554**	44,975
Over 10 years	**44,198**	41,576
	443,401	269,374
Maturity analysis of lease payment – undiscounted		
Less than 2 years	**268,274**	161,330
2-5 years	**227,435**	110,747
5-10 years	**170,813**	171,592
Over 10 years	**66,572**	76,409
	733,094	520,078

10. Investments

Accounting policy

Investments in subsidiaries

Investment in subsidiaries are initially recognised at cost in the financial statements. Following initial recognition investments in subsidiaries are recorded at cost less accumulated impairment in the financial statements of the Company. The net assets of each subsidiary are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amount of the investment is estimated and the impairment loss is recognized to the extent of its negative net assets.

Subsidiaries are investees that are controlled by the Group. Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power to govern the financial and operating policies over the investee.

he cost of an acquisition is measured at fair value of the consideration of acquired identifiable assets, liabilities and contingent liabilities are at the date of acquisition. Subsequent to the initial measurement, the Company continues to recognise the investment in subsidiaries at cost. The Financial Statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases.

All subsidiaries in the Group have a common Financial Year which ends on 31 March. Financial Statements of the subsidiaries are prepared using uniform and consistent accounting policies and all intra Group balances, unrealised gains and losses resulting from intra Group transactions, intra Group income and expenses eliminated in full. There are no significant restrictions on the ability of subsidiaries to transfer funds to the Company (the parent) in the form of cash dividend or repayment of loans and advances.

Prinicipal business activities of subsidiaries are mentioned in page 155.

Investment in preference shares

Refer the accounting policy in note 3.5.

Investment in equity accounted investee

The Group's interests in equity accounted investees comprise interests in a joint venture. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Interests in the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the Consolidated Financial Statements include the Group's share of the profit or loss and OCI of equity accounted investees, until the date on which significant influence or joint control ceases.

10.1 Investments in subsidiaries

		COMPANY			
As at 31 March		2025		2024	
	Note	Holding %	LKR '000	Holding %	LKR '000
Panasian Power PLC	10.1.2	**75**	**2,010,876**	74.84	2,006,736
United Motors Lanka PLC		**51**	**4,013,827**	51	4,013,827
R-E-D Capital Asia (Pvt) Ltd	10.1.1	**37**	**74,759**	–	–
Total investments in subsidiaries			**6,099,462**		6,020,563

	Net assets price per share		Quoted price per share	
As at 31 March	2025	2024	2025	2024
Panasian Power PLC	**4.04**	3.58	**6.90**	3.00
United Motors Lanka PLC	**143.27**	140.44	**86.10**	59.00

10.1.1 Acquisition of R-E-D Capital Asia (Pvt) Ltd by R I L Property PLC

R-E-D Capital Asia (Pvt) Ltd is a subsidiary of the Panasian Power PLC Group. During the year, the Company invested LKR 74.75 Mn in the equity capital of R-E-D Capital Asia (Pvt) Ltd to acquire a direct equity interest of 37%, increasing the Company's equity interest to an effective holding of 75.25% in R-E-D Capital Asia (Pvt) Ltd. This transaction effectively reduced the ownership interest of Panasian Power PLC. Consideration has been paid via the conversion of interest accrued on the loan of LKR 500 Mn granted by the Company to R-E-D Capital Asia (Pvt) Ltd amounting to LKR 71 Mn into equity, with the remainder of the consideration paid in cash. Effects of this transaction on the equity attributable to owners of the Parent are presented in the Statement of Changes in Equity.

10.1.2 The Company acquired 1,028,025 ordinary shares and increased its stake in Panasian Power PLC from 74.84% to 75% during the period under review.

A consideration amounting to LKR 4.1 Mn has been paid by the Company to acquire the additional 0.16% (1,028,025 Ordinary Shares) stake of Panasian Power PLC.

Other than the purchase consideration the Company incurred a transaction and related cost of LKR 0.04 Mn. for this additional acquisition which is included in administration expenses.

10.2 Investment in preference shares

	GROUP	
As at 31 March	2025 LKR '000	2024 LKR '000
Powergen One (Private) Limited	–	4,154
	–	4,154

During the year under review Powergen One (Pvt) Ltd redeemed preference shares issued to Panasian Investments (Pvt) Ltd amounting to LKR 4,154 Mn.

10.3 Investment in joint ventures

As at 31 March	Holding %	GROUP 2025 LKR '000	GROUP 2024 LKR '000
Powergen One (Private) Limited	50	**10,466**	10,196
		10,466	10,196

Powergen One (Private) Limited was incorporated on 27th December 2017 as a Joint Venture between Panasian Investments (Private) Limited, which is a fully owned subsidiary of Panasian Power PLC, and Jinadasa Brothers (Private) Limited, to install and operate 400 kWp rooftop solar power plant in the rooftop of factory owned by Jinadasa Brothers (Private) Limited located in Borelasgamuwa, Sri Lanka.

10.3.1 Share of net results of joint ventures

As at 31 March	Powergen One (Pvt) Ltd 2025 LKR '000	Powergen One (Pvt) Ltd 2024 LKR '000
Revenue	**5,367**	7,675
Depreciation	**(2,026)**	(2,155)
Net finance cost	**1,226**	(2)
Profit/(loss) after tax	**1,110**	3,011
Depreciation on unrealised profit on sale of property, plant and equipment	**293**	293
Group share of results of equity accounted investee net of tax (50%)	**848**	1,799
Other comprehensive income net of tax	**(1,154)**	–
Group share of revaluation of equity accounted investee net of tax (50%)	**(577)**	–
Total comprehensive income	**(45)**	3,011

10.3.2 Reconciliation for carrying amount of joint ventures

As at 31 March	Powergen One (Pvt) Ltd 2025 LKR '000	Powergen One (Pvt) Ltd 2024 LKR '000
Initial investment	**12,515**	12,515
Group share of unrealised profit	**(5,863)**	(5,863)
Retained earnings	**8,358**	7,804
Depreciation on unrealised profit	**2,028**	1,735
Group share of revaluation of equity accounted investee net of tax	**(577)**	-
Dividend paid	**(5,995)**	(5,995)
Net investment in joint venture	**10,466**	10,196

10.3.3 Financial highlights of joint ventures

	Powergen One (Pvt) Ltd	
As at 31 March	**2025 LKR '000**	2024 LKR '000
Non current assets	**24,944**	29,500
Current assets (including cash and cash equivalents)	**3,736**	6,725
Non-current liabilities	**–**	(4,154)
Current liabilities	**(603)**	(3,949)
Net assets (100%)	**28,077**	28,122
Cash & cash equivalents	**2,732**	5,281

10.4 Advances paid for acquisition

As at 31 March	**2025 LKR '000**	2024 LKR '000
Lower Kothmale Oya Power Two (Private) Limited	**20,000**	4,000
Medakumbura Mini Hydropower Project	**2,115**	2,115
	22,115	6,115

The Panasian Power PLC has acquired Lower Kothmale Oya Power Two (Pvt) Ltd, to design and build 2MW hydropower plant in Lower Kothmale Oya upon receiving the Letter of intent from Ceylon Electricity Board. During the Financial Year the Company has paid LKR 4 Mn for said acquisition and the Company has capitalized LKR 12 Mn which has incurred for initial stage of approval process.

On 31 July 2017 the Panasian Power PLC entered in to an agreement with the owners of Medakumbura Mini Hydropower Project, to purchase the approvals and location of the project upon receiving letter of intent from Ceylon Electricity Board. The Panasian Power PLC has paid an advance for said acquisition amounting to LKR 2.1 Mn. to owners of Medakumbura Mini Hydropower Project.

10.5 Acquisition of Company by United Motors Lanka PLC

United Motors Lanka PLC has been continously pursuing multiple investment opportunities that generate stable profits due to changing economic condition which has impacted the automobile industry in Sri Lanka.

As a result, United Motors Lanka PLC acquired 100% stake in Dutch Lanka Trailer Manufacturers Limited (DLT) along with Dutch Lanka Engineering (Pvt) Limited (DLE), a 100% subsidiary of DLT on 11 December 2023.

DLT is a BOI registered Company incorporated in 1992 and is engaged in the designing, engineering and manufacturing of a range of port and road trailers for both domestic and export markets. DLT established Dutch Lanka Engineering (Pvt) Limited (DLE) in 2004. DLE manufactures trailers for the local market, provides aftermarket service support, supplies spare parts for trailers, undertakes steel fabrication work and refurbishment.

10.5.1 Details of the purchase consideration, contingent consideration and gain on bargain purchase are as follows:

	LKR '000
Purchase consideration paid in cash	700,000
Contingent consideration	75,000
Gain on bargain purchase	9,323
Fair values of the identifiable assets and liabilities	784,323

10.5.2 Contingent consideration

As per the sales purchase agreement (SPA) between United Motors Lanka PLC and TRF Singapore PTE Ltd on the acquisition of Dutch Lanka Trailer Manufacturers Ltd, the TRF Singapore PTE Ltd (seller), retained LKR 75 Mn. cash in lieu of all representations and warranties of the seller and that the seller shall not be liable for any loss, damage, claim or expense other than fundamental warranties. Accordingly, LKR 75 Mn has been recorded as a liability in the Consolidated balance sheet as at the acquisition date. The outcome of the maximum payment is unlimited and cannot be estimated. At every balance sheet date, the management will assess the liabilities that are settled, cancelled, or expired and relevant amounts will be adjusted in profit or loss in accordance with SLFRS 3.

10.5.3 The provisional fair values of the identifiable assets and liabilities based on un-audited financial statements as at the date of acquisition were as follows.

	LKR '000
Assets	
Property, plant and equipment	203,422
Right of use assets	3,867
Deferred tax assets	29,398
Investment in equity shares	480
Other financial assets	442,072
Inventories	471,620
Trade and other receivables	1,197,282
Other current financial assets	93,769
Cash and short-term deposits	34,764
	2,476,674
Liabilities	
Retirement benefit obligations	61,927
Interest bearing loans and borrowings	932,161
Trade and other payables	375,309
Income tax payable	114,854
Bank overdrafts	208,100
	1,692,351
Net assets acquired	784,323

10.5.4 Acquired receivables

The fair value of the acquired trade receivables is LKR 1,045.4 Mn. The gross contractual amount for trade receivable due is LKR 1,068.2 Mn., with a loss allowance of LKR 22.8 Mn recognised on acquisition.

10.5.5 There are no any changes to valuation techniques and fair values of the identifiable assets and lialibilites at the acquisition, as at 31 March 2025.

10.6 Summarised information of subsidiary that have significant non-controlling interest is provided below,

	United Motors Lanka PLC		Panasian Power PLC	
	2025 LKR '000	2024 LKR '000	**2025 LKR '000**	2024 LKR '000
Summary of the statement of comprehensive income period ended 31 March				
Revenue	**11,774,363**	11,577,472	**1,542,728**	1,490,347
Profit/(loss) after tax	**31,272**	(295,707)	**322,285**	99,660
Gain on disposal of joint venture	–	–	–	–
Other comprehensive income	**405,247**	532,791	**(126,636)**	348,525
Total comprehensive income	**436,519**	237,084	**195,649**	448,185
Total comprehensive income,				
Owners of the parent	**222,625**	120,913	**130,731**	314,792
Non-controlling interest	**213,894**	116,171	**64,918**	133,393
Summary of the statement of financial position as at 31 March				
Non-current assets	**12,538,036**	12,096,225	**5,633,161**	4,497,918
Current assets	**14,661,143**	9,453,054	**1,701,665**	1,011,448
Total assets	**27,199,179**	21,549,279	**7,334,826**	5,509,366
Non-current liabilities	**1,755,015**	1,724,796	**3,131,424**	2,201,213
Current liabilities	**10,988,551**	5,654,040	**1,512,493**	877,373
Total liabilities	**12,743,566**	7,378,836	**4,643,917**	3,078,586
Total equity attributable to equity holders of the Company	**7,701,938**	7,556,500	**1,984,142**	1,784,547
Total equity attributable to non-controlling interest	**6,753,677**	6,613,943	**706,767**	646,231
Total equity	**14,455,615**	14,170,443	**2,690,909**	2,430,778
Summary of the statement of cash flows Year ended 31 March				
Net cash inflow/(outflow) from operating activities	**(3,391,786)**	1,805,881	**1,002,733**	817,651
Net cash inflow/(outflow) from investing activities	**384,609**	(1,877,192)	**(1,439,862)**	(147,309)
Net cash inflow/(outflow) from financing activities	**3,377,191**	(110,958)	**1,108,973**	(110,958)
Net increase/(decrease) of cash and cash equivalents	**370,014**	(182,269)	**671,844**	559,384

11. Inventories

Accounting policy

Inventories are measured at the lower of cost and net realisable value. The cost of inventories that are not interchangeable are recognised by using specific identification of their individual cost and other inventories are based on weighted average cost formula. The cost of inventories includes expenditure incurred in purchasing the inventories and other costs incurred in bringing them to their present location and condition. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses. Accordingly, the costs of inventories are accounted as follows:

Inventory Type	Cost measurement basis
Raw materials	Actual cost on a weighted average basis
Goods in transit	Actual cost
Work in progress	Actual cost
Stock in trade	
Motor vehicles	Actual cost
Solar power panels, inverters and other accessories	Actual cost
Other stock in trade	Weighted average basis
Consumable stock	Weighted average basis/FIFO basis

Provisions are made for all slow-moving and obsolete items of inventory to reflect the lower of cost or net realisable value.

		GROUP		COMPANY	
As at 31 March	Notes	**2025 LKR '000**	2024 LKR '000	**2025 LKR '000**	2024 LKR '000
Stock in trade	11.1	**4,976,940**	3,571,957	–	–
Work in progress		**479,634**	449,054	–	–
Goods in transit	11.3	**966,533**	164,705	–	–
Consumable stock		**72,655**	139,951	**18,398**	17,842
		6,495,762	4,325,667	**18,398**	17,842

11.1 Stock in trade

	GROUP	
As at 31 March	**2025 LKR '000**	2024 LKR '000
Motor vehicle's spare parts	**803,283**	878,672
Motor vehicles	**2,336,724**	1,032,290
Lubricants	**861,797**	894,711
Tyres	**72,300**	61,984
Trailers	**507,232**	420,489
3D printers	**1,339**	1,624
Equipment and machinery	**74,334**	118,518
Others	**319,931**	163,669
	4,976,940	3,571,957

11.2 Provision for slow moving inventories

	GROUP	
As at 31 March	**2025 LKR '000**	2024 LKR '000
At the beginning of the year	**35,109**	138,955
Change/(reversal) during the year	**(3,820)**	(103,846)
At the end of the year	**31,289**	35,109

11.3 Goods in transit

	GROUP	
As at 31 March	**2025 LKR '000**	2024 LKR '000
Spare parts and lubricants	**945,483**	133,322
Trailers	**21,050**	31,383
	966,533	164,705

11.4 Inventories & trade receivables pledged as security for liabilities of Group entities are as follows:

Company	Bank	Facility	Amount pledged as security LKR '000	Balance outstanding LKR '000
Unimo Enterprises Limited	National Development Bank PLC	Overdraft, Short-term loans, Letter of Credit	650,000	303,960
	Commercial Bank of Ceylon PLC	Overdraft, Short-term loans, Letter of Credit	525,000	494,654
	Standard Chartered Bank	Overdraft, Short-term loans, Letter of Credit	500,000	500,000
UML Heavy Equipment Limited	Commercial Bank of Ceylon PLC	Overdraft, Short-term loans, Letter of Credit	160,000	160,000
Dutch Lanka Trailer Manufacturers Limited	National Development Bank PLC	Overdraft, Short-term loans, Letter of Credit	1,037,215	285,760
	Commercial Bank of Ceylon PLC	Overdraft, Short-term loans, Letter of Credit	63,000	–
	Sampath Bank PLC	Overdraft, Short-term loans, Letter of Credit	61,136	54,730
Dutch Lanka Engineering (Pvt) Limited	Sampath Bank PLC	Overdraft, Short-term loans, Letter of Credit	35,000	21,311

12. Trade and other receivables

Refer the accounting policy in note 3.5.

		GROUP		COMPANY	
As at 31 March	Notes	**2025 LKR '000**	2024 LKR '000	**2025 LKR '000**	2024 LKR '000
Trade debtors		**2,483,636**	2,216,940	**49,239**	71,840
Impairment allowance	12.3	**(83,119)**	(71,781)	**(6,891)**	(9)
		2,400,517	2,145,159	**42,348**	71,831
Advances and prepayments		**1,216,708**	794,409	**19,292**	47,019
Deposits		**30,723**	27,758	**18,176**	18,215
Loans to employees	12.5	**5,084**	5,182	**2,060**	2,420
Other receivable		**2,456,209**	526,742	**12,694**	12,431
Facilitation fee receivable		**18,236**	12,347	**-**	-
		6,127,477	3,511,597	**94,570**	151,916

12.1 Classification as trade receivables

Trade receivables are amounts due from customers/tenants for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 07 - 90 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Fair values of trade receivables

Due to the short-term nature of the trade receivables, their carrying amount is considered to be the same as their fair value.

Impairment and risk exposure

A trade receivable is considered to be in default when the payment is overdue by more than 90 days, or when the customer is assessed to be unlikely to pay their outstanding receivable, based on historical payment patterns and other relevant factors.

The Group's exposure to credit risk and impairment losses related to trade and other receivables are disclosed in note 36.1.

12.2 Trade receivables pledged as security for liabilities are given in note 11.4.

12.3 Impairment allowance for trade receivables

	GROUP		COMPANY	
As at 31 March	**2025 LKR '000**	2024 LKR '000	**2025 LKR '000**	2024 LKR '000
At the beginning of the year	**71,781**	71,275	**9**	6,550
During the year (reversal)/provision	**18,602**	8,998	**6,882**	(6,541)
Bad debt written off during the year	**(7,264)**	(8,492)	–	–
At the end of the year	**83,119**	71,781	**6,891**	9

12.4 Straight line adjustment on lease rentals receivable

	GROUP/COMPANY	
As at 31 March	**2025 LKR '000**	2024 LKR '000
Non-current	**68,738**	57,489
	68,738	57,489

12.5 Loans to employees

	GROUP		COMPANY	
As at 31 March	**2025 LKR '000**	2024 LKR '000	**2025 LKR '000**	2024 LKR '000
At the beginning of the year	**5,182**	5,914	**2,420**	2,780
Loans disbursed during the year	**14,396**	-	**-**	-
Recovered during the year	**(14,494)**	(732)	**(360)**	(360)
At the end of the year	**5,084**	5,182	**2,060**	2,420

No loans have been granted to the Directors of the Company and Group.

13. Income tax (receivable)/payable

		GROUP		COMPANY	
As at 31 March	Note	**2025 LKR '000**	2024 LKR '000	**2025 LKR '000**	2024 LKR '000
At the beginning of the year		**213,035**	115,370	**618**	1,289
Acquisition of subsidiary		**–**	114,854	**–**	–
Income tax on current year profit	26.2	**391,895**	299,621	**3,890**	2,896
Under/(over) provision in respect of prior year		**(5,005)**	(15,376)	**–**	(4)
WHT receivable/ESC set off against income tax		**(42,357)**	(25,086)	**(723)**	(1,348)
Income tax paid		**(363,119)**	(276,348)	**(670)**	(2,215)
At the end of the year		**194,449**	213,035	**3,115**	618
Income tax receivable		**(26,254)**	(20,537)	**–**	–
Income tax payable		**220,703**	233,572	**3,115**	618
		194.449	213,035	**3,115**	618

14. Other investments

Refer the accounting policy in note 3.5.

14.1 Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVOCI) comprise equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be more relevant.

		GROUP	
As at 31 March	Note	**2025 LKR '000**	2024 LKR '000
Equity securities	14.1.3	**117,176**	268,175
Fair value gain/(loss)		**(30,976)**	(97,662)
		86,200	170,513

14.1.1 Amounts recognised in profit or loss and other comprehensive income

During the year, the following gains were recognised in profit or loss and other comprehensive income.

		GROUP	
Year ended 31 March	Note	**2025 LKR '000**	2024 LKR '000
Changes in fair value recognised in other comprehensive income - FVOCI		**70,929**	77,216
Dividend from equity securities held at FVOCI recognised in profit or loss in finance income	24.2	**18,719**	3,795
		89,648	81,011

14.1.2 Disposal of equity investments

On disposal of these equity investments, any related balance within the FVOCI reserve is reclassified to retained earnings. During the year Group reclassified below gains from FVOCI reserve to retained earnings as a result of disposal of equity investments fair value through other comprehensive income.

	GROUP	
Year ended 31 March	**2025 LKR '000**	2024 LKR '000
Net gain on disposal of equity investments at fair value through other comprehensive income		
– attributable to owners of the parent	**2,164**	2,563
– attributable to non-controlling interest	**2,080**	2,462
	4,244	5,025

14.1.3 Equity securities designated at fair value through other comprehensive income

	GROUP					
	2025			2024		
As at 31 March	No. of shares	Cost LKR '000	Market value LKR '000	No. of shares	Cost LKR '000	Market value LKR '000
Commercial Bank of Ceylon PLC – non voting	–	–	–	345,534	35,623	29,440
Commercial Bank of Ceylon PLC	–	–	–	308,203	40,302	30,111
DFCC Bank PLC	**805,282**	**106,456**	**85,360**	794,728	106,456	60,399
Laugfs Power PLC	–	–	–	32,874	–	296
MTD Walkers PLC	**90,259**	**5,521**	–	90,259	5,521	–
National Development Bank PLC	–	–	–	545,077	54,298	37,065
People's Leasing & Finance PLC	–	–	–	245,050	4,066	2,695
Seylan Bank PLC	–	–	–	69,150	4,793	3,250
Singer Finance Lanka PLC	–	–	–	521,885	11,917	6,419
Softlogic Finance PLC	**89,709**	**5,171**	**484**	89,709	5,171	511
The Lanka Hospitals Corporation PLC	–	–	–	28,000	28	327
Lanka IOC PLC	**28,000**	**28**	**356**	–	–	–
		117,176	**86,200**		268,175	170,513

14.2 Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss (FVTPL) comprise equity securities which are held principally for the purpose of trading in the near term.

		GROUP		COMPANY	
As at 31 March	Notes	**2025 LKR '000**	2024 LKR '000	**2025 LKR '000**	2024 LKR '000
Equity securities	14.2.2	**971,142**	197,265	**422,643**	24,770
Increase/(decrease) in market value		**(24,111)**	(37,366)	**3,757**	545
		947,031	159,899	**426,400**	25,315
Other investments designated as FVTPL	14.2.3	**1,515,431**	1,928,600	**182,715**	133,468
		2,462,462	2,088,499	**609,115**	158,783

14.2.1 Amounts recognised in profit or loss

		GROUP		COMPANY	
As at 31 March	Notes	**2025 LKR '000**	2024 LKR '000	**2025 LKR '000**	2024 LKR '000
Changes in fair value on equity securities at FVTPL	24.1	–	(592)	–	(592)
Dividend from equity securities held at FVTPL recognised in profit or loss	24.2	**9,249**	14,068	**1,050**	5,869
Net gains on disposal of Financial assets at FVTPL	24.2	**111,795**	100,090	–	71,739
		121,044	113,566	**1,050**	77,016

14.2.2 Equity securities designated at fair value through profit or loss

	GROUP					
	2025			2024		
As at 31 March	No. of shares	Cost LKR '000	Market value LKR '000	No. of shares	Cost LKR '000	Market value LKR '000
Central Finance Company PLC	**120,781**	**25,806**	**23,461**	–	–	–
Commercial Bank of Ceylon PLC	**3,224,274**	**455,219**	**467,070**	100,000	7,358	9,770
Dipped Products PLC	**225,000**	**13,018**	**12,375**	80,000	5,503	2,432
John Keells Holdings PLC	**2,250,000**	**53,922**	**45,450**	–	–	–
LOLC Finance PLC	**900,000**	**25,710**	**5,310**	900,000	25,710	4,950
Melstacorp PLC	–	–	–	74,256	4,235	6,535
People's Leasing and Finance PLC	–	–	–	539,584	8,779	5,935
Royal Ceramics Lanka PLC	–	–	–	160,000	10,501	4,976
Sampath Bank PLC	**984,875**	**121,083**	**120,648**	476,432	35,167	38,115
Sanasa Development Bank PLC	**54,297**	**5,211**	**1,966**	53,151	5,211	1,727
Singer Finance PLC	**65,944**	**3,768**	**356**	679,224	15,683	8,354
Softlogic Finance PLC	–	–	–	65,944	3,768	376
LB Finance PLC	**274,299**	**23,675**	**23,535**	820,000	50,580	51,414
Distilleries Company of Sri Lanka PLC	**637,127**	**20,181**	**23,191**	–	–	–
Expolanka Holdings PLC	–	–	–	168,208	24,770	25,315
ACL Cables PLC	**121,064**	**13,369**	**14,770**	–	–	–
Hatton National Bank PLC	**65,934**	**21,059**	**19,945**	–	–	–
Hayleys PLC	**98,210**	**11,914**	**13,455**	–	–	–
Vallibel One PLC	**343,951**	**22,424**	**20,258**	–	–	–
Access Engineering PLC	**1,200,046**	**40,910**	**46,202**	–	–	–
Pan Asia Banking Corporation PLC	**850,000**	**29,724**	**30,175**	–	–	–
Browns Investments PLC	**3,600,000**	**28,759**	**26,280**	–	–	–
JAT Holdings PLC	**305,500**	**8,020**	**8,218**	–	–	–
Teejay Lanka PLC	**513,060**	**27,487**	**26,166**	–	–	–
Watawala Plantations PLC	**650,000**	**19,883**	**18,200**	–	–	–
		971,142	**947,031**		197,265	159,899

	COMPANY					
	2025			2024		
As at 31 March	No. of shares	Cost LKR '000	Market value LKR '000	No. of shares	Cost LKR '000	Market value LKR '000
Sampath Bank PLC	**537,875**	**65,916**	**65,890**	–	–	–
Expolanka Holdings PLC	–	–	–	168,208	24,770	25,315
Commercial Bank of Ceylon PLC	**2,501,833**	**356,727**	**360,510**	–	–	–
		422,643	**426,400**		24,770	25,315

14.2.3 Other investments designated at fair value through profit or loss

	GROUP			
As at 31 March	2025		2024	
	No.of units '000	Market value LKR'000	No.of units '000	Market value LKR'000
Investment in unit trusts	**28,363**	**1,515,431**	58,863	1,928,600
	28,363	**1,515,431**	58,863	1,928,600

	COMPANY			
As at 31 March	2025		2024	
	No.of units '000	Market value LKR'000	No.of units '000	Market value LKR'000
Investment in unit trusts	**5,098**	**182,715**	4,076	133,468
	5,098	**182,715**	4,076	133,468

14.3 Other financial assets at amortised cost

Accounting policy

Classification of financial assets at amortised cost

The Group classifies its financial assets at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and;
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

		GROUP		COMPANY	
As at 31 March	Notes	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Non-current					
Guarantee deposit		**391**	10,320	–	–
Investment in fixed deposit		**466,370**	403,746	–	–
		466,761	414,066	–	–
Current					
Investment in fixed deposit		**193,917**	101,525	**43,365**	3,946
Investement in debenture	14.3.1	–	200,000	–	200,000
		193,917	301,525	**43,365**	203,946

14.3.1 Company invested LKR 200 Mn. in Kelsey Homes (Private) Limited senior, unlisted, guarnteed debentures at a par value of LKR 100 each on 10 Jun 2021.This debenture investment has redeemed at the maturity.

15. Cash and bank balance

Refer the accounting policy in note 3.5.

15.1 Favourable balances

	GROUP		COMPANY	
As at 31 March	**2025 LKR '000**	2024 LKR '000	**2025 LKR '000**	2024 LKR '000
Cash at bank*	**1,511,950**	509.026	**30,816**	42,482
Call deposits	**71,273**	42,362	–	–
Short-term deposits	**249,941**	194,476	–	–
Cash in hand*	**16,581**	21,771	**597**	590
Cash and bank balances	**1,849,745**	767,635	**31,413**	43,072

15.2 Unfavourable balances

	GROUP		COMPANY	
As at 31 March	**2025 LKR '000**	2024 LKR '000	**2025 LKR '000**	2024 LKR '000
Overdraft *	**(364,048)**	(214,666)	**(105,841)**	(8,369)
Total cash and cash equivalents for the purpose of cash flow statement	**1,164,483**	316,131	**(74,428)**	34,703

* Cash at bank, short term deposits, cash in hand and overdraft have been considered for the purpose of statement of cash flows.

16. Equity

16.1 Stated capital

	GROUP/COMPANY			
	2025		2024	
	Number '000	**LKR '000**	Number '000	LKR '000
As at 1 April	**800,000**	**7,360,000**	800,000	7,360,000
As at 31 March	**800,000**	**7,360,000**	800,000	7,360,000

Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

16.2 Retained earnings

	GROUP		COMPANY	
As at 31 March	**2025 LKR '000**	2024 LKR '000	**2025 LKR '000**	2024 LKR '000
As at 1 April	**11,027,633**	10,192,461	**9,774,789**	8,784,094
Profit for the year	**1,404,826**	831,771	**1,347,681**	992,999
Other comprehensive income for the year	**(36,361)**	3,401	**(4,302)**	(2,304)
Dividend paid	**(160,000)**	–	**(160,000)**	–
As at 31 March	**12,236,098**	11,027,633	**10,958,168**	9,774,789

16.3 Revaluation reserve

The revaluation reserve represents the surplus related to the revaluation of property, plant and equipment.

16.4 Fair value through other comprehensive income reserve

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

17. Interest bearing loans and borrowings

Refer the accounting policy in note 3.5.

17.1 Movement

	GROUP		COMPANY	
As at 31 March	**2025 LKR '000**	2024 LKR '000	**2025 LKR '000**	2024 LKR '000
As at 1 April 2024	**9,420,511**	9,024,506	**3,773,898**	4,176,188
Acquisition of subsidiary	–	926,558	–	–
Loans obtained and interest accrued	**35,718,259**	36,399,428	**454,330**	849,410
Repayment	**(31,285,505)**	(36,929,981)	**(879,984)**	(1,251,699)
As at 31 March 2025	**13,853,265**	9,420,511	**3,348,244**	3,773,898
Repayable within one year	**8,391,921**	4,936,204	**406,879**	468,714
Repayable after one year	**5,461,344**	4,484,307	**2,941,365**	3,305,184
As at 31 March 2025	**13,853,265**	9,420,511	**3,348,244**	3,773,898

17.2 Security and repayment terms

As at 31 March	Lender	Interest rate (%)	Term of the loan	Maturity period	Repayment terms
Company					
R I L Property PLC	Commercial Bank of Ceylon PLC	AWPLR + 0.5	9 Years	January 2025	45 equal monthly installments commencing from April 2021
	Commercial Bank of Ceylon PLC	AWPLR + 0.5	9 Years	January 2027	70 equal monthly installments commencing from April 2021
	Commercial Bank of Ceylon PLC	AWPLR + 0.5	12 Years	November 2029	Payable in 08 annual installments commencing from November 2022 (Interest to be serviced monthly)
	Commercial Bank of Ceylon PLC	AWPLR + 0.5	12 Years	November 2029	Payable in 08 annual installments commencing from November 2022 (Interest to be serviced monthly)
	Commercial Bank of Ceylon PLC	AWPLR + 0.5	5 Years	December 2028	60 monthly installments commencing from December 2023
	Commercial Bank of Ceylon PLC	AWPLR + 0.5	6 Year	February 2029	54 equal monthly installments commencing from September 2024
	DFCC Bank PLC	AWPLR + 0.5	7 Years	July 2028	Payable in 07 annual installments commencing from July 2022
	Seylan Bank PLC	AWPLR + 0.4	8 Years	October 2029	Payable in 95 monthly installments of LKR 6,250,000 commencing from November 2021
Panasian Power PLC	Sampath Bank PLC	AWPLR + 1	7 Years	June 2025	84 monthly installments
	Commercial Bank of Ceylon PLC	AWPLR + 1.5	3.5 Years	December 2026	42 monthly installments (Including 3 months grace period)
Manelwala Hydropower (Pvt) Ltd	National Development Bank PLC	6.3	6.5 Years	January 2025	78 monthly instalments
Padiyapelella Hydropower Limited	Sampath Bank PLC	AWPLR + 1	10 Years	June 2028	120 monthly installments
	Sampath Bank PLC	AWPLR + 2	2 Years	September 2024	24 Monthly Installments (Including 12 months grace period)
Panasian Investments (Private) Limited	National Development Bank PLC	6.3	6.5 Years	December 2024	78 Monthly Instalments
	National Development Bank PLC	AWPLR +1.5	3 Months	June 2025	Maximum 120 days from Date of grant
	Sampath Bank PLC	AWPLR + 2	3 Months	December 2024	Maximum 120 days from Date of grant
	Union Bank of Colombo PLC	AWPLR + 1	3 Months	June 2025	Maximum 120 days from Date of grant

Facility amount LKR '000	Security offered	2025 LKR '000	2024 LKR '000
1,000,000	Primary Mortgage Bond No. 1568 dated 23 October 2015 for LKR 1.5 Bn. executed over the property at No. 33, Park Street, Colombo 02 owned by R I L Property PLC.	–	104,907
100,000	Tertiary Mortgage Bond No. 126 for LKR 800 Mn. dated 08 January 2016 executed over the property at No. 33, Park Street, Colombo 02 owned by R I L Property PLC.	–	5,365
2,600,000	A.Quaternary Mortgage Bond No. 1333 dated 18 December 2017 for LKR 2.6 Bn. executed over the property at No. 33, Park Street, Colombo 02 owned by R I L Property PLC.	**610,828**	748,730
2,500,000		**698,983**	837,111
50,000	Leeway available in following mortgage bonds - Primary 1568 - dated on 23 Oct 2015 - Tertiary - 126 -dated on 08 Jan 2016 - Quaternary -1333 -dated on 18 Dec 2017	**36,672**	47,955
600,000	Leeway available in following mortgage bonds - Primary 1568 - dated on 23 Oct 2015 - Tertiary - 126 -dated on 08 Jan 2016 - Quaternary -1333 -dated on 18 Dec 2017	**421,600**	200,000
2,700,000	A tri-partite agreement entered in to between the bank, the Company and Acuity Brokers (Pvt) Ltd to assign up to 392,450,248 ordinary shares of the Panasian Power PLC held by the Company in favor of DFCC Bank PLC	**1,196,031**	1,368,916
600,000	Additional Mortgage Bond to be executed for LKR.1 Bn over property situated at No. 33, Park Street, Colombo 02 owned by R I L Property PLC.	**384,130**	460,914
		3,348,244	3,773,898
200,000	Primary mortgage bond of LKR 320 Mn over project lands together with project assets including civil structers,power generating plants machinery and other equipment of Manelwala mini hydropower project.	**6,815**	35,435
150,000	Corporate guarantee for LKR 150,000,000/- of R I L Property PLC	**80,768**	126,923
20,000	Corporate guarantee from Panasian Power PLC	–	2,514
500,000	Primary mortgage bond of LKR 490 Mn over project lands together with project assets including civil structers,power generating plants machinery and other equipment of Padiyapelella mini hydropower project.	**167,000**	224,000
100,000	Primary Mortgage Bond for LKR 10 Mn over 100% of shares issued by Padiyapelella Hydropower Ltd and owned by PanAsian Power PLC and Palace Path Holding (Pvt) Ltd, supported by an irrevocable Power of Attoney from the shareholders in favour of Sampath Bank PLC with the right to transfer the shares mortgaged to the bank.	–	49,000
27,000	Corporate guarantee from Panasian Power PLC Primary Mortgage over project assets including the access rights	–	3,115
150,000	Lien over fixed deposit and LKR 150 Mn corporate guarantee from Panasian Power PLC Primary Mortgage over stocks and book debts for LKR 150 Mn	**8,195**	41,338
150,000	Line over weekly saving build up and LKR 150 Mn corporate guarantee from Panasian Power PLC	–	99,006
100,000	Mortgage over stock, Book debt for LKR 300 Mn and LKR 300 Mn corporate guarantee from Panasian Power PLC	**15,369**	–

As at 31 March	Lender	Interest rate (%)	Term of the loan	Maturity period	Repayment terms
Eco Green Solar Solutions (Private) Limited	Sampath Bank PLC	AWPLR + 1	6 Years	May 2026	72 Monthly Instalments (Including 12 Month grace period)
	Sampath Bank PLC	AWPLR + 1	9 Years	February 2029	108 Monthly Instalments (Including 12 Month grace period)
	Sampath Bank PLC	AWPLR + 1	2 Years	December 2024	24 Monthly Installments (Including 6 months grace period)
	Sampath Bank PLC	12.5	2 Years	January 2025	24 Monthly Installments (Including 6 months grace period)
	Sampath Bank PLC	AWPLR + 1	2 Years	January 2025	24 Monthly Installments (Including 6 months grace period)
Solar Power Generation Matara (Pvt) Ltd	Sampath Bank PLC	AWPLR + 1	11 Years	July 2031	132 Monthly Instalments (Including 12 Month grace period)
Panthree Solaro Energy (Pvt) Ltd	Sampath Bank PLC	AWPLR + 1	11 Years	November 2031	132 Monthly Instalments (Including 12 Month grace period)
	Sampath Bank PLC	AWPLR + 1	2 Years	July 2024	24 Monthly Installments (Including 6 months grace period)
	Seylan Bank PLC	Quarterly AWPLR +1.25	5 Years	December 2027	59 Monthly installments (Including 4 months grace period)
	Seylan Bank PLC	Quarterly AWPLR +1.5	10 Years	June 2031	120 Monthly Installments (Including 72 months grace period)
	Seylan Bank PLC	Quarterly AWPLR +1.25	5 Years	January 2028	60 Monthly Installments (Including 4 months grace period)
	Seylan Bank PLC	Quarterly AWPLR +1.5	10 Years	June 2031	120 Monthly Installments (Including 72 months grace period)
	Seylan Bank PLC	AWPLR + 1.25	2 Years	January 2025	24 Monthly Installments
Pap Solar One (Private) Limited	National Development Bank PLC	6.3	6 Years	January 2025	78 Monthly Installments
	National Development Bank PLC	AWPLR + 2 & 10.125	4.5 Years	September 2027	54 Monthly Installments
	National Development Bank PLC	13.9	5 Years	August 2024	60 Monthly Installments

Facility amount LKR '000	Security offered	2025 LKR '000	2024 LKR '000
50,000	Primary mortgage over project assets for LKR 85 Mn	**13,560**	25,260
70,000	Primary mortgage over 100% of the ordinary shares of the borrower in issue at any given time supported with the share transfer forms signed in blank together with an irrevocable power of attorney in favour of Sampath bank PLC securing 50 Mn.	**39,950**	45,500
4,920	Corporate guarantee from Padiyapelella Hydro Power Limited for LKR 135 Mn	–	2,405
13,000		–	7,224
5,750		–	3,198
240,000	Primary Mortgage over free hold rights of project land marked as lot II and lot 1 a sum of LKR 260 Mn Additional Mortgage bond for LKR 260 Mn over entirety of shares issued to solar Power Generation Matara (Private) Limited supported by an irrecoverable power of attorney	**152,000**	176,000
120,000	Primary mortgage over land, project assets and documents for LKR 130 Mn Additional mortgage bond for LKR 90 Mn and for LKR 40 Mn over entirety of shares issued by Panthree Soalro Energy (Private) Limited	**80,000**	92,000
27,500	To finance the interest commitments against CEB Receivables	–	1,733
60,000	Primary mortgage over land, project assets and documents for LKR 130 Mn and Corporate guarantee for 130Mn from Panasian Power PLC	**37,650**	48,825
70,000		**70,000**	70,000
54,000	Primary mortgage over land, project assets and documents for LKR 119 Mn and Corporate guarantee for 119 Mn from Panasian Power PLC	**34,900**	44,700
65,000		**65,000**	65,000
30,170	Corporate guarantee for LKR 249 Mn from Panasian Power PLC	–	12,921
28,000	Corporate guarantee from Panasian Power PLC. Primary Mortgage over project assets including the access rights	–	2,514
325,000	LKR 325 Mn Corporate guarantee from Panasian Power PLC	**87,292**	96,659
4,900	Primary Mortgage over vehicle	–	549

As at 31 March	Lender	Interest rate (%)	Term of the loan	Maturity period	Repayment terms
Rajarata Sustainable Development (Pvt) Ltd	National Development Bank PLC (Restructured Facilities)	AWPLR + 3.25	7 Years	March 2030	84 Monthly Installments (Including 9 months grace period)
	National Development Bank PLC (Restructured Facilities)	AWPLR +0.25	3.5 Years	September 2026	42 Monthly Installments (Including 9 months grace period)
	National Development Bank PLC (Restructured Facilities)	AWPLR +0.25	1 year	July 2024	12 Monthly Installments (Including 5 months grace period)
	National Development Bank PLC (Restructured Facilities)	AWPLR +2.5	2.5 years	July 2024	30 Monthly Installments (Including 6 months grace period)
Finergreen Rajarata (Pvt) Ltd	National Development Bank PLC (Restructured Facilities)	AWPLR + 3.25	5 Years	February 2028	59 Monthly Installments (Including 9 months grace period)
	National Development Bank PLC (Restructured Facilities)	AWPLR + 0.25	4 Years	February 2027	47 Monthly Installments (Including 9 months grace period)
	National Development Bank PLC (Restructured Facilities)	AWPLR + 0.25	2 Years	July 2024	24 Monthly Installments (Including 17 months grace period)
	National Development Bank PLC (Restructured Facilities)	AWPLR + 2.5	2 Years	July 2024	24 Monthly Installments (Including 12 months grace period)
PAP PTS Solar (Pvt) Ltd	DFCC Bank PLC	12.9	9 Years	January 2034	108 Monthly Installments (Including 12 months grace period)
PAP SPGM Solar (Pvt) Ltd	DFCC Bank PLC	13	9 Years	March 2034	108 Monthly Installments (Including 12 months grace period)
PAP EGSS Solar (Pvt) Ltd	Commercial Bank of Ceylon PLC	First 5 years 12.25 & Balance 4 years at AWPLR + 1.25	9 Years	November 2033	108 Monthly Installments (Including 12 months grace period)
	Commercial Bank of Ceylon PLC	First 5 years 12.25 & Balance 4 years at AWPLR + 1.25	9 Years	December 2033	108 Monthly Installments (Including 12 months grace period)

Facility amount LKR '000	Security offered	2025 LKR '000	2024 LKR '000
112,650		**111,375**	112,575
68,769	Primary mortgage over the movable project assets including machinery, documents. licenses, approvals, agreements, contradsr bonds, cash flows, book debts, insurance proceeds and receivables.	**63,052**	63,329
13,100	Primary mortgage over 100 % shares of the Borrower held by J Dissanayake and Pap Solar One (Private) Limited.	–	3,929
24,900	LKR 230 Mn Corporate guarantee from Panasian Power PLC	–	11,067
112,650		**111,900**	112,500
67,808	Primary mortgage over Project lands (freehold and leasehold) upon the borrower obtaining title to the said lands	**57,538**	63,137
13,100	Primary mortgage over 100 % shares of the Borrower held by J Dissanayake and Pap Solar One (Private) Limjted.	–	10,929
24,900	LKR 230 Mn Corporate Gurantee from Panasian Power PLC.	–	4,150
970,000	Primary mortgage over leasehold land together with building & everything else thereon for LKR 925 Mn.	**347,445**	–
970,000	Primary mortgage over freehold land together with all the project assets including proposed building , completed solar plant, and electrical grid for LKR 925 Mn.	**350,866**	–
845,000	Primary mortgage bond over freehold lands and immovable project assets in Baddegama for LKR 295 Mn. Primary mortgage bond over movable project assets including book debts, insurance proceeds, and receivables, project documents in Baddegama for LKR 600 Mn. Primary mortgage of for LKR 100 Mn over shares owned by R-E-D Capital Asia (Pvt) Ltd and additional share issue in future, Special power of attorney in favor of the bank with the right to transfer the shares mortgaged to Commercial bank.	**415,586**	–
801,000	Primary mortgage bond over leasehold lands and immovable project assets in Hiyare for LKR 251 Mn. Primary mortgage bond over movable project assets including book debts, insurance proceeds, and receivables, project documents in Hiyare for LKR 600 Mn. Primary mortgage of for LKR 100 Mn over shares owned by R-E-D Capital Asia (Pvt) Ltd and additional share issue in future,Special power of attorney in favor of the bank with the right to transfer the shares mortgaged to Commercial bank.	**205,772**	–

As at 31 March	Lender	Interest rate (%)	Term of the loan	Maturity period	Repayment terms
	Commercial Bank of Ceylon PLC	First 5 years 12.25 & Balance 4 years at AWPLR + 1.25	9 Years	December 2033	108 Monthly Installments (Including 12 months grace period)
Loan Processing Fee					
Unimo Enterprises Ltd.	Sampath Bank PLC	10.7	180 Days	September 2024	Short-term loan
	Commercial Bank of Ceylon PLC	10.65	30 Days	April 2024	Short-term loan
	Hatton National Bank PLC	10.95	30 Days	April 2024	Short-term loan
	Pan Asia Banking Corporation PLC	10.8	30 Days	April 2024	Short-term loan
	Sampath Bank PLC	8	180 Days	September 2025	Short-term loan
	Commercial Bank of Ceylon PLC	7.8 - 7.9	120 Days	June 2025 & July 2025	Short-term loan
	Hatton National Bank PLC	7.8 & 8	120 Days	April 2025 & July 2025	Short-term loan
	Pan Asia Banking Corporation PLC	7.8	90 Days	April 2025 & May 2025	Short-term loan
	Bank of Ceylon	7.95 & 8	30 Days	March 2025 & April 2025	Short-term loan
	Nation Trust Bank PLC	7.98	60 Days	April 2025	Short-term loan
	National Development Bank PLC	8.87	60 Days	June 2025	Short-term loan
	PEOPLES BANK	8	90 Days	June 2025	Short-term loan
UML Heavy Equipment Limited	Commercial bank of Ceylon PLC	10.10	30 Days	May 2024	Short-term loan
	Pan Asia Banking Corporation PLC	8.7	90 Days	June 2025	Short Term loan
	Commercial bank of Ceylon PLC	9.15 & 9.30	30 Days	April 2025 & July 2025	Short Term loan
Dutch Lanka Engineering	Hatton National Bank PLC	12.79 - 26.46	89 days – 4 Year	October 2022 – June 2024	29.10.2018-28.06.2024
	Hatton National Bank PLC	9.43 - 10.19	Import loan & Shot term loan	June 2025 – July 2025	Import loan & Short-Term loan
	Hatton National Bank PLC	10	Term loan	–	36 Month
	Sampath Bank PLC	12.69	60-91 days	April 2024 – June 2024	01.02.2024-12.06.2024
	Sampath Bank PLC	11	Import loan	April 2025	Import loan

Facility amount LKR '000	Security offered	2025 LKR '000	2024 LKR '000
825,000	Primary mortgage bond over leasehold lands and immovable project assets in Anuradhapura for LKR 105 Mn. Primary mortgage bond over movable project assets including book debts, insurance proceeds, and receivables, project documents in Anuradhapura for LKR 770 Mn. Primary mortgage of for LKR 100 Mn over shares owned by R-E-D Capital Asia (Pvt) Ltd and additional share issue in future,Special power of attorney in favor of the bank with the right to transfer the shares mortgaged to Commercial bank.	**339,976**	–
		(24,537)	(7,738)
1,770,000	Corporate guarantee UML	–	641,123
13,300,000	Corporate guarantee UML/Stocks & Debts	–	1,440,000
1,500,000	Corporate guarantee UML	–	1,000,000
1,200,000	Corporate guarantee UML	–	386,349
763,000	Corporate guarantee UML	**627,784**	–
2,197,886	Corporate guarantee UML/Stocks & Debts	**1,394,068**	–
1,921,000	Corporate guarantee UML/Stocks & Debts	**1,506,683**	–
1,011,000	Corporate guarantee UML	**1,004,455**	–
850,000	Corporate guarantee UML	**752,337**	–
600,000	Corporate guarantee UML	**602,673**	–
166,000	Corporate guarantee UML	**119,530**	–
500,000	Corporate guarantee UML	**502,228**	–
400,000	Corporate guarantee UML	–	96,716
345,000	Corporate guarantee UML	**345,000**	–
141,129	Corporate guarantee UML	**141,129**	–
155,306		–	79,986
42,417	Corporate guarantee from M/S Dutch Lanka Trailer Manufacturers Ltd.	**42,431**	–
50,000	Lien over Company Fixed Deposits (A/c Nos. 082300018039 & 082300014949)	**41,720**	–
8,598	Mortgage Bond for LKR 10 Mn over Machinery and Mortgage Bond for LKR 35 Mn over Stock and Book debts of the Company	–	8,598
5,667		**5,667**	–

As at 31 March	Lender	Interest rate (%)	Term of the loan	Maturity period	Repayment terms
	National Development Bank PLC - USD	6.5 - 7	Import loan	May 2025 - September 2025	Import loan
	National Development Bank PLC - USD	9 - 10.5	Import loan	March - September 2024	Import loan
	National Development Bank PLC - USD	6.5	Short-Term loan	June 2025	Short-Term loan
	National Development Bank PLC - LKR	16	Short-Term loan	May - July 2024	Short-Term loan
	National Development Bank PLC - LKR	9	Short-Term loan	July 2025	Short-Term loan
	Commercial bank of Ceylon PLC	22.5	Short-Term loan	April 2024	Short-Term loan
	Commercial bank of Ceylon PLC	9.43	Short-Term loan	April 2025 - July 2025	Short-Term loan

17.3 The Group has complied with the financial covenants of its borrowing facilities during the year ended 31 March 2025. There are no any default loans as at 31 March 2025.

18. Employee benefits

Accounting policy

I. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under Short-term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

II. Defined contribution plans

A defined contribution plan is a post employment plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the statement of comprehensive income in the periods during which services are rendered by employees.

Employees' Provident Fund

The Group and its employees (except United Motors Lanka PLC) contribute 12% and 8% respectively of the salary of each employee to the Employees' Provident Fund manage by the Central Bank of Sri Lanka.
The United Motors Lanka PLC and its employees' contribute 12% and 10% respectively of the salary of each employee to the approved Private Provident Fund.

Employees' Trust Fund

The Group contribute 3% of the salary of each employee to the Employees' Trust Fund managed by Central Bank of Sri Lanka. Contributions to defined contribution plans are recognised as an expense in the statement of comprehensive income as incurred.

Facility amount LKR '000	Security offered	2025 LKR '000	2024 LKR '000
491,686		**491,686**	–
265,526		–	277,981
5,158	Primary Mortgage Bond No. 747	**5,158**	–
56,142		–	56,142
25,000		**25,000**	–
10,021		–	10,021
60,000	Fixed Deposit LKR 170 Mn.	**60,000**	–
		13,853,265	9,420,511

III. Defined benefit plans - retiring gratuity

A defined benefit plan is a post employment benefit plan other than a defined contribution plan. The Group is liable to pay retirement benefits under the Payment of Gratuity Act No. 12 of 1983. The liability for the gratuity payment to an employee arises only on the completion of 5 years of continued service with the Group. The net obligation of the Group in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods and discounted to determine its present value. Any unrecognised past service costs and fair value of any plan assets are deducted.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the Projected Unit Credit (PUC) method. Remeasurement of the net defined benefit liability, which comprises actuarial gains and losses, are recognised immediately in other comprehensive income. The Group determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined liability, taking in to account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit or loss and other comprehensive income.
The Group recognises all actuarial gains and losses arising from defined benefit plan immediately in other comprehensive income and all expenses related to defined benefit plan in employee benefit expenses in profit or loss. Key actuarial assumptions used have been disclosed in note 18.6 to the Financial Statements.

Subsidiaries

All the subsidiaries have adopted actuarial valuation method in line with Group accounting policies. United Motors Lanka PLC (UML)'s liability arising on retirement benefits of employees is partly externally funded.

18.1 Retirement benefits obligation – gratuity

		GROUP		COMPANY	
As at 31 March	Notes	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
As at 1 April		**452,286**	261,805	**28,823**	19,235
Acquisition of subsidiary		–	61,927	–	–
Current service cost	18.4	**48,229**	69,405	**5,079**	3,157
Interest cost	18.4	**54,274**	5,200	**3,459**	3,847
Actuarial (gains)/losses	18.4	**52,125**	148,077	**6,146**	3,291
Payments made during the year		**(64,603)**	(94,128)	**(249)**	(707)
As at 31 March	18.2	**542,311**	452,286	**43,258**	28,823

18.2 The above retirement benefit obligation is attributable to following entities

	GROUP		COMPANY	
As at 31 March	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
R I L Property PLC	**43,258**	28,823	**43,258**	28,823
Panasian Power PLC	**17,644**	11,552	–	–
United Motors Lanka PLC (UML)	**481,409**	411,911	–	–
	542,311	452,286	**43,258**	28,823

18.3 Reimbursable right asset of UML is stated below:

		GROUP	
As at 31 March	Notes	2025 LKR '000	2024 LKR '000
Employees joined before 1992/93 mutual fund	18.3.1	**117**	88
Employees joined after 1992/93 reimbursable right	18.3.2	**514**	–
		631	88

18.3.1 Retiring gratuity is a defined benefit plan covering employees of the United Motors Lanka PLC(UML). UML's liability arising on retirement benefits of employees joined prior to 1992/93 is partly externally funded through investments in NDB Mutual Funds and the value of this fund as at 31 March 2025 is LKR 117,231 (2024 - LKR 87,720).

18.3.2 Movement in fair value of reimbursable right

		GROUP	
As at 31 March	Notes	2025 LKR '000	2024 LKR '000
At the beginning of the year		–	19,482
Return on reimbursable right	18.4	–	2,837
Benefits paid by the reimbursable right		–	(19,025)
Benefits payable by the reimbursable right		–	–
Dividend adjustment to the plan asset		–	–
Actuarial gains/(losses) in other comprehensive income	18.4	**514**	(3,294)
Fair value of the reimbursable right at the end of the year		**514**	–

18.4 Expense recognised statement of profit or loss and other comprehensive income:

	GROUP		COMPANY	
Year ended 31 March	**2025 LKR '000**	2024 LKR '000	**2025 LKR '000**	2024 LKR '000
Expense recognised in statement of profit or loss				
Defined benefit obligation				
Current service cost	**48,229**	69,405	**5,079**	3,157
Interest cost	**54,274**	5,200	**3,459**	3,847
Reimbursable right				
Return on reimbursable right	–	2,837	–	–
Expenses recognised in other comprehensive income				
Defined benefit obligation				
Actuarial (gains)/losses	**52,125**	148,077	**6,146**	3,291
Reimbursable right				
Actuarial gains/(losses)	**(514)**	3,295	–	–
Dividend adjustment to reimbursable right	**(30)**	(13)	–	–

18.5 The retirement benefit obligations is based on the actuarial valuation performed by Mr. M. Poopalanathan, AIA, of Messrs Actuarial and Management Consultants (Pvt) Limited. The valuation method used by the actuary is the "Projected Unit Credit Method", the method recommended by LKAS 19 - "Employee Benefits".

18.6 Key actuarial assumptions

	R I L Property PLC		Panasian Power PLC		United Motors Lanka PLC	
As at 31 March	**2025**	2024	**2025**	2024	**2025**	2024
Discount rate as at 31 March	**10%**	12%	**10%**	12%	**11%**	12%
Future salary escalation	**10%**	10%	**10%**	10%	**10%**	10% - 12%
Retirement age	**60 years**	60 years	**60 years**	60 Years	**60 years**	60 years
Staff turnover rate	**16%**	17%	**15%**	13%	**20%**	18% - 25%

18.7 Sensitivity of assumptions employed in actuarial valuation

The following table demonstrates the sensitivity to a reasonably possible change in the key assumptions employed with all other variables held constant in the employee benefits liability measurement.

The sensitivity of the statement of comprehensive income 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 employment benefit obligation for the year.

		GROUP		COMPANY	
Increase/(decrease) in discount rate	Increase/(decrease) in salary escalation rate	Effect on the present value of defined benefit obligation			
As at 31 March		**2025 LKR '000**	2024 LKR '000	**2025 LKR '000**	2024 LKR '000
1%	–	**3,249**	288	**39,189**	27,651
-1%	–	**82,278**	60,091	**43,166**	30,096
–	1%	**84,537**	61,973	**43,337**	30,236
–	-1%	**940**	(1,661)	**38,998**	27,501

* The figures in brackets indicate a decrease and the other figures indicate an increase.

18.8 Maturity profile of the defined benefit obligation

	GROUP		COMPANY	
As at 31 March	**2025 LKR '000**	2024 LKR '000	**2025 LKR '000**	2024 LKR '000
Within the next 12 months	**103,215**	97,507	**7,467**	4,570
Between 1 and 2 years	**154,430**	95,172	**9,220**	8,121
Between 3 and 5 years	**96,465**	115,594	**7,010**	7,013
Beyond 5 years	**186,026**	144,010	**17,389**	9,119
	540,136	452,283	**41,086**	28,823

18.9 Expected average working life

	R I L Property PLC		Panasian Power PLC		United Motors Lanka PLC	
As at 31 March	**2025**	2024	**2025**	2024	**2025**	2024
Expected average working life (years)	**5.40**	5.20	**5.86**	6.56	**4.42**	4.30

19. Trade and other payables

Refer the accounting policy in note 3.5

		GROUP		COMPANY	
As at 31 March	Notes	**2025 LKR '000**	2024 LKR '000	**2025 LKR '000**	2024 LKR '000
Trade payable		**1,731,230**	391,786	**14,056**	3,834
Retention payable		**6,943**	5,711	**6,943**	5,711
Rent received in advance	19.1	**160,830**	91,167	**160,830**	91,167
Customer deposits	20.1	**150,630**	93,382	**150,630**	93,382
Taxes payable		**712,238**	239,389	**21,295**	21,665
Advances received from customers	19.2	**735,862**	292,875	**119,113**	105,240
Accrued charges		**590,147**	498,995	**23,578**	–
Other payable		**289,347**	252,131	**208,781**	108,880
		4,377,227	1,865,436	**705,226**	429,879

19.1 Rent received in advance

	GROUP/COMPANY	
As at 31 March	**2025 LKR '000**	2024 LKR '000
Current	**160,830**	91,167
Non-current	**305,676**	365,851
	466,506	457,018

Movement in rent received in advance

	GROUP/COMPANY	
As at 31 March	**2025 LKR '000**	2024 LKR '000
As at 1 April 2024	**457,018**	235,633
Advances received	**119,739**	367,967
Revenue recognised	**(110,251)**	(146,582)
As at 31 March 2025	**466,506**	457,018

19.2 Advances received from customers

	GROUP		COMPANY	
As at 31 March	**2025 LKR '000**	2024 LKR '000	**2025 LKR '000**	2024 LKR '000
As at 1 April 2024	**292,875**	285,256	**105,240**	78,699
Advances received	**6,585,253**	9,615,557	**522,384**	402,640
Revenue recognised	**(6,142,266)**	(9,607,938)	**(508,511)**	(376,099)
As at 31 March 2025	**735,862**	292,875	**119,113**	105,240

20. Customer deposits

Refer the accounting policy in note 3.5

	GROUP/COMPANY	
As at 31 March	**2025 LKR '000**	2024 LKR '000
Customer deposits	**355,821**	336,545
Fair value adjustment	**24,535**	22,631
	380,356	359,176

20.1 Customer deposits classified under

	GROUP/COMPANY	
As at 31 March	**2025 LKR '000**	2024 LKR '000
Current liabilities	**150,630**	93,382
Non-current liabilities	**229,726**	265,794
	380,356	359,176

21. Deferred tax assets/(liabilities)

Accounting policy

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the tax base of assets and liabilities, which is the amount attributed to those assets and liabilities for tax purposes. Significant management judgements are required to determine the amount of deferred tax assets/liabilities that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Refer note 26 for more details on taxation.

		GROUP		COMPANY	
As at 31 March	Notes	**2025 LKR '000**	2024 LKR '000	**2025 LKR '000**	2024 LKR '000
Deferred tax assets	21.1	**977,750**	1,202,205	–	–
Deferred tax liabilities	21.2	**(4,593,427)**	(4,716,504)	**(2,384,165)**	(2,119,500)
Net deferred tax liabilities		**(3,615,677)**	(3,514,299)	**(2,384,165)**	(2,119,500)

Deferred tax has been computed using the current tax rate of 30% as at 31 March 2025.

Capital gain tax applicable on realization of investment assets have been calculated using the tax rate of 30% as at 31 March 2025.

The movement in the deferred tax account is as follows,

		GROUP		COMPANY	
As at 31 March	Notes	**2025 LKR '000**	2024 LKR '000	**2025 LKR '000**	2024 LKR '000
At the beginning of the year		**(3,514,299)**	(3,086,445)	**(2,119,500)**	(1,797,294)
Acquisition of subsidiary		**–**	29,399	**–**	–
Recognised in profit or loss	26.2	**15,925**	(142,874)	**(258,169)**	(309,590)
Recognised in other comprehensive income	26.3	**(117,303)**	(314,378)	**(6,495)**	(12,615)
At the end of the year		**(3,615,677)**	(3,514,299)	**(2,384,165)**	(2,119,500)

21.1 Composition of deferred tax assets

	GROUP	
As at 31 March	**2025 LKR '000**	2024 LKR '000
Property, plant and equipment	**(14,273)**	4,690
Employee benefits	**41,130**	126,985
Provisions	**178,921**	257,621
Lease liabilities	**46,779**	57,944
Tax loss	**789,510**	754,535
Intangible assets	**–**	430
Lease assets	**(52,239)**	–
Gain on revaluation of land	**(12,078)**	–
Net deferred tax assets	**977,750**	1,202,205

21.1.1 The Group recognise a deferred tax asset on a tax losses amounting to LKR 789.51 Mn. (2024 – LKR 754.54 Mn.) that are available to offset against future taxable profits of the companies in which the tax losses arose.

21.2 Composition of deferred tax liabilities

	GROUP		COMPANY	
As at 31 March	**2025 LKR '000**	2024 LKR '000	**2025 LKR '000**	2024 LKR '000
Property, plant and equipment	**(969,070)**	(989,019)	**(89,445)**	(81,104)
Retirement benefit obligation	**120,567**	8,647	**12,326**	8,647
Gain on revaluations of land and buildings	**(2,700,593)**	(2,396,009)	**(924,412)**	(757,740)
Investment property	**(1,382,634)**	(1,289,302)	**(1,382,634)**	(1,289,302)
Right of use assets	**(27,965)**	(50,821)	**–**	–
Leased liabilities	**38,521**	–	**–**	–
Tax loss	**202,714**	–	**–**	–
Intangible assets	**298**	–	**–**	–
Provisions	**124,735**	–	**–**	–
Net deferred tax liability	**(4,593,427)**	(4,716,504)	**(2,384,165)**	(2,119,500)

21.3 The Group has applied IFRIC 23 – Uncertainty over income tax treatments in these Financial Statements, and accordingly the Group has made a provision for uncertain income tax.

Provision for uncertain income tax

Due to uncertainties that exist in the interpretation of the Inland Revenue Act No. 24 of 2017 relating to tax on realised gains on freehold land, significant judgement was exercised to determine the provision for deferred tax liability required for gains on realisation of freehold land.

Sensitivity analysis

In the event it is deemed by the tax authorities that freehold land be considered as "Capital Assets used in the business", the Company and the Group would have to make an additional deferred tax charge in the statement of profit or loss for the period ended 31 March 2023 amounting to LKR 309 Mn. (Company) and LKR 309 Mn. (Group), other comprehensive income amounting to LKR 367 Mn. (Group) and Non-controlling interest amounting to LKR 352 Mn. (Group). The consequential increase in the deferred tax liability on the statement of financial position for the Company is LKR 309 Mn. and Group LKR 1,028 Mn.

In the event it is deemed by the tax authorities that freehold land be considered as "Investment Assets", the Company and the Group would have to reverse the deferred tax provision. The impact in the statement of profit or loss for the period ended 31 March 2023 would amount to a reduction in deferred tax of LKR 309 Mn. (Company) and LKR 309 Mn. (Group), other comprehensive income amounting to LKR 367 Mn. (Group) and Non-controlling interest amounting to LKR 352 Mn. (Group). The consequential decrease in the deferred tax liability on the statement of financial position for the Company is LKR 309 Mn. and Group LKR 1,028 Mn.

22. Revenue

Accounting policy

I. Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

A five-step model with reference to SLFRS 15, Revenue from contracts with customers is applied before the revenue is recognised;

1. Identify the contract with customers.
2. Identify the separate performance obligations.
3. Determine the transaction price of the contract.
4. Allocate the transaction price to each of the separate performance obligations. and;
5. Recognise the revenue as each performance obligation is satisfied.

Company

I. Rental income

Rental income includes rental income from properties leased out to tenants under operating leases and income from other related services. Rental income from operating leases is recognised on a straight line basis over the lease term in accordance with the SLFRS 16.

II. Other related services

Under SLFRS 15, revenue is recognised upon satisfaction of a performance obligation. The revenue recognition occurs at a point in time when control of the asset is transferred to the customer, generally, on delivery of the goods and services.

United Motors Lanka PLC

I.Sale of goods and services

United Motors Lanka PLC (UML) sells a range of brand new and used motor vehicles, spare parts, lubricants, tyres, heavy machinery and equipment, generators, 3D printers, customized 3D products, 3D certification courses and provides after sales services to customers. Vehicle sales are recognized when control or the legal title of the vehicle is transferred to the customer. Revenue of all other products has been recognised when the products are delivered to the customer/dealer and there is no unfulfilled obligation that could affect the customer's/dealer's acceptance of the products. Revenue from services are recognised upon completion of job/service obligation.

Revenue from these sales is recognised based on the price specified in the contract, net of trade/volume discounts. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as the sales are made on cash basis or with a credit term of 30-90 days, which is consistent with the industry practices.

Free service arrangements

United Motors Lanka PLC & it's subsidiaries (UML) sell vehicles bundled with free services to the customers with limitations on mileage or usage period.UML generally provide three labour free services with the vehicle. UML unbundle and defer revenue component applicable to free service arrangements and free services are recognised as a separate performance obligation in accordance with SLFRS 15.

II.Warranties

Costs incurred by the United Motors Lanka PLC under the terms of the warranty agreement between principal suppliers are reimbursed to the United Motors Lanka PLC. Any amounts that are not reimbursed under the warranty agreement are charged to the Statement of Comprehensive Income.

Warranty obligation

A standard warranty period/mileage is agreed with the principal for new vehicle sales. The cost incurred by United Motors Lanka PLC & it's subsidiaries (UML) in respect of replacements within the warranty period, is reimbursed by the principal provided that the claims are within the terms agreed with the principal from the date of imports. UML has no warranty liability in respect of past sales which can occur in future, as the cost is reimbursed by the principal other than in a situation where UML gives warranty period commencing from the date of sale which is beyond the warranty period given by the principal.

Extended warranty given by UML only provides assurance that a product will function as expected in accordance with the specifications set out in the manufacturer's warranty. Further, the warranty is intended to only safeguard the customer against existing defects and does not provide any incremental service to the customer. Therefore, extended warranty is not accounted for as a separate performance obligation.

Panasian Power PLC

I. Sale of Electricity

Panasian Power PLC sells electricity to CEB credit basis. At the time of transmission of the electricity to CEB, Company meets its performance obligation. Revenue is recognised when the goods are delivered to the customers.

II. Sale of Solar Plant and Inverters

Panasian Power PLC sells panels and inverters to the customers on cash or credit basis. At the time of delivery of the goods to the customers, Company meets its performance obligation. Revenue is recognised when the goods are delivered to the customers.

		GROUP		COMPANY	
Year ended 31 March	Notes	**2025 LKR '000**	2024 LKR '000	**2025 LKR '000**	2024 LKR '000
Continuing operations					
Rental and other related services	22.2	**1,457,495**	1,287,840	**1,457,495**	1,287,840
Automobile sales and other related services	22.3	**11,768,132**	11,575,058	–	–
Supply of renewable energy and other related services	22.4	**1,501,728**	1,490,347	–	–
		14,727,355	14,353,245	**1,457,495**	1,287,840

22.1 Timing of revenue recognition

	GROUP		COMPANY	
Year ended 31 March	**2025 LKR '000**	2024 LKR '000	**2025 LKR '000**	2024 LKR '000
Revenue recognied at point in time	**13,405,856**	13,189,289	**135,996**	123,884
Revenue recognied over the period	**1,321,499**	1,163,956	**1,321,499**	1,163,956
	14,727,355	14,353,245	**1,457,495**	1,287,840

22.2 Rental and other related services

	GROUP	
Year ended 31 March	**2025 LKR '000**	2024 LKR '000
Rental	**1,321,499**	1,163,956
Other related services	**135,996**	123,884
	1,457,495	1,287,840

22.3 Automobile sales and other related services

	GROUP	
Year ended 31 March	**2025 LKR '000**	2024 LKR '000
Vehicles	**1,898,794**	4,892,785
Spare parts, repairs and service	**4,125,997**	3,403,968
Lubricants and car care products	**2,009,378**	2,030,121
Local charges	**57,187**	34,292
Equipment and machinery	**446,463**	388,823
Trailers	**2,755,753**	547,871
Tyres	**469,862**	268,020
3D printers and services	**4,698**	9,178
	11,768,132	11,575,058

22.4 Supply of renewable energy and other related services

	GROUP	
Year ended 31 March	**2025 LKR '000**	2024 LKR '000
Supply of electricity	**854,558**	881,920
Sale of solar inverters	**175,708**	271,286
Sale of solar panels	**124,340**	235,870
Turnover from EPC	**184,469**	22,663
Inverter service income	**2,581**	3,126
Billing under the standardized power purchase agreement	**160,072**	75,482
	1,501,728	1,490,347

23. Other income and gains

Accounting policy

Income earned in other sources, which are not directly related to the ordinary course of business are recognised as other income.

The following specific criteria are used for the purpose of recognising income.

Profit or loss on disposal of property, plant and equipment

The gains or losses on the sale of property, plant and equipment are determined on the difference between the carrying amount of the property, plant and equipment at the time of disposal and the proceeds of disposal, net of expenses incurred on disposal. This is recognised in the year in which significant risks and rewards of ownership are transferred to the buyer.

Sundry income

Gains and losses arising from activities incidental to the main revenue generating activities and those arising from a Group of similar transactions which are not material are aggregated, reported and presented under sundry income on a net basis.

Dividend income

Dividend income other than financial assets at the FVTPL and FVOCI is recognised in profit or loss on the date the Group's right to receive payment is established.

		GROUP		COMPANY	
Year ended 31 March	Notes	**2025 LKR '000**	2024 LKR '000	**2025 LKR '000**	2024 LKR '000
Continuing operations					
Income from carbon credit sales		**2,152**	3,137	–	–
Dividend income from subsidiaries		–	715	**163,935**	50,507
Unclaimed dividend		–	2,740	–	–
Profit on disposal of property, plant and equipment		**29,531**	42,426	**13,559**	2,049
Award received from principal		**9,765**	9,757	–	–
Facilitation fee		**14,177**	13,383	**19,603**	13,878
Income from solar PV system		**40,221**	41,238	–	–
Commission income		**6,079**	5,392	–	–
Valuation fee		–	10	–	–
Sundry income		**36,987**	46,209	**1,574**	618
Service income		**834**	1,540	–	–
Gain on bargain purchase of subsidiary	10.5.1	–	9,323	–	–
Insurance claim		**10,799**	–	–	–
		150,545	175,870	**198,671**	67,052

24. Finance expenses and income

Accounting policy

Finance expenses comprise interest payable on all financial liabilities such as term loans, overdrafts, finance leases and fair value losses on financial assets at fair value through profit or loss. Interest expenses are recognised using the effective interest method.

Finance income comprises interest income, income from unit trusts, profit from disposal of marketable securities, dividend income, fair value gains on financial assets at fair value through profit or loss and all other income received or receivable as a result of holding financial asset.

Interest income is recognised as it accrues using the effective interest method in the statement of profit or loss and other comprehensive income.

The interest component of finance lease payment is recognised in the Financial Statements using effective interest rate method.

Foreign currency gains and losses are reported separately as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

Dividend income on financial assets at the FVTPL and FVOCI are recognised in the statement of profit or loss on an accrual basis when the Group's right to receive the dividend is established.

Gains/ losses on the disposal of investments held by the Group have been accounted under finance income after deducting from the proceeds on disposal, the carrying amount of such assets and the related selling expenses.

24.1 Finance expenses

	GROUP		COMPANY	
Year ended 31 March	**2025 LKR '000**	2024 LKR '000	**2025 LKR '000**	2024 LKR '000
Continuing operations				
Interest on overdraft	**13,535**	9,097	–	–
Interest on bank loans	**927,407**	1,519,520	**350,618**	664,598
Finance charges on rent deposit	**24,535**	22,631	**24,535**	22,631
Interest on lease liabilities	**42,573**	38,932	–	–
Loss on fair value of financial assets at fair value through profit or loss	–	592	–	592
Losses on foreign exchange	**348**	19,908	**276**	4
Amortization of loan processing fee	**1,633**	1,549	–	–
Bank guarantee charges	**3,075**	–	–	–
Impairment losses on borrowings	–	16,353	–	–
	1,013,106	1,628,582	**375,429**	687,825

24.2 Finance income

	GROUP		COMPANY	
Year ended 31 March	**2025 LKR '000**	2024 LKR '000	**2025 LKR '000**	2024 LKR '000
Continuing operations				
Interest on repo/fixed deposits	**37,821**	20,227	**376**	–
Income from unit trust investments	**203,316**	138,392	**6,839**	5,914
Interest on call deposits	**77,508**	33,951	**1,293**	–
Interest on money market	**2,570**	3,977	**2,570**	3,977
Income from commercial papers	–	–	–	10,663
Gains on foreign exchange	**47,622**	2,778	**1,470**	108
Income from debenture investments	**4,761**	23,092	**4,761**	23,092
Net gains on disposal of financial assets at fair value through profit or loss	**111,795**	100,090	–	71,739
Interest income security deposit	**2,458**	2,241	**2,458**	2,241
Dividend income on financial assets at the fair value through profit or loss	**9,249**	14,068	**1,050**	5,869
Dividend income on financial assets fair value through other comprehensive income	**18,719**	3,795	–	–
Gain on fair value of financial assets at fair value through profit or loss – other than unit trust	**72,772**	64,495	**56,556**	757
Gain on fair value of financial assets at fair value through profit or loss – unit trust	**10,511**	14,196	–	–
Interest Income on loan to sub-subsidiary	–	–	**58,763**	9,103
Impairement loss on borrowings	**16,353**	–	–	–
	615,455	421,302	**136,136**	133,463

25. Profit before tax

Result from continuing operating activities is stated after charging all expenses including the following:

		GROUP		COMPANY	
Year ended 31 March	Notes	**2025 LKR '000**	2024 LKR '000	**2025 LKR '000**	2024 LKR '000
Directors' emoluments and fees		**222,422**	212,949	**13,686**	33,575
Depreciation	6	**433,929**	382,136	**46,268**	40,860
Amortisation of intangible assets	8	**34,304**	34,316	**957**	1,041
Amortisation of right of use assets	9	**142,297**	146,817	–	–
Employees benefits including the followings					
- Staff cost		**2,365,689**	1,449,661	**319,103**	205,062
- Defined contribution plan costs – EPF & ETF		**235,519**	140,783	**23,771**	19,079
- Defined benefit plan costs – gratuity		**102,503**	74,605	**8,538**	7,004
Auditor's remuneration – statutory audit & related services		**15,296**	12,342	**1,662**	1,426
Auditor's remuneration – non audit services		**564**	4,834	**231**	213
Donations		**6,855**	7,023	–	–
(Reversal)/write down of inventory	11.2	**(3,820)**	(103,846)	–	–
Impairment losses/(reversal) for trade receivables	12.3	**18,602**	8,998	**6,882**	(6,541)
Tax compliance/consultancy charges		**1,784**	1,188	–	–

26. Income tax expense

Accounting policy

I. Income tax

Income tax on the profit for the year comprises current and deferred tax. Income tax is recognised directly in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current income tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment made to tax payable in respect of previous years.

Tax exposures

In determining the amount of current and deferred tax, the Group considers the impact of tax exposures, including whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities. Such changes to tax liabilities would impact tax expense in the period in which such a determination is made.

II. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base of the assets and liabilities as at the reporting date.

Deferred tax is not recognised for;

- Temporary differences on the initial recognition of assets and liabilities in transactions that are not a business combination and at the time of transaction that affect neither accounting nor taxable profit or loss,
- Temporary differences relating to investments in subsidiaries, to the extent that the Group is liable to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the reporting date.

The principal temporary difference arise from depreciation on property plant and equipment, investment property, tax losses carried forward, right of use assets, lease liabilities, provision for defined benefit obligations and gain on revaluations of land and buildings.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that the future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised, based on the level of future taxable profit forecasts and tax planning strategies. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised

26.1 Corporate Income Tax

The corporate income taxes of companies in the Group have been computed in accordance with the Inland Revenue Act No. 24 of 2017 (as amended) and details are as follows,

Company	In terms of the Inland Revenue Act No.24 of 2017 (as amended) with effect from 1 October 2022	In terms of BOI Agreements
R I L Property PLC	30% Standard rate	12 Years tax holiday ending 2027
United Motors Lanka PLC	30% Standard rate	–
UML Heavy Equipment Limited	30% Standard rate	–
UML Property Development Limited	30% Standard rate	2% on turnover till the year 2021
Unimo Enterprises Limited	30% Standard rate	Tax holidays already lapse
Dutch Lanka Trailer Manufacturers Ltd.	30% Standard rate	–
Dutch Lanka Engineering (Pvt) Ltd.	30% Standard rate	–
Panasian Power PLC	30% Standard rate	–
Manelwala Hydropower (Pvt) Ltd. (MHPL)	20%	As per BOI agreement, Concessionary rate
Padiyapelella Hydropower Limited (PHL)	20%	
Panasian Investments (Pvt) Ltd (PAI)	30% Standard rate	–
Lower Kothmale Oya Power Two (Pvt) Ltd	30% Standard rate	–
Panasian Power Zambia Ltd	30% Standard rate	–
Solar Power Generation Matara (Pvt) Ltd	30% Standard rate	–
Eco Green Solar Solutions (Pvt) Ltd	30% Standard rate	–
Powergen One (Pvt) Ltd (PGO)	30% Standard rate	–
PAP Solar One (Pvt) Ltd (PAPSO)	30% Standard rate	–
Finergreen Rajarata (Pvt) Ltd	30% Standard rate	–
Rajarata Sustainable Development (Pvt) Ltd	30% Standard rate	–
Panthree Solaro Energy (Pvt) Ltd	30% Standard rate	–
Finergreen Rigiyagama (Pvt) Ltd	30% Standard rate	–
Finergreen Gonnoruwa (Pvt) Ltd	30% Standard rate	–
Finergreen Mattala (Pvt) Ltd	30% Standard rate	–
Winsol Renewable (Pvt) Ltd	30% Standard rate	–

26.2 Amounts recognised in profit or loss

Year ended 31 March	Notes	GROUP 2025 LKR '000	GROUP 2024 LKR '000	COMPANY 2025 LKR '000	COMPANY 2024 LKR '000
From continuing operations					
Current income tax charge	13	**391,895**	299,621	**3,890**	2,896
Under/(over) provision in respect of prior periods		**(5,005)**	(15,376)	–	(4)
Tax on dividend paid by subsidiaries		**24,262**	29,893	–	–
		411,152	314,138	**3,890**	2,892
Deferred income tax					
Deferred taxation charge	21	**(15,925)**	142,874	**258,169**	309,590
Income tax (income)/expense reported in the statement of profit or loss from continuing operations		**395,227**	457,012	**262,059**	312,482

26.3 Amounts recognised in OCI

Year ended 31 March	GROUP 2025 LKR '000	GROUP 2024 LKR '000	COMPANY 2025 LKR '000	COMPANY 2024 LKR '000
Items that will not be reclassified to profit or loss tax (expense)/benefit				
Revaluation of property, plant and equipment	**(132,826)**	(358,781)	**(8,339)**	(13,602)
Remeasurement of retirement benefit obligation	**15,497**	44,387	**1,844**	987
Revaluation of property, plant and equipment – Non controlling interest	–	12	–	–
Remeasurement of retirement benefit obligation – Non controlling interest	**26**	4	–	–
	(117,303)	(314,378)	**(6,495)**	(12,615)

26.4 A reconciliation between tax expense and the product of accounting profit from continuing operations multiplied by the statutory tax rate is as follows:

	GROUP		COMPANY	
Year ended 31 March	**2025 LKR '000**	2024 LKR '000	**2025 LKR '000**	2024 LKR '000
Profit before tax from continuing operations	**1,918,483**	1,189,641	**1,609,740**	1,305,481
Share of profit of equity accounted investees	**–**	–	**–**	–
Tax effect of adjustment on consolidation	**388,090**	170,053	**–**	–
Exempt dividend and other non business income	**(2,339,537)**	(754,401)	**(1,771,228)**	(53,174)
	(32,964)	605,293	**(161,488)**	1,252,307
Add : disallowable items	**2,822,762**	3,279,016	**1,041,136**	1,038,266
Deduct : allowable & exempted items	**(1,847,667)**	(3,318,295)	**(866,682)**	(2,280,919)
Assessable income/(loss) from business	**942,131**	566,014	**12,966**	9,654
Interest income/tax profit or loss on disposal of property plant & equipment	**150,638**	199,880	**–**	–
Total statutory income/assessable income	**1,092,769**	765,894	**12,966**	9,654
Tax losses set off against income tax	**(63,412)**	(152,713)	**–**	–
Taxable income net of tax losses	**1,029,357**	613,181	**12,966**	9,654
Current year tax losses not utilized	**405,667**	563,774	**–**	–
Taxable income	**1,435,024**	1,176,955	**12,966**	9,654
Taxable income liable at 30%	**1,049,702**	854,128	**12,966**	9,654
Taxable income liable at 20%	**383,722**	109,833	**–**	–
Taxable income liable at 15%	**1,600**	2,315	**–**	–
Taxable income liable at 10%	**–**	210,679	**–**	–
	1,435,024	1,176,955	**12,966**	9,654
Income tax using the corporate tax rate				
At 30%	**314,911**	256,238	**3,890**	2,896
At 20%	**76,744**	21,968	**–**	–
At 15%	**240**	347	**–**	–
At 10%	**–**	21,068	**–**	–
Current tax	**391,895**	299,621	**3,890**	2,896
Effective tax rate (%)	**27**	25	**30**	30

26.5 Tax losses from continuing operations

	GROUP	
Year ended 31 March	**2025 LKR '000**	2024 LKR '000
Tax loss at the beginning of the year	**5,942,500**	4,844,439
Tax loss write-off during the period	**(130,582)**	–
Adjustment in respect of previous years	**191,372**	(19,886)
Tax losses for the year including disallowed finance cost	**718,954**	1,270,660
Tax losses set off during the year	**(72,568)**	(152,713)
Tax loss at the end of the year	**6,649,676**	5,942,500

26.6 Amendment of Income Tax Returns

In terms of section 136 of the Inland Revenue Act No. 24 of 2017 (as amended) (Inland Revenue Act), the Company has amended its self-assessment returns furnished for the years of assessment 2018/19 and 2019/20 on the basis that in terms of section 11 of the Inland Revenue Act, the Company is entitled to claim the expenses incurred during the year in the production of income from the business (non-BOI) and investment.

As a result of said amendment, the Company is entitled to income tax refund for the year of assessment 2018/19 and 2019/20 amounting to LKR 7.1 Mn and LKR 15.7 Mn respectively.

However, the Commissioner General of Inland Revenue has not made any decision on the said amendment.Therefore, no adjustments have been made to the financial statements for the year ended 31 March 2025.

27. Segment Information

Accounting policy

An operating segment is a distinguishable component of Group that is engaged in either in providing products or services (business segment) or in providing products and services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The Group has three reportable segments. These segments offer different products and services and are managed separately as they require different marketing strategies.

Segment results, assets and liabilities include items directly attributable to a segment. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, investment property and intangible assets.

Intersegment pricing is determined on an arm's length basis.

The activities of the Group are within Sri Lanka. Consequently, the economic environment in which the Company operated is not subject to risk and rewards that are significantly different on a geographical basis. Hence, disclosure by geographical region is not provided. The Group mainly comprises from,

- R I L Property PLC (Company) – Property renting and other related services.
- Panasian Power PLC (Subsidiary) – Engaged in renewable energy generation and management.
- United Motors Lanka PLC (Subsidiary) – Importation and sale of vehicles, spare parts, lubricants, tyres, after sales services and other related services.

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment.

Segment results

Year ended 31 March	Rental and other related services (Company) 2025 LKR '000	2024 LKR '000
Revenue	**1,457,495**	1,287,840
Inter segment revenue	–	–
Revenue from external customers	**1,457,495**	1,287,840
Segment results		
Gross profit	**1,274,460**	1,153,577
Other income	**198,671**	67,052
Overhead expenses	**(490,780)**	(399,052)
Revaluation gain	–	–
Fair value gain on investment property	**866,682**	1,038,266
Net finance income/(expenses)	**(239,293)**	(554,362)
Net results from equity accounted investees – Joint venture	–	–
Net profit/(loss) before tax	**1,609,740**	1,305,481
Income tax (expenses)/reversal	**(262,059)**	(312,482)
Profit for the year from continuing operations	**1,347,681**	992,999
Share of profit of equity accounted investees, net of tax	–	–
Changes in the fair value of financial assets at fair value through other comprehensive income	–	–
Revaluation of property, plant and equipments	**64,951**	76,145
Actuarial gain/(loss) on retirement benefit obligation	**(6,146)**	(3,291)
Tax effects on other comprehensive income	**(6,495)**	(12,615)
Total comprehensive income for the year, net of tax	**1,399,991**	1,053,238
As at 31 March		
Segment assets and liabilities		
Assets	**25,862,561**	24,490,051
Liabilities	**7,125,251**	6,992,732
Capital expenditure	**125,755**	43,750
Depreciation and amortisation	**47,225**	41,901
Amortisation of right of use assets	–	–
As at 31 March		
Segment cash flows		
Net cash from/(used in) operating activities	**657,300**	186,686
Net cash flows from/(used in) investing activities	**(141,358)**	226,425
Net cash flows from/(used in) financing activities	**(625,073)**	(406,235)

Renewable energy generation and management		Automobile sales and other related services		Inter/intra segment eliminations		Consolidated	
2025 LKR '000	2024 LKR '000	**2025 LKR '000**	2024 LKR '000	**2025 LKR '000**	2024 LKR '000	**2025 LKR '000**	2024 LKR '000
1,542,728	1,490,347	**11,774,363**	11,577,472	**(47,231)**	(2,414)	**14,727,355**	14,353,245
(41,000)	–	**(6,231)**	(2,414)	**47,231**	2,414	**–**	–
1,501,728	1,490,347	**11,768,132**	11,575,058	**–**	–	**14,727,355**	14,353,245
806,612	768,934	**3,707,695**	2,905,685	**(20,279)**	(2,414)	**5,768,488**	4,825,782
13,647	8,133	**112,949**	154,587	**(174,722)**	(53,902)	**150,545**	175,870
(282,513)	(240,337)	**(3,726,257)**	(3,021,364)	**17,018**	(8,008)	**(4,482,532)**	(3,668,761)
12,103	23,965	**–**	–	**–**	–	**12,103**	23,965
–	–	**–**	–	**–**	–	**866,682**	1,038,266
(188,190)	(337,284)	**29,832**	(315,634)	**–**	–	**(397,651)**	(1,207,280)
848	1,799	**–**	–	**–**	–	**848**	1,799
362,507	225,210	**124,219**	(276,726)	**(177,983)**	(64,324)	**1,918,483**	1,189,641
(40,221)	(125,549)	**(92,947)**	(18,981)	**–**	–	**(395,227)**	(457,012)
322,286	99,661	**31,272**	(295,707)	**(177,983)**	(64,324)	**1,523,256**	732,629
(577)	–	**–**	–	**–**	–	**(577)**	–
–	–	**70,929**	77,216	**–**	–	**70,929**	77,216
(149,225)	449,969	**513,726**	803,961	**–**	–	**429,452**	1,330,075
(3,176)	(2,232)	**(42,259)**	(145,836)	**–**	–	**(51,581)**	(151,359)
26,341	(99,213)	**(137,149)**	(202,550)	**–**	–	**(117,303)**	(314,378)
195,649	448,185	**436,519**	237,084	**(177,983)**	(64,324)	**1,854,176**	1,674,183
7,334,826	5,509,364	**27,199,179**	21,549,279	**(6,367,558)**	(6,244,265)	**54,029,008**	45,304,429
4,643,917	3,078,586	**12,743,566**	7,378,836	**417,050**	353,840	**24,929,784**	17,803,994
1,496,607	150,047	**203,393**	120,472	**–**	–	**1,825,755**	314,269
208,820	186,846	**212,188**	187,705	**–**	–	**468,233**	416,452
12,580	6,521	**129,717**	140,296	**–**	–	**142,297**	146,817
1,002,733	817,651	**(3,391,786)**	1,805,881	**32,256**	625,631	**(1,699,497)**	3,435,849
(1,439,862)	(147,309)	**384,609**	(1,877,192)	**195,837**	(219,220)	**(1,000,774)**	(2,017,296)
1,108,973	(110,958)	**3,377,191**	(110,958)	**(312,468)**	(711,644)	**3,548,623**	(1,339,795)

28. Earnings per share (EPS)

Accounting policy

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average 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.

28.1 The following reflects the income and share data used in the basic earnings per share computation.

	GROUP		COMPANY	
Year ended 31 March	**2025**	2024	**2025**	2024
Profit attributable to equity holders of the parent (LKR '000)	**1,404,826**	831,771	**1,347,681**	992,999
Weighted average number of ordinary shares (In '000s)	**800,000**	800,000	**800,000**	800,000
Basic earnings per share (LKR)	**1.76**	1.04	**1.68**	1.24

28.2 There were no potentially dilutive ordinary shares outstanding at any time during the year.

29. Dividend per share (DPS)

	COMPANY			
	2025		2024	
Year ended 31 March	Dividend Per Share LKR '000	Dividend LKR '000	Dividend Per Share LKR '000	Dividend LKR '000
First and final dividend for 2023/24 and 2024/25	**0.55**	**440,000**	0.20	160,000
	0.55	**440,000**	0.20	160,000

As required by Section 56(2) of the Companies Act No. 07 of 2007 (as amended), the Board of Directors has confirmed that the Company satisfies the solvency test in accordance with Section 57 of the Companies Act No. 07 of 2007 (as amended), prior to recommending the dividend and has obtained a certificate from the auditors, prior to the distribution.

30. Related party disclosures

Accounting policy

The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with parties who are defined as related parties as per LKAS 24 - "Related Party Disclosures".

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies/decisions of the other, irrespective of whether a price is charged.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2025, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2024: Nil). This assessment is undertaken each Financial Year through examining the financial position of the related party and the market in which the related party operates.

30.1 Parent and ultimate controlling party

Company does not have an identifiable parent of its own.

30.2 Transactions with key management personnel (KMP)

Transactions, arrangements and agreements involving key management personal (KMP) and their close family members (CFM)

According to LKAS 24 "Related Party Disclosures", key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly Board of Directors and Senior Managers and identified sector heads have been classified as key management personnel of the Group.

Close family members (CFM) of the KMP are those family members who may be expected to influence, or be influenced by, that KMP's in their dealing with the entity. They may include;

- The individual's domestic partner and children,
- Children of the individual's domestic partner; and
- Dependents of the individual or the individual's domestic partner.

CFM are related parties to the entity. There were no transactions with CFM during the year.

30.2.1 Loans to directors

No loans have been given to the Directors of the Group.

30.2.2 Key management personnel compensation

With effect from 1 April 2022, Directors, Senior Managers and identified sector heads of the Company and the identified sector heads of the subsidiaries have been classified as KMPs.

	GROUP		COMPANY	
Year ended 31 March	**2025 LKR '000**	2024 LKR '000	**2025 LKR '000**	2024 LKR '000
Short term employment benefits	**594,501**	517,412	**138,385**	96,085
	594,501	517,412	**138,385**	96,085

Other transactions with key management personnel

		GROUP		COMPANY	
Year ended 31 March	Director	**2025 LKR '000**	2024 LKR '000	**2025 LKR '000**	2024 LKR '000
Sale of motor vehicle	Mrs. L. E. M Yaseen	**12,000**	–	**12,000**	–
		12,000	–	**12,000**	–

30.2.3 Other transactions with key management personnel

The names of Directors of R I L Property PLC, who are also Directors of subsidiaries are stated on pages 14 to 21.

Details of Directors and their share holdings are given on page 274 (shareholders information). There were no other transactions with key management personnel other than those disclosed in note 30.2.2 to the Financial Statements.

30.3 Transaction with the subsidiary and related entities

30.3.1 The Companies within the Group engage in trading transactions under relevant commercial terms and conditions.

30.3.2 Transactions with subsidiaries

Nature of transaction	Subsidiaries					
	Panasian Power PLC and Group		United Motors Lanka PLC and Group		*PARKLAND* Intergrated solutions (Pvt) Ltd	
	2025 LKR '000	2024 LKR '000	**2025 LKR '000**	2024 LKR '000	**2025 LKR '000**	2024 LKR '000
As at 1 April	**223,703**	64,456	–	(5,845)	–	–
Recurrent transactions						
Services provided	**10,787**	–	–	–	–	–
Advance paid for the services	–	24,600	–	–	**8,370**	–
Services obtained	–	3,395	**(6,231)**	(2,414)	–	–
Investment in commercial papers	–	120,663	–	–	–	–
Purchase of solar panels	**(43,952)**	–	–	–	–	–
Loan interest	**58,763**	9,103	–	–	–	–
Loan granted	**310,000**	190,000	–	–	–	–
Non-recurrent transactions						
Investment made	**(74,759)**	–	–	–	–	–
Net settlements made/(received) during the year	**(238,593)**	(188,514)	**6,231**	8,259	–	–
As at 31 March	**245,949**	223,703	–	–	**8,370**	–
Included under						
Trade and other receivables	**272**	24,600	–	–	**8,370**	–
Trade and other payables	**(4,323)**	–	–	–	–	–
Amounts due from related parties	**250,000**	199,103	–	–	–	–
	245,949	223,703	–	–	**8,370**	–

R I L Property PLC has granted loan LKR 500 Mn. to R-E-D Capital Asia (Pvt) Ltd which is a subsidiary of Panasian Power PLC .Interest has been charged at the rate of AWPLR + 2% amounting to LKR 58.76 Mn and was included under finance income.

30.3.3 Transactions with other related entities

Name of the Company	Relationship	Nature of Transaction	2025 LKR '000	2024 LKR '000
RRY Investments (Pvt) Ltd	Common Directorship	Recurrent transactions		
		As at 1 April	–	–
		Services provided	**7,079**	–
		Net settlements made/ (received) during the year	**(7,079)**	–
		As at 31 March	–	–

31. Assets pledged

The assets pledged as at 31 March 2025 have been disclosed in note 11.4 and note 17.2 to these Financial Statements.

32. Events after the reporting period

Refer the accounting policy in note 3.11.

R I L Property PLC

Dividend on ordinary shares

After satisfying the solvancy test, in accordance with Section 57 of Companies Act No.07 of 2007 (as amended), the Board of Directors recommended a first and final dividend of LKR 55 cents per share for the year ended 31 March 2025 amounting to LKR 440 Mn., which is to be approved at the forth coming Annual General Meeting.

United Motors Lanka PLC

After satisfying the solvency test, in accordance with Section 57 of the Companies Act, No. 07 of 2007 (as amended), the Board of Directors recommended a first and final dividend of LKR 2 per share for the year ended 31 March 2025 amounting to LKR 201.8 Mn. which is to be approved at the forth coming Annual General Meeting.

Panasian Power PLC

Subsequent to the reporting date the Board of Directors of the Company approved interim dividend of LKR 0.20 per share for the year ended 31 March 2025 which was paid on 06 May 2025.

In accordance with LKAS 10, Event after the reporting period, the above dividend has not been recognized as a liability in the Financial Statements as of 31 March 2025.

Subsequent to the reporting date, a subsidiary Company, PAP MHPL Solar (Private) Limited received disbursements LKR 730 Mn under an approved term loan facility with Hatton National Bank PLC (HNB). These disbursements were made to finance ongoing capital expenditure related to the solar power project developments (Ampara & Kurunegala). As the disbursements occurred after the reporting period and do not affect the conditions existing as at the reporting date, they have not been recognized in the Financial Statements but are disclosed here as a non-adjusting event.

The newly build two ground mounted Solar Power Plants located in Anuradhapura and Maho for total capacity of 10MW were commissioned on 17 May 2025 and to be connected to the national grid.

33. Capital Commitments

Refer the accounting policy in note 3.10.

Panasian Power PLC has commitment amounting to LKR 6 Bn. relating to construction of 05 Mws, 07 Number of ground mounter PV projects in Sri Lanka. These commitments are expected to be settled over the next 06 months, and will be financed through bank borrowing and equity.

Panasian Power PLC has commitment amounting to LKR 1.6 Bn. to contruction of 03 Mws new hydropower project at Padiyapelella.These commitments are expected to be settled over the next 24 months, and will be financed through bank borrowing and equity.

There are no significant capital commitments made by the Group as at the reporting date other than disclosed above.

34. Contingent Liabilities

Refer the accounting policy in note 3.10.

34.1 R I L Property PLC

The Company has given a corporate guarantee amounting to LKR 150 Mn. to Commercial Bank of Ceylon PLC for term loan facility to Panasian Power PLC on 1 April 2022. The outstanding amount of loan as at 31 March 2025 is LKR 80.71 Mn.

34.2 United Motors Lanka PLC and its subsidiaries

Corporate guarantees issued by United Motors Lanka PLC to its subsidiaries.

Name of the Company	Name of bank	Facility	Amount pledged as security LKR '000	**Outstanding as at 31.03.2025 LKR '000**	Outstanding as at 31.03.2024 LKR '000
Unimo Enterprises Ltd	Sampath Bank PLC	Letter of credit, overdraft and term loans	1,770,000	**902,565**	1,147,020
	Standard Chartered Bank		500,000	–	–
	Bank of Ceylon		1,000,000	**749,000**	–
	Hatton National Bank PLC		1,500,000	**1,500,000**	1,405,675
	Pan Asia Banking Corporation PLC		1,000,000	**1,000,000**	390,192
	Commercial Bank of Ceylon PLC		1,000,000	**1,000,000**	1,000,000
	Nations Trust Bank PLC		3,000,000	**1,358,664**	285,347
U M L Heavy Equipment Ltd	Pan Asia Banking Corporation PLC		400,000	**40,000**	–
	DFCC Bank PLC		100,000	–	–
	Commercial Bank of Ceylon PLC		315,000	–	90,000
Total			**10,585,000**	**6,550,229**	**4,318,234**

Unimo Enterprises Limited has given bank guarantees to Sri Lanka Customs amounting to LKR 924 Mn. for excise duty concession in respect of vehicles assembled but to be approved by the Cabinet appointed Committee.

The United Motors Lanka PLC has given bid bond/performance guarantees amounting to LKR 33.9 Mn. as at the reporting date.

34.3 Panasian Power PLC

Panasian Power PLC entered in to memorandum of understanding with the owners of Medakumbura Mini Hydro Power Project, to acquire the project upon receiving the "Letter of Intent" from the Ceylon Electricity Board. The total purchase consideration for the above acquisition is LKR 10 Mn. with LKR 2 Mn paid as an advance for acquisition. The balance LKR 8 Mn. will become payable upon receiving the Letter of Intent for the said project. Work is ongoing to secure approvals for the project.

There were no material contingent liability as at reporting date which require adjustment or disclosure in the Financial Statements other than disclosed below.

Corporate guarantees issued by Panasian Power PLC Group to its subsidiaries.

Name of the Company	Issuer	Name of bank	Facility	Amount pledged as security LKR '000	**Outstanding as at 31.03.2025 LKR '000**	Outstanding as at 31.03.2024 LKR '000
Panasian Investment (Private) Limited	Panasian Power PLC	The National Development Bank PLC	Letter of credit, overdraft and term loans	150,000	**8,195**	41,338
		Sampath Bank PLC		150,000	–	99,006
		Union Bank of Colombo PLC		200,000	**15,270**	–
Eco Green Solar Soluations (Private) Limited	Padiyapelella Hydropower Ltd	Sampath Bank PLC		135,000	**53,510**	83,587
Panthree Solar Energy (Private) Limited	Panasian Power PLC	Seylan Bank PLC		130,000	**107,650**	118,825
		Sampath Bank PLC		77,000	**80,000**	93,733
		Seylan Bank PLC		119,000	**99,900**	109,700
Solar Power Generation Matara (Private) Limited	Manelwala Hydropower (Pvt) Ltd	Sampath Bank PLC		30,000	**152,000**	88,000
	Panasian Power PLC	Sampath Bank PLC		77,000		
PAP Solar One (Private) Limited	Panasian Power PLC	The National Development Bank PLC		28,000	–	2,514
Rajarata Sustainable development (Private) Limited	Panasian Power PLC	The National Development Bank PLC		230,000	**174,427**	190,900
Finergreen Rajarata (Private) Limited	Panasian Power PLC	The National Development Bank PLC		230,000	**169,438**	190,715
PAP SPGM Solar (Private) Limited	R-E-D Capital Asia (Pvt) Ltd	DFCC Bank PLC		1,135,000	**350,000**	–
PAP PTS Solar (Private) Limited	R-E-D Capital Asia (Pvt) Ltd	DFCC Bank PLC		1,135,000	**345,744**	–
Total				3,826,000	**1,556,134**	1,106,318

Panasian Power PLC has provided bank guarantees as follows,

Company name	Project	Bank	Bank guarantee value (LKR'000)	Expiry date
PAP EGSS Solar (Private) Limited	Anuradhapura/Baddegama /Hiyare	Commercial	**366,121**	15.05.2026
PAP PTS Solar (Private) Limited	Maho	DFCC	**114,193**	15.05.2026
PAP SPGM Solar (Private) Limited	Matara	DFCC	**153,791**	15.05.2026
PAP MHPL Solar (Private) Limited	Kurunegala	HNB	**25,531**	15.05.2026
Solar One Asia (Pvt) Ltd	Deniyaya	Seylan	**15,000**	30.04.2025
Solar One Asia (Pvt) Ltd	Deniyaya	Union	**60,000**	27.01.2027
Panthree Solaro Enery (Pvt) Ltd	Pannala/Maho	Seylan	**4,564**	15.05.2025
Panthree Solaro Enery (Pvt) Ltd	Matara 01/PAP PTS Solar (Pvt) Ltd – Maho	Sampath	**116,746**	06.11.2025
Solar Power Generation (Pvt) Ltd	Matara 02/03/PAP SPGM Solar (Pvt) Ltd – Matara	Sampath	**124,227**	06.11.2025
Eco Green Solar Solution (Pvt) Ltd	PAP EGSS Solar (Pvt) Ltd-Galle-Hiyare/Anuradhapura/Baddegama	Commercial	**330,000**	05.01.2026
Manelwala Hydropower (Pvt) Ltd	PAP MHPL Solar (Pvt) Ltd – Kurunegala/Ampara	NDB	**220,000**	06.11.2025
Panasian Investment (Pvt) Ltd	Panasian Solar (Pvt) Ltd – Orine City Project	Union	**69,253**	29.04.2025
Total			**1,599,426**	

35. Contingent Assets

Under and by virtue of Lease agreement No. 109 dated 4 May 2017 attested by U. A. Kitulgoda, Notary Public, Perpetual Treasuries Limited (PTL) has leased from R I L Property PLC (the Company) an area of 7852sq.ft. (Blocks B and D) on the 18th floor ("Office Space") from and out of the building called '*PARKLAND*', bearing Assessment Nos.33, 33A, 33B, 33C, 33D, 33D1/1 and 33D2/1, Park Street, Colombo 2, for a period of 4 years commencing from 1 May 2017 and ending on 30 April 2021.

Since PTL has failed and neglected to pay rent and other charges pertaining to the use and occupation of the office space from January 2018, the Company has formally demanded the amounts outstanding from the lessee. In response PTL has by letter dated 13 June 2018, stated that "their ability to perform their obligations under the lease agreement under reference, have been frustrated by the conduct of "Central Bank of Sri Lanka". In the circumstances, the Company has informed PTL that since it claims that its ability to perform its obligations under the lease agreement, has been frustrated, the said lease agreement remains discharged by frustration. Accordingly, the Company called upon PTL to immediately vacate the office space and to hand over possession thereof.

However, blocks B and D on the 18th floor were handed over to the Company by PTL only on 12 December 2018 and 15 May 2019 respectively. Therefore, the Company intends to claim liquidated damages of LKR 23.98 Mn. for overstay, in terms of the lease agreement.

36. Financial Risk Management Objectives and Policies

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for identifying, analysing, evaluating and monitoring the risk and the management of capital of the Group. Further, quantitative disclosures are included throughout these consolidated Financial Statements.

Risk management framework

The respective Board of Directors of each Company has overall responsibility for the establishment and oversight of the respective Company's risk management framework.

Each Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk profile and controls, and to monitor risks and mitigate. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Audit Committee oversees how management monitors compliance with their risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by each Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The risk management has been further detailed in Risk Management Report given in pages 93 to 98.

36.1 Credit risk

Credit risk is the risk that a customer or counterparty will not meet its contractual obligations under financial instrument or customer contract, leading to a financial loss.

The Group is exposed to credit risk from its operating activities (primarily from trade receivables) and from its financing activities, including deposits with banks, foreign exchange transaction and other financial instruments.

The Group does an extensive and continuous evaluation of credit worthiness of its customers/financial institutions by assessing external credit ratings (if available) or historical information about default rates and change the credit limits and payment terms where necessary.

Impairment of financial assets

Trade receivables are subject to the expected credit loss model while cash and cash equivalents are also subject to the impairment requirements of SLFRS 9.

36.1.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

		GROUP		COMPANY	
As at 31 March	Notes	**2025 LKR '000**	2024 LKR '000	**2025 LKR '000**	2024 LKR '000
Carrying amount					
Trade receivables	12	**2,400,517**	2,145,159	**42,348**	71,831
Other receivables excluding advances & pre payments		**2,510,252**	572,029	**32,930**	33,066
Cash at bank and financial institutions		**1,583,223**	551,388	**30,816**	42,482
		6,493,992	3,268,576	**106,094**	147,379

36.1.2 Trade receivables

The management assesses the credit quality of the customer, taking into account their financial position, past experience and other factors. Sources of credit risks are identified, assessed and monitored and the Group has policies to manage the risks within various subcategories. The utilisation of credit limits are regularly monitored.

Maximum exposure to credit risk for trade receivables at the reporting date by category wise are as follows:

	GROUP		COMPANY	
As at 31 March	**2025 LKR '000**	2024 LKR '000	**2025 LKR '000**	2024 LKR '000
Public sector	**366,826**	382,191	–	–
Private sector				
Individual customers	**22,422**	2,144	**107**	1,124
Corporate customers	**821,012**	835,193	**42,241**	70,707
Dealers & distributors	**703,762**	811,670	–	–
Leasing companies	**486,495**	113,961	–	–
	2,400,517	2,145,159	**42,348**	71,831

36.1.3 Impairment losses

The aging of the trade receivables and impairment allowance at the reporting date was;

	GROUP		COMPANY	
As at 31 March	**2025 LKR '000**	2024 LKR '000	**2025 LKR '000**	2024 LKR '000
Below 60 days	**1,871,019**	1,715,198	**39,851**	71,650
61–120 days	**233,470**	141,031	**9,366**	6
121–180 days	**248,688**	235,303	–	–
181–240 days	**37,157**	24,422	**6**	–
241-300 days	**18,939**	5,863	–	–
301-360 days	**12,356**	–	**15**	–
>360 days	**62,007**	95,123	**1**	184
Carrying value	**2,483,636**	2,216,940	**49,239**	71,840
Allowance for impairement	12.3 **(83,119)**	(71,781)	**(6,891)**	(9)
	2,400,517	2,145,159	**42,348**	71,831

As at 31 March		GROUP 2025									
		Current	More than 60 days past due	More than 120 days past due	More than 180 days past due	More than 240 days past due	More than 300 days past due	More than 360 days past due	Collective model total	Specific total	Total
Expected loss rate	(%)	**0.39**	**2.00**	**2.61**	**7.37**	**8.78**	**32.57**	**100.00**	–	–	–
Gross carrying amount – trade receivables	(LKR'000)	**1,412,771**	**172,281**	**245,472**	**23,716**	**18,939**	**12,355**	**46,310**	**1,931,844**	–	**1,931,844**
Loss allowance – collective model	(LKR'000)	**(5,476)**	**(3,439)**	**(6,412)**	**(1,747)**	**(1,662)**	**(4,024)**	**(46,309)**	**(69,069)**	–	**(69,069)**
Gross carrying amount – trade receivables	(LKR'000)	**458,248**	**61,190**	**3,216**	**13,441**	–	–	**15,697**	–	**551,792**	**551,792**
Loss allowance – specific	(LKR'000)	–	**(6,853)**	–	–	–	–	**(7,197)**	–	**(14,050)**	**(14,050)**
Total	(LKR'000)	**1,865,543**	**223,179**	**242,276**	**35,410**	**17,277**	**8,331**	**8,501**	**1,862,775**	**537,742**	**2,400,517**

As at 31 March		COMPANY 2025									
		Current	More than 60 days past due	More than 120 days past due	More than 180 days past due	More than 240 days past due	More than 300 days past due	More than 360 days past due	Collective model total	Specific total	Total
Expected loss rate	(%)	**0.09**	**0.00**	**0.00**	**33.33**	**0.00**	**0.00**	**0.00**	**0.09**	–	–
Gross carrying amount – trade receivables	(LKR'000)	**39,851**	**602**	–	**6**	–	**15**	**1**	**40,475**	–	**40,475**
Loss allowance – collective model	(LKR'000)	**(36)**	–	–	**(2)**	–	–	–	**(38)**	–	**(38)**
Gross carrying amount – trade receivables	(LKR'000)	–	**8,764**	–	–	–	–	–	–	**8,764**	**8,764**
Loss allowance – specific	(LKR'000)	–	**(6,853)**	–	–	–	–	–	–	**(6,853)**	**(6,853)**
Total	(LKR'000)	**39,815**	**2,513**	–	**4**	–	**15**	**1**	**40,437**	**1,911**	**42,348**

36.1.4 The allowance accounts in respect of cash at bank and financial institutions and financial assets at FVOCI and FVTPL are used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible.

At that point the amounts are considered irrecoverable and are written off against the financial assets directly.

36.2 Liquidity risk

Liquidity risk is the risk that the Group may not have sufficient liquid financial resources to meet its obligations when they fall due. The Group manages the liquidity risk by carrying out cash flow forecasts and identifying future cash needs. Investments are planned ensuring money is available for settlements. Adequate banking facilities are approved and kept for use as and when necessary. Strong relationships have been built with banks to ensure that urgent borrowing needs are met at short notice.

The table below summarises the maturity profile of the Group and Company financial liabilities.

Group 2025	Less than 3 months LKR'000	3 to 12 months LKR'000	1 to 5 years LKR'000	More than 5 years LKR'000	Total LKR'000
Interest bearing loans and borrowings	**4,385,574**	**4,006,347**	**4,492,281**	**969,063**	**13,853,265**
Lease liabilities	**18,797**	**73,176**	**227,092**	**124,336**	**443,401**
Trade and other payable	**4,025,872**	**39,895**	–	–	**4,065,767**
Customer deposits	**23,427**	**127,203**	**229,726**	–	**380,356**
Income tax payable	**105,627**	**115,076**	–	–	**220,703**
Bank overdrafts	**364,048**	–	–	–	**364,048**
	8,923,345	**4,361,697**	**4,949,099**	**1,093,399**	**19,327,540**

Group 2024	Less than 3 months LKR'000	3 to 12 months LKR'000	1 to 5 years LKR'000	More than 5 years LKR'000	Total LKR'000
Interest bearing loans and borrowings	236,876	4,699,327	4,423,258	61,050	9,420,511
Lease liabilities	857	47,476	103,833	117,208	269,374
Trade and other payable	1,130,170	550,717	–	–	1,680,887
Customer deposits	4,218	89,164	199,860	65,934	359,176
Income tax payable	233,572	–	–	–	233,572
Bank overdrafts	214,666	–	–	–	214,666
	1,820,359	5,386,684	4,726,951	244,192	12,178,186

Company 2025	Less than 3 months LKR'000	3 to 12 months LKR'000	1 to 5 years LKR'000	More than 5 years LKR'000	Total LKR'000
Interest bearing loans and borrowings	**69,299**	**337,580**	**2,941,365**	–	**3,348,244**
Trade and other payable	**353,871**	**39,895**	–	–	**393,766**
Customer deposits	**23,427**	**127,203**	**229,726**	–	**380,356**
Income tax payable	**3,115**	–	–	–	**3,115**
Bank overdrafts	**105,841**	–	–	–	**105,841**
	555,553	**504,678**	**3,171,091**	–	**4,231,322**

Company 2024	Less than 3 months LKR'000	3 to 12 months LKR'000	1 to 5 years LKR'000	More than 5 years LKR'000	Total LKR'000
Interest bearing loans and borrowings	29,410	439,304	3,305,184	–	3,773,898
Trade and other payable	134,379	110,951	–	–	245,330
Customer deposits	4,218	89,164	199,860	65,934	359,176
Income tax payable	618	–	–	–	618
Bank overdrafts	8,369	–	–	–	8,369
	176,994	639,419	3,505,044	65,934	4,387,391

36.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks;

- Foreign exchange risk
- Interest rate risk
- Equity price risk

36.3.1 Foreign exchange risk

Foreign currency risk arises when future commercial transactions are denominated in a currency that is not the entity's functional currency. The Group is principally exposed to fluctuations in the value of the Japanese Yen (JPY), US dollar (USD), British Pound Sterling(GBP) against the Sri Lankan Rupee (LKR). The Group's functional currency is LKR in which most of the transactions are denominated, and all other currencies are considered foreign currencies for reporting purposes.

Changes in foreign currency exchange rates affect the Group's revenue and cost of purchases. Based on anticipated exchange rate movements forward booking is considered as a method to minimise risk. Import bills are negotiated at the most favourable time for the Group.

The exposure to currency risk as at the reporting date are as follows:

	GROUP		COMPANY
	USD '000	JPY '000	USD '000
Trade receivables as at 31 March 2025	2,403	292	27
Trade payables as at 31 March 2025	4,656	18,001	–

Sensitivity analysis

The following table demonstrates the sensitivity of Group/Company profits to a reasonable possible change in the US Dollar (USD) ,Japanese Yen (JPY) and British Pound Sterling(GBP), exchange rate with all other variables held constant.The impact on the profit before tax due to change in the fair value of monetary assets and liabilities denominated in foreign currency are as follows;

	Increase/decrease in exchange rate	Group effect on profit before tax LKR'000
US dollar (USD)	+ 5 %	57,041
	- 5%	(57,041)
Japanese Yen (JPY)	+ 5%	(1,775)
	- 5%	1,775

36.3.2 Interest rate risk

The Group's interest rate risk arises mainly from the short term borrowings and investment of excess funds in financial instruments. Borrowings at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash/ investments held at variable rates. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The Group has cash and bank balances including deposits placed with government and reputed financial institutions. All available opportunities are considered before making investment decisions.

Proper working capital management is done to ensure that borrowing needs and investment opportunities are foreseen. Market interest rates are monitored closely to ensure borrowings and investments are at the best rate for the Group.

At the end of the reporting period the interest rate profile of the Group/Company's interest bearing financial instruments was as follows:

	GROUP		COMPANY	
As at 31 March	**2025 LKR '000**	2024 LKR '000	**2025 LKR '000**	2024 LKR '000
Fixed rate instruments				
Financial assets	**910,618**	715,591	**43,365**	203,946
Financial liabilities	**(340,780)**	(230,664)	–	–
	569,838	484,927	**43,365**	203,946
Variable rate instruments				
Financial assets	**1,941,831**	2,259,012	**609,115**	158,783
Financial liabilities	**(14,217,325)**	(9,635,176)	**(3,454,085)**	(3,782,267)
	(12,275,494)	(7,376,164)	**(2,844,970)**	(3,623,484)

Sensitivity analysis

The following table demonstrates the sensitivity to a reasonable possible change in variable interest, with all other variables held constant.

		GROUP	COMPANY
	Increase/ decrease in variable rate	Effect on profit before tax LKR'000	Effect on profit before tax LKR'000
31 March 2025 Variable rate instruments	+5%	(613,775)	(142,249)
	-5%	613,775	142,249

36.3.3 Equity price risk

Listed equity securities are susceptible to equity price risk arising from uncertainties of future values of the investment securities. The Group manages the equity price risk through diversification of its portfolio to different business segments.

The Group's equity risk management policies adopted as follows;

- Equity investment decisions are based on fundamentals rather than on speculation.
- Decisions are made based on in-depth industry and macroeconomic analysis as well as on research reports on the Company performance.

The table below shows the diversification of equity investments;

	GROUP			
As at 31 March	**2025**		2024	
Sector	**LKR '000**	**%**	LKR '000	%
Investment shares				
Banks, finance and insurance	**85,360**	**99.03**	160,265	93.99
Capital goods	**484**	**0.56**	–	–
Diversified holdings	**356**	**0.41**	9,625	5.64
Power & energy	–	–	327	0.19
Utilities	–	–	296	0.18
	86,200	**100.00**	170,513	100.00
Trading shares				
Banks, finance and insurance	**639,804**	**67.56**	49,612	31.03
Diversified holdings	**52,662**	**5.56**	96,344	60.25
Beverage, food & tobacco	**67,671**	**7.15**	6,535	4.09
Capital goods	**119,877**	**12.66**	4,976	3.11
Materials	**20,593**	**2.17**	2,432	1.52
Utilities	**20,258**	**2.14**	–	–
Consumer durables & apparel	**26,166**	**2.76**	–	–
Total	**947,031**	**100.00**	159,899	100.00

Sensitivity analysis

Investments in equity shares are subject to the performance of investee Company and the factors that effects the status of the stock market.

The following table demonstrates the sensitivity of the Group equity to a reasonably possible change in the market prices of the listed equity securities, with all other variables held constant.

As at 31 March		2025			
		GROUP		COMPANY	
	Change in year share price of all companies in which the Group /Company has invested	Effect on profit before tax as a result of gains/losses on equity securities classified as at FVTPL LKR '000	Effect on other component of equity as a result of gains/losses on equity securities classified as at FVOCI LKR '000	Effect on profit before tax as a result of gains/losses on equity securities classified as at FVTPL LKR '000	Effect on other component of equity as a result of gains/losses on equity securities classified as at FVOCI LKR '000
Investments in equity shares	+5%	47,352	4,310	21,320	–
	–5%	(47,352)	(4,310)	(21,320)	–

36.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Group's operations. The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity. The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorisation of transactions;
- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and other legal requirements;
- Documentation of controls and procedures;
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- Requirements for the reporting of operational losses and proposed remedial action;
- Training and professional development;
- Ethical and business standards;
- Risk mitigation, including insurance when applicable.

Compliance with set procedures is supported by periodic reviews undertaken by Internal Audit. The results of internal audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Audit Committee and Senior Management of the Group.

36.5 Capital management

Capital includes equity attributable to the equity holders of the parent and interest bearing term loans. The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions.

	GROUP		COMPANY	
	2025	2024	**2025**	2024
Debt to equity ratio (%)	**67.75**	48.93	**18.43**	21.62

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2025.

37. Fair values of financial instruments

Accounting policy

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 categorised 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 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.

The Management of the Group determines the policies and procedures for both recurring fair value measurement, such as investment properties, property plant and equipment,land and buildings and other investments.

External valuer, Mr. J. M. S. Bandara is involved in valuation of significant assets, such as investment properties, buildings and power plants.

Involvement of external valuers is decided upon annually by the Management.

At each reporting date, the Management analyses the movements in the values of assets which are required to be remeasured 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 of financial instruments

Financial instruments of the Company/Group include trade and other receivables, Cash and cash equivalents, interest bearing loans and borrowings, trade and other payables and rentals customer deposits and bank overdrafts. The fair values of these financial instruments are determined at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values;

- Cash and short-term deposits, trade receivables, trade payables and other current liabilities are approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Rentals and customer deposits are fair valued by using the appropriate market interest rates.
- Long-term variable rate as well as fixed rate borrowings approximate their carrying amounts largely due to the market based interest rates. Hence the carrying amounts of Group's/Company's financial instruments are reasonable approximations of their fair values.

37.1 Fair value measurement hierarchy

The Group and the Company use the following hierarchy for determining and disclosing the fair value of assets and liabilities by valuation techniques:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within "level 1" that are observable for the assets or liabilities, 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

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

		Carrying amount				Fair value			
		GROUP		COMPANY		GROUP			
As at 31 March		2025	2024	2025	2024	2025			
						LKR '000			
	Notes	LKR '000	LKR '000	LKR '000	LKR '000	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value – FVTPL – Others									
Equity securities	14.2.2	**935,142**	197,265	**422,643**	24,770	**935,142**	–	–	**935,142**
Investment in unit trusts	14.2.3	**1,515,431**	1,928,600	**182,715**	133,468		**1,515,431**	–	**1,515,431**
Investment in commercial papers	14.2.3	–	–	–	–	–	–	–	–
		2,450,573	2,125,865	**605,358**	158,238	**935,142**	**1,515,431**	–	**2,450,573**
Financial assets measured at fair value – FVOCI – equity instruments									
Equity securities	14.1.3	**117,176**	268,175	–	–	**117,176**	–	–	**117,176**
		117,176	268,175	–	–	**117,176**	–	–	**117,176**
Financial assets at amortised cost									
Preference shares	10.2	–	4,154	–	–	–	–	–	–
Debenture	14.3	–	200,000	–	200,000	–	–	–	–
Trade and other receivables	12	**6,127,477**	3,511,597	**94,570**	151,916	–	–	–	–
Cash and bank	15.1	**1,849,745**	767,635	**31,413**	43,072	–	–	–	–
		7,977,222	4,483,386	**125,983**	394,988	–	–	–	–
Financial liabilities at amortised cost									
Interest bearing loans and borrowings	17.1	**13,853,265**	9,420,511	**3,348,244**	3,773,898	–	**13,853,265**	–	**13,853,265**
Rent received in advance	19.1	**466,506**	457,018	**466,506**	457,018	–	**466,506**	–	**466,506**
Customer deposits	20	**380,356**	359,176	**380,356**	359,176	–	**380,356**	–	**380,356**
Trade and other payables	19	**1,731,230**	391,786	**14,056**	3,834	–	–	–	–
Bank overdraft	15.2	**364,048**	214,666	**105,841**	8,369	–	–	–	–
		16,795,405	10,843,157	**4,315,003**	4,602,295	–	**14,700,127**	–	**14,700,127**

Fair value								Fair value			
GROUP				COMPANY				COMPANY			
2024				2025				2024			
LKR '000				LKR '000				LKR '000			
Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
197,265	–	–	197,265	**422,643**	–	–	**422,643**	24,770	–	–	24,770
–	1,928,600	–	1,928,600	–	**182,715**	–	**182,715**	–	133,468	–	133,468
–	–	–	–	–	–	–	–	–	–	–	–
197,265	1,928,600	–	2,125,865	**422,643**	**182,715**	–	**605,358**	24,770	133,468	–	158,238
268,175	–	–	268,175	–	–	–	–	–	–	–	–
268,175	–	–	268,175	–	–	–	–	–	–	–	–
–	–	4,154	4,154	–	–	–	–	–	–	–	–
200,000	–	–	200,000	–	–	–	–	200,000	–	–	200,000
–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–
200,000	–	4,154	204,154	–	–	–	–	200,000	–	–	200,000
–	9,420,511	–	9,420,511	–	**3,348,244**	–	**3,348,244**	–	3,773,898	–	3,773,898
–	457,018	–	457,018	–	**466,506**	–	**466,506**	–	457,018	–	457,018
–	359,176	–	359,176	–	**380,356**	–	**380,356**	–	359,176	–	359,176
–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–
–	10,236,705	–	10,236,705	–	**4,195,106**	–	**4,195,106**	–	4,590,092	–	4,590,092

37.2 The following table shows the valuation technique used in measuring level 2 fair values, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Investments in unit trusts	Fair value is based on the published unit prices.	Based on published unit prices.	The estimated fair value will increase (decrease) if; The published unit prices are higher (lower)
Investments in commercial papers	Fair value is based on the interest rate	Based on the interest rate	The estimated fair value will increase (decrease) if; The interest rates are higher (lower)

37.3 Reconciliation of fair value measurement of "Level 3" financial instruments

The following table shows a reconciliation from the opening balance to the closing balance for level 3 fair values.

	GROUP			COMPANY	
	Land LKR '000	Buildings LKR '000	Investment property LKR '000	Buildings LKR '000	Investment property LKR '000
As at 31 March 2023	7,632,361	1,599,917	16,099,661	400,339	16,099,661
Subsequent expenditure on investment property	–	–	31,394	–	31,394
Assets acquired on acquisition of subsidiary	65,741	(92,871)	–	–	–
Assets additions	–	7,982	507	–	507
Assets disposal	–	24,324	–	–	–
Total gains and losses recognised in other comprehensive income					
– Revaluation (unrealised)	331,761	698,289	–	76,145	–
Transfer from capital work in progress	–	23,229	–	–	–
Depreciation charged	–	(130,283)	–	(30,805)	–
Net (loss)/gain from investment property fair valuation	–	–	1,038,266	–	1,038,266
As at 31 March 2024	8,029,863	2,130,587	17,169,828	445,679	17,169,828
Subsequent expenditure on investment property	–	–	110,965	–	125,013
Assets acquired on acquisition of subsidiary	–	–	–	–	–
Assets additions	178,922	36,801	–	–	–
Net disposal	–	(3,357)	–	–	–
Total gains and losses recognised in other comprehensive income					
– Revaluation (unrealised)	363,516	211,236	–	64,951	–
Transfer from capital work in progress	–	10,938	–	–	–
Depreciation charged	–	(117,443)	–	(37,153)	–
Net(loss)/gain from investment property fair valuation	–		866,682	–	866,682
As at 31 March 2025	**8,572,301**	**2,268,762**	**18,147,475**	**473,477**	**18,161,523**

37.4 Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used by both the Group and Company in measuring level 3 fair values and the significant unobservable inputs used.

Assets and liabilities	Valuation technique	Significant unobservable inputs
Property plant and equipment		
Freehold land and buildings	**Market approach** Fair value of land is based on available property market data, available facilities and services, planning restrictions, title status, size/shape and other physical factors of the land.	The valuer has used a range of prices for each land based on investigated prices in order to determine the market value.
	Income approach In determining the fair value of building the capitalisation of net income method have been used, which is based upon assumptions including future rental income, anticipated maintenance costs, appropriate discount rate.	Anticipated maintenance cost Discount rate Risk and other factors Future rental income per sq.ft.
	Cost approach The valuations are based on two components: the depreciated cost of the building element and the market value of the land.	Rate per sq.ft. Depreciation rate
Investment property	**Income approach and market approach** In determining the fair value of investment property the capitalisation of net income method have been used, which is based upon assumptions including future rental income, anticipated maintenance costs, appropriate discount rate and in determine the fair value of land, make 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.	Anticipated maintenance cost Discount rate Risk and other factors Future rental income per sq.ft. Price per perch

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Shareholders Information

Twenty major Shareholders

	Name of shareholder	As at 31 March 2025 Shareholding	As at 31 March 2025 Percentage (%)	As at 31 March 2024 Shareholding	As at 31 March 2024 Percentage (%)
1	Mr. M. A. Yaseen	**238,058,848**	**29.76**	238,058,848	29.76
2	Mrs. R. R. Takahashi	**154,209,571**	**19.28**	154,250,000	19.28
3	Mrs. S. M. Yaseen	**61,670,528**	**7.71**	61,670,528	7.71
4	Mr. S. D. Yaseen	**58,000,000**	**7.25**	58,000,000	7.25
5	Mrs. L. E. M. Yaseen	**45,868,832**	**5.73**	45,868,832	5.73
6	Commercial Bank of Ceylon PLC A/C No. 01	**24,610,964**	**3.08**	24,610,964	3.08
7	Mr. J. A. Yaseen	**12,000,000**	**1.50**	14,400,000	1.80
8	Mr. V. A. Yaseen	**12,000,000**	**1.50**	14,513,100	1.81
9	Mr. O. Senanayake / Mr. D. R. Pieris/ Mr. S. P. Perera	**11,681,147**	**1.46**	–	–
10	Deutsche Bank AG Trustee To Lynear Wealth Dynamic Opportunities Fund	**10,521,071**	**1.32**	–	–
11	Mr. S. P. Perera	**6,302,466**	**0.79**	–	–
12	Mr. A. S. Jayasinghe	**4,823,264**	**0.60**	4,595,453	0.57
13	Mrs. T. T. A. De Silva Weerasooria	**4,275,118**	**0.53**	–	–
14	Mr. R. C. D. De Silva	**3,463,518**	**0.43**	–	–
15	Mr. G. B. D. Thilakaratne	**3,123,343**	**0.39**	–	–
16	Mr. H. G. Balasuriya	**3,000,000**	**0.38**	–	–
17	Mr. R. Magdon Ismail	**2,850,000**	**0.36**	–	–
18	Seylan Bank PLC / R. A. Rishard	**2,837,194**	**0.36**	–	–
19	Metrocorp (Pvt) Ltd	**2,518,934**	**0.32**	8,458,934	1.06
20	Mr. R. H. Fernando	**2,485,105**	**0.31**	–	–

Public and non-public Shareholdings

Description	As at 31 March 2025 Number of shares	Number of shareholders	Percentage %	As at 31 March 2024 Number of shares	Number of shareholders	Percentage %
Issued number of ordinary shares and number of shareholders	**800,000,000**	**4,176**	**100.00**	800,000,000	4,195	100.00
Less – Shares held by non public	**450,137,251**	**10**	**56.27**	466,977,680	5	58.37
Shares held by the public and number of share holders	**349,862,749**	**4,166**	**43.73**	333,022,320	4,190	41.63
Floate adjusted market capitalisation (Under option 3 & 5 in each respective year ended) LKR Mn.	**5,281**			2,098		

Share Capital

Year ended 31 March	Number of shares in issue	Share capital (LKR '000)
2013	50,000,000	500,000
2014	100,000,000	1,000,000
2015	200,000,000	2,000,000
2016	480,000,000	4,800,000
2017	480,000,000	4,800,000
2018	600,000,000	5,760,000
2019 - 2025	800,000,000	7,360,000

Distribution of Shareholders

	As at 31 March 2025			As at 31 March 2024		
Shareholdings	Number of shareholders	Number of shares	Percentage (%)	Number of shareholders	Number of shares	Percentage (%)
1 – 1,000	**1,930**	**541,394**	**0.07**	1,676	521,258	0.07
1,001 – 10,000	**1,206**	**5,313,882**	**0.66**	1,301	6,016,030	0.75
10,001 – 100,000	**778**	**29,482,579**	**3.69**	945	33,133,365	4.14
100,001 – 1,000,000	**219**	**64,094,060**	**8.01**	234	66,438,625	8.30
Over 1,000,000	**43**	**700,568,085**	**87.57**	39	693,890,722	86.74
Total	**4,176**	**800,000,000**	**100.00**	4,195	800,000,000	100.00

Categories of Shareholders

	As at 31 March 2025			As at 31 March 2024		
Categories of shareholdings	Shareholders	Number of shares	Percentage %	Shareholders	Number of shares	Percentage %
Local individuals	**3,886**	**472,773,915**	**59.10**	3,938	474,207,801	59.28
Local institutions	**277**	**85,891,809**	**10.74**	248	84,156,392	10.52
Foreign individuals	**12**	**240,295,925**	**30.04**	9	241,635,807	30.20
Foreign institutions	**1**	**1,038,351**	**0.13**	–	–	–
Total	**4,176**	**800,000,000**	**100.00**	4,195	800,000,000	100.00

Performance at the CSE

Market price per share	As at 31 March 2025 Price	As at 31 March 2024 Price
Highest	**17.50**	7.40
Lowest	**6.10**	4.50
Last traded price	**15.30**	6.30

Shareholdings of Directors

		As at 31 March 2025		As at 31 March 2024	
	Name of The Director	Number of shares	Percentage (%)	Number of shares	Percentage (%)
1	Mr. A. Herath (Chairman)	–	–	–	–
2	Ms. L. K. A. H. Fernando (CEO)	–	–	–	–
3	Ms. L. E. M. Yaseen	**45,868,832**	**5.73**	45,868,832	5.73
4	Ms. C. G. Ranasinghe	–	–	–	–
5	Professor N. D. Gunawardena	–	–	–	–
6	Ms. M. C. Pietersz	–	–	–	–
7	Ms. V. S. Weerasekera	–	–	–	–
8	Mr. D. T. S. H. Mudalige	–	–	–	–
9	Mr. M. N. R. Fernando	–	–	–	–

Glossary of Financial Terms

Accounting policies
The specific principles, bases, rules and practices adopted by an entity in preparing and presenting Financial Statements.

Accrual basis
Recording revenues and expenses in the period in which they are earned or incurred regardless of whether cash is received or disbursed in that period.

Actuarial gain/loss on defined benefit plan
Gain or loss arising from the difference between estimates and actual experience in an entity's defined benefit plan.

Amortization
The systematic allocation of the depreciable amount of an intangible asset over its useful life.

Assets held for sale
The carrying amount of the asset value which will be recovered through a sale transaction on rather than through continuing use.

Capital employed
Total equity plus total borrowings.

Asset turnover
Revenue including subsidiary Company revenue divided by average total assets.

Contingent assets/liabilities
An asset or liability or potential gain or loss that may occur in the future depending on the outcome of a specific event.

Current asset ratio
Current assets divided by current liabilities.

Current service cost
Is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Dividend per share (DPS)
Dividend paid and proposed, divided by the number of issued shares, which entitle for those dividends.

Debt/borrowings
Debt consist of interest bearing borrowings, bank overdrafts and lease liabilities.

Debt/equity ratio
Debt as a percentage of equity attributable to shareholder.

Dividend payout ratio
Dividend per share divided by earnings per share, indicates the percentage of the Company's earnings that is paid out to shareholders in cash.

Dividend yield
Dividend per share divided by the market value of a share.

Dividend cover
Net profit attributable to the ordinary shareholders divided by the total dividend.

Discount rate
A rate used to place a current value on future cash flows. It is needed to reflect the fact that money has a time value.

Discontinued operation
A component of an entity that has been classified as held for sale and represents a separate major line of business.

Deferred taxation
Sum set aside for income tax in the current Financial Year that may become a liability or a receivable in a future Financial Year.

Depreciation
The systematic allocation of the depreciable amount of an asset over its useful life.

Earnings per share (EPS)
Profit attributable to equity holders of the parent divided by the weighted average number of ordinary shares outstanding during the period.

Earnings before interest and tax (EBIT)
Profit before tax excluding finance Expenses

Earnings before interest, taxes, depreciation, and amortization. (EBITDA)
Earnings Before Interest, Taxes, Depreciation, and Amortization.

Effective rate of taxation
Tax expense divided by profit before tax.

Fair value
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.

Gearing
Proportion of total interest bearing borrowings to capital employed.

Interest cover
Number of times interest charge is covered by earnings before interest and tax including finance income.

Key management personnel
Key Management Personnel are those person having authority and responsibility for planning and controlling the activities of the entity, directly or indirectly.

Market capitalisation
Number of shares in issue at the end of the period multiplied by the market price at the end of the period.

Market value added
Market capitalisation minus shareholder' funds.

Market price to book value
Market price per share over net asset value per share.

Net assets
Total assets minus current liabilities, long term liabilities, and non-controlling interests.

Net assets per share
Net assets as at a Financial Year end divided by the number of shares in issue as at the current Financial Year end.

Non-controlling interest
Equity in subsidiary not attributable to the parent.

Parent Company
A Parent Company is a Company that owns enough voting stock in another equity firm to control management and operation by influencing electing its Board of Directors.

Price earning ratio
Market price per share over earnings per share.

Quick asset ratio
Current assets excluding inventories, divided by current liabilities.

Related party
A person or entity that is related to the entity that is preparing its Financial Statements.

Return on assets
Profit after tax is divided by the total assets.

Return on capital employed (ROCE)
Profit before interest and tax as a percentage of capital employed.

Return on equity (ROE)
Profit attributable to shareholders as a percentage of equity attributable shareholders.

Right-of-use asset (ROU)
As asset that represents a lessee's right to use an underlying asset over the lease term.

Shareholders' funds
Total of stated capital, other components of equity and revenue reserves and capital reserve.

Total equity
Shareholders' funds plus non-controlling interest.

Working capital
Current assets minus current liabilities.

Summary of the Financial Years

	2025 LKR '000	2024 LKR '000	2023 LKR '000	2022 LKR '000
Operating results				
Revenue	**14,727,355**	14,353,245	12,892,654	14,446,794
EBIT	**2,930,741**	2,816,424	2,281,682	1,991,775
Finance cost	**(1,013,106)**	(1,628,582)	(2,099,170)	(929,005)
Profit before tax	**1,918,483**	1,189,641	179,360	1,064,608
Income tax expense	**(395,227)**	(457,012)	(949,478)	(271,666)
Profit for the year	**1,523,256**	732,629	(770,118)	792,942
Capital employed				
Stated capital	**7,360,000**	7,360,000	7,360,000	7,360,000
Revaluation surplus	**2,058,711**	1,902,652	1,292,325	1,305,892
Other component of equity	**(16,029)**	(50,039)	(18,517)	(21,885)
Retained earnings	**12,236,098**	11,027,633	10,192,461	10,930,127
Reserves of a disposal group held for sale	–	–	–	–
Non controlling interest	**7,460,444**	7,260,189	7,124,908	7,368,953
Total borrowings	**14,660,714**	9,904,551	9,563,124	8,909,923
Total capital employeed	**43,759,938**	37,404,986	35,514,301	35,853,011
Assets employed				
Property plant and equipment (PPE)	**16,472,867**	14,772,643	13,353,504	13,392,680
Non current assets other than PPE	**20,400,524**	19,516,326	18,014,425	16,971,035
Current assets	**17,155,617**	11,015,460	10,560,322	12,623,982
Current liabilities	**13,468,059**	7,320,838	6,250,285	7,077,835
Cash flow				
Net cash flow from/(used in) operating activities	**(1,699,497)**	1,859,561	(1,869,611)	(1,763,646)
Net cash flow from/(used in) investing activities	**(1,000,774)**	(756,256)	1,408,441	835,332
Net cash flow from/(used in) financing activities	**3,548,623**	(1,339,795)	251,895	780,858
Net increase/(decrease) in cash and cash equivalents	**848,352**	(236,490)	(209,275)	(147,456)
Key indicators				
Basic earnings per share	**1.76**	1.04	(0.73)	0.86
Net assets per share	**27.05**	25.30	23.53	24.47
Return on equity	**6.5%**	4.1%	-3.1%	3.50%
Return on capital employeed	**6.7%**	7.5%	6.4%	5.6%
Debt/equity ratio (%)	**67.8%**	48.9%	50.8%	45.5%
Gearing	**33.5%**	26.5%	26.9%	24.9%

GROUP

2021 LKR '000	2020 LKR '000	2019 LKR '000	2018 LKR '000	2017 LKR '000	2016 LKR '000
14,490,038	10,823,587	13,955,664	4,476,968	960,374	269,178
1,638,134	1,372,606	2,174,778	2,607,353	1,271,726	4,950,356
(610,306)	(893,454)	(853,423)	(390,371)	(128,010)	(1,231)
1,027,828	479,152	1,321,355	3,736,017	1,143,716	4,949,125
56,808	(53,549)	(201,830)	7,931	62,764	1,138
1,084,636	425,603	1,119,525	3,743,948	1,206,480	4,950,263
7,360,000	7,360,000	7,360,000	5,760,000	4,800,000	4,800,000
838,391	610,572	251,107	204,284	119,242	125,000
(31,610)	(92,476)	(60,572)	(5,526)	–	–
10,283,852	9,711,908	9,887,632	8,982,769	5,510,131	4,268,531
91,277	–	–	–	–	–
6,339,103	5,870,863	6,310,762	6,223,062	–	–
5,399,867	9,143,788	7,048,418	7,817,866	1,065,792	1,083,432
30,280,880	32,604,655	30,797,347	28,982,455	11,495,165	10,276,963
8,563,418	8,667,607	7,892,174	7,625,861	625,133	543,491
16,266,166	16,334,188	14,906,540	13,056,835	11,630,281	10,684,074
10,957,332	11,583,489	10,552,100	10,550,667	312,046	195,099
5,379,949	7,248,953	5,287,486	5,548,267	617,672	601,561
7,667,976	(1,239,500)	(588,876)	680,663	255,458	306,122
(3,416,091)	(308,613)	(928,255)	(4,272,206)	(170,745)	(3,738,472)
(3,753,510)	1,209,888	708,494	4,153,239	(148,998)	3,449,372
498,375	(338,225)	(808,637)	561,696	(64,285)	17,022
1.08	0.78	1.15	6.12	2.51	12.85
23.18	21.99	21.80	24.90	21.73	19.15
3.6%	3.3%	5.2%	24.3%	11.6%	53.8%
5.4%	4.2%	7.1%	9.0%	11.1%	48.2%
29.1%	52.0%	40.4%	52.3%	10.2%	11.8%
17.8%	28.0%	22.9%	27.0%	9.3%	10.5%

Summary of the Financial Years

	2025 LKR '000	2024 LKR '000	2023 LKR '000	2022 LKR '000
Operating results				
Revenue	**1,457,495**	1,287,840	1,153,403	865,606
EBIT	**1,985,169**	1,993,306	1,619,421	1,295,713
Finance cost	**(375,429)**	(687,825)	(1,016,513)	(455,952)
Profit before tax	**1,609,740**	1,305,481	602,908	839,761
Income Tax expense	**(262,059)**	(312,482)	(673,675)	(71,457)
Profit for the year	**1,347,681**	992,999	(70,767)	768,304
Capital employed				
Stated capital	**7,360,000**	7,360,000	7,360,000	7,360,000
Revaluation surplus	**419,142**	362,530	299,987	261,262
Retained Earnings	**10,958,168**	9,774,789	8,784,094	9,016,271
Total borrowings	**3,454,085**	3,782,267	4,195,246	4,650,679
Total capital employeed	**22,191,395**	21,279,586	20,639,327	21,288,212
Assets employed				
Property plant and equipment (PPE)	**484,707**	465,282	426,780	390,395
Non current assets other than PPE	**24,330,993**	23,449,210	22,349,917	21,601,401
Current assets	**1,046,861**	575,559	449,264	971,779
Current liabilities	**1,221,061**	907,580	938,234	660,459
Cash flow				
Net cash flow from/(used in) operating activities	**657,300**	186,686	(25,609)	102,856
Net cash flow from/(used in) investing activities	**(141,358)**	226,425	643,726	(1,691,641)
Net cash flow from/(used in) financing activities	**(625,073)**	(406,235)	(629,803)	1,586,219
Net increase/(decrease) in cash and cash equivalents	**(109,131)**	6,876	(11,686)	(2,566)
Key indicators				
Basic earnings per share	**1.68**	1.24	(0.09)	0.96
Net assets per share	**23.42**	21.87	20.56	20.80
Return on equity	**7.2%**	5.7%	-0.4%	4.6%
Return on capital employeed	**8.9%**	9.4%	7.8%	6.1%
Debt/equity ratio	**18.4%**	21.6%	25.5%	28.0%
Gearing	**15.6%**	17.8%	20.3%	21.8%

COMPANY					
2021 LKR '000	2020 LKR '000	2019 LKR '000	2018 LKR '000	2017 LKR '000	2016 LKR '000
968,755	1,002,900	762,179	704,471	609,289	125,418
563,939	1,559,593	1,493,515	1,443,754	1,301,934	4,963,265
(245,483)	(390,882)	(478,678)	(300,665)	(122,118)	(1,138)
318,456	1,168,711	1,014,837	1,143,089	1,179,816	4,962,127
180,643	(168,576)	(211,032)	38,963	62,831	(1,284)
499,099	1,000,135	803,805	1,182,052	1,242,647	4,960,843
7,360,000	7,360,000	7,360,000	5,760,000	4,800,000	4,800,000
230,939	210,512	170,543	134,151	119,242	125,000
8,365,509	7,949,354	7,379,649	6,578,499	5,555,874	4,967,111
2,939,856	2,888,546	3,295,379	4,985,000	911,002	1,060,000
18,896,304	18,408,412	18,205,571	17,457,650	11,386,118	10,952,111
366,666	380,455	362,277	352,128	368,835	343,522
18,979,311	19,440,830	18,714,817	17,018,735	11,902,536	10,955,313
1,162,665	486,496	326,122	931,709	170,428	92,215
530,435	455,194	474,728	1,559,958	442,440	562,007
172,616	560,381	192,899	(28,234)	306,123	319,913
(124,276)	(33,845)	(228,526)	(4,799,405)	(81,228)	(3,746,155)
(11,638)	(525,183)	(110,339)	4,873,894	(148,998)	3,449,940
36,702	1,353	(145,966)	46,255	75,897	23,698
0.62	1.25	1.02	1.99	2.59	12.87
19.95	19.40	18.64	20.79	21.82	20.61
3.1%	6.4%	5.4%	9.5%	11.9%	50.1%
3.0%	8.5%	8.2%	8.3%	11.4%	45.3%
18.4%	18.6%	22.1%	40.0%	8.7%	10.7%
15.6%	15.7%	18.1%	28.6%	8.0%	9.7%

GRI Index

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GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system
	403-2	Hazard identification, risk assessment, and incident investigation
	403-3	Occupational health services
	403-4	Worker participation, consultation, and communication on occupational health and safety
	403-5	Worker training on occupational health and safety
	403-6	Promotion of worker health
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
	403-8	Workers covered by an occupational health and safety management system
	403-9	Work-related injuries
	403-10	Work-related ill health
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee
	404-2	Programs for upgrading employee skills and transition assistance programs
	404-3	Percentage of employees receiving regular performance and career development reviews
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees
	405-2	Ratio of basic salary and remuneration of women to men
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs
	413-2	Operations with significant actual and potential negative impacts on local communities

Notice of Meeting

Notice is hereby given that the 16th Annual General Meeting (AGM) of R I L PROPERTY PLC will be held on 30 June 2025 at 10.00 a.m. at the Lavender Hall, BMICH Colombo, Bauddhaloka Mawatha, Colombo 07, for the following purposes:

(01) To receive and consider the Annual Report of the Board of Directors on the affairs of the Company and its subsidiaries and the Statement of Accounts for the year ended 31 March 2025 together with the Report of the Auditors thereon;

(02) To pass the Ordinary Resolution set out below to re - appoint Ms. L. E. M. Yaseen, who is 83 years of age, as a director of the Company.

"IT IS HEREBY RESOLVED that Ms. L. E. M. Yaseen who is 83 years of age be and is hereby re-appointed as a director of the Company and it is hereby declared that the age limit of 70 years stipulated in Section 210 of the Companies Act No.7 of 2007 shall not apply to the said director"

(03) To re-elect Ms. M. C. Pietersz who retires by rotation pursuant to the provisions of Article 83 of the Articles of Association of the Company, as a director;

(04) To elect Mr. A. Herath, a Director of the Company, who was appointed during the Financial Year to fill a casual vacancy in terms of Article 89 of the Articles of Association of the Company;

(05) To elect Mr. M. N. R. Fernando, a Director of the Company, who was appointed during the Financial Year to fill a casual vacancy in terms of Article 89 of the Articles of Association of the Company;

(06) To elect Mr. D. T. S. H. Mudalige a Director of the Company, who was appointed during the Financial Year to fill a casual vacancy in terms of Article 89 of the Articles of Association of the Company;

(07) To declare a First and Final dividend of LKR 0.55 per share for the Financial Year ended 31 March 2025 as recommended by the Directors;

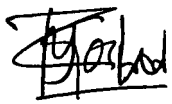
(08) To re-appoint the retiring Auditors, Messrs. Ernst & Young, Chartered Accountants to hold office until the conclusion of the next Annual General Meeting and to authorize the directors to fix their remuneration;

(09) To authorize the Board of Directors to determine donations for the year ending 31 March 2026 and up to the date of the next Annual General Meeting;

(10) To consider any other business of which due notice has been given.

By Order of the Board

For and on behalf of **R I L Property PLC**



Roshini Weudagedara
Company Secretary

4 June 2025
Colombo

Notes

1. A duly registered and entitled holder of the Company's shares is entitled to attend, speak and vote at the AGM and is entitled to appoint a proxyholder to attend, speak and vote on a show of hands or on a poll on his/her behalf; The proxy so appointed shall be valid for any adjournment of the meeting as for the meeting to which it relates.
2. A proxyholder need not be a shareholder of the Company;
3. A proxy so appointed shall have the same right as the shareholder to vote on a show of hands or on a poll as well as to speak at the AGM;
4. The proxyholder shall be deemed to have the right to demand or join in demanding a poll;
5. Members are encouraged to vote by Proxy through the appointment of a member of the Board of Directors to vote on their behalf and to include their voting preferences on the resolutions to be taken up at the Meeting in the Form of Proxy.

   In the event the Appointor of the proxy attending the meeting, the authority of the proxy to attend, vote and/or in any way participate at the meeting shall stand automatically cancelled and revoked.
6. A shareholder shall not be entitled to appoint more than one proxy to attend on the same occasion.
7. The Form of Proxy is enclosed for this purpose. The completed Form of Proxy must be deposited at the Registered Office of the Company situated at 33, Park Street, Colombo 02 or forwarded via email rilagm2025@rilproperty.lk or facsimile to +94-11-239-9915, not less than forty-eight (48) hours before the appointed hour of the meeting.

Corporate Information

Name of the Company

R I L Property PLC

Legal Form

The Company was incorporated in Sri Lanka on 15 July 2009 as a Private Limited Liability Company under the Companies Act No.07 of 2007 (as amended). Subsequently it was converted into a public Limited Liability Company on 13 September 2016 under the Companies Act No. 07 of 2007 (as amended). The Ordinary shares were listed on the Colombo Stock Exchange on 04 May 2017.

Company Registration Number

PV/PB 68365 PQ

Registered Office

No. 33, Park Street
Colombo 02
Tel: +94 11 233 2850-1
Fax: +94 11 239 9915

Board of Directors

Mr. A. Herath – Chairman
Ms. L. K. A. H. Fernando – Chief Executive Officer /Executive Director
Ms. L. E. M. Yaseen
Ms. C. G. Ranasinghe
Professor. N. D. Gunawardena
Ms. M. C. Pietersz
Ms. V. S. Weerasekera
(Appointed w.e.f. 08 April 2024)
Mr. D. T. S. H. Mudalige
(Appointed w.e.f. 29 January 2025)
Mr. M. N. R. Fernando
(Appointed w.e.f. 29 January 2025)

Board Audit and Risk Committee

Ms. M. C. Pietersz – Chairperson
Ms. C. G. Ranasinghe – Member
Ms. V. S. Weerasekera – Member
(Appointed w.e.f. 08 April 2024)
Mr. M. N. R. Fernando – Member
Professor. N. D. Gunawardena – Member
(Appointed w.e.f. 30 April 2025)

Board HR & Remuneration Committee

Professor. N.D.Gunawardena – Chairperson
Mr. A. Herath – Member
Mr. D. T. S. H. Mudalige – Member
Mr. M. N. R. Fernando – Member
(Appointed w.e.f. 30 April 2025)

Board Related Party Transactions Review Committee

Ms. C. G. Ranasinghe – Chairperson
Ms. L. E. M. Yaseen – Member
Ms. M. C. Pietersz – Member
Mr. A. Herath – Member
Mr. D. T. S. H. Mudalige – Member

Board Nominations and Governance Committee (Constituted w.e.f. 1 October 2023)

Mr. M. N. R. Fernando – Chairperson
Mr. A. Herath – Member
Ms. M. C. Pietersz – Member
Ms. V. S. Weerasekera – Member
(Appointed w.e.f. 30 April 2025)

Auditors

M/s. Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road,
Colombo 03
Tel: +94 11 246 3500
Fax: +94 11 768 7869

Secretary

Ms. Y. C. R. Weudagedara

Registrars

Central Depositary Systems (Pvt) Ltd
Ground Floor, M & M Center
No. 341/5, Kotte Road,
Rajagiriya
Tel: +94 11 235 6444
Fax: +94 11 244 0396

(PW Corporate ceased to be the registrars w.e.f. 29 May 2024)

Bankers

Commercial Bank of Ceylon PLC
Commercial House,
No. 21, Sir Razik Fareed Mw,
Colombo 01
Tel: +94 11 471 8248

DFCC Bank PLC
No.73/5,Galle Road,
Colombo 03
Tel: +94 11 244 2442

Seylan Bank PLC
Seylan Towers,
No 90, Galle Rd,
Colombo 03
Tel: +94 11 245 6000

People's Bank
No. 33,Park Street,
Colombo 02
Tel: +94 11 242 2346

Lawyers

Nithya Partners
Attorneys at Law
No. 97/A,Galle Road,
Colombo 03

Heritage Partners
Attorneys at Law
No. 4, Heritage House,
Malalasekara Pedesa,
Colombo 07

Subsidiaries

United Motors Lanka PLC
No. 100,Hyde Park Corner,
Colombo 02

Panasian Power PLC
Level 04, BTL Shipping House
No. 45/2,Braybrooke Street,
Colombo 02

***PARKLAND* Integrated Solutions (Pvt) Ltd**
No. 33, Park Street,
Colombo 02

Website

www.rilproperty.lk

Form of Request

To: R. Weudagedara
Company Secretary
R I L Property PLC
33, Park Street
Colombo 02
Tel : +94-11-233-2850/1
Fax : +94-11-239-9915

R I L Property PLC – Request for a printed copy of the Annual Report – 2024/2025

We refer to your Circular to the Shareholders dated 4 June 2025

Please forward a printed copy of the "Annual Report" for the Financial Year ended 31 March 2025 to me/us.

My/Our details are as follows

Full Name of the Shareholder : .....

Folio No. as appears in the address label : .....

Shareholder/s NIC/Passport No./ CDS Acct. No : .....

Company Registration No. : .....

Address : .....

.....

Contact No. : .....

Jointly with : .....

.....
Signature of the Shareholder/s

.....
Date

Notes:

(1) Kindly perfect the Form of Request by filling in legibly all the details, address and by signing in the space provided; Please fill in the date of signature.

(2) If the Form of Request is signed by an Attorney, the relative Power of Attorney should accompany the Form of Request.

(3) If the request is made by a Company or Corporation, this form must be executed under the common seal or be signed by its Attorney or by an Officer authorized to do so on behalf of such company/corporate body;

(4) In the case of a joint shareholding, the request may be executed by the Principal holder.

(5) Please send the duly completed Form of Request by post to Company's registered office situated at 33, Park Street, Colombo 02 or email to rilagm2025@rilproperty.lk or facsimile to +94-11-239-9915.

Corporate Information

Form of Proxy

I/We.....of

.....

...../being a member/members of R I L Property PLC, hereby

appoint ..... (N I C No. .....)

of .....failing him/ her

Mr. A. Herath	whom failing
Ms. L. K. A. H. Fernando	whom failing
Ms. C. G. Ranasinghe	whom failing
Professor. N. D. Gunawardena	whom failing
Ms. M. C. Pietersz	whom failing
Ms. V. S. Weerasekera	whom failing
Mr. M. N. R. Fernando	whom failing
Mr. D. T. S. H. Mudalige	whom failing

As my/our proxy to represent me/us and* ..... to vote on my/our behalf at the 16th Annual General Meeting (AGM) of R I L Property PLC (the Company) to be held on 30 June 2025 at 10.00 am at the Lavender Hall, BMICH Colombo, Bauddhaloka Mawatha, Colombo 07 and at any adjournment thereof and at every poll which may be taken in consequence of the above said meeting. I/We the undersigned hereby authorize my/our Proxy to vote on my/our behalf in accordance with the preference indicated below:

	For	Against	Abstained
(1) To receive and consider the Annual Report of the Board of Directors on the affairs of the Company and its subsidiaries and the Statement of Accounts for the year ended 31 March 2025 together with the Report of the Auditors thereon.	☐	☐	☐
(2) To re-appoint Ms. L. E. M. Yaseen, who is 83 years of age, as a director of the Company	☐	☐	☐
(3) To re-elect Ms. M. C. Pietersz who retires by rotation pursuant to the provisions of Article 83 of the Articles of Association of the Company	☐	☐	☐
(4) To elect Mr. A. Herath who was appointed during the Financial Year to fill a casual vacancy in terms of Article 89 of the articles of Association of the Company	☐	☐	☐
(5) To elect Mr. M. N. R. Fernando who was appointed during the Financial Year to fill a casual vacancy in terms of Article 89 of the Articles of Association of the Company	☐	☐	☐
(6) To elect Mr. D. T. S. H. Mudalige who was appointed during the Financial Year to fill a casual vacancy in terms of Article 89 of the Articles of Association of the Company	☐	☐	☐
(7) To declare a First and Final dividend of LKR. 0.55 per share for the Financial Year ended 31 March 2025 as recommended by the Directors;	☐	☐	☐
(8) To re-appoint the retiring Auditors, Messrs. Ernst & Young, Chartered Accountants, to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration;	☐	☐	☐
(9) To authorise the Board of Directors to determine donations for the year ending 31 March 2026 and up to the date of the next Annual General Meeting	☐	☐	☐

Signed on this ..... day of .....

Two Thousand and Twenty Five.

.....

Signature/s

*If you wish your Proxy to speak at the meeting you should insert the words “to speak and” in the place indicated and initial such insertion.

Notes:

1. Instructions as to completion appear overleaf;
2. Please indicate with an "x" in the space provided how your proxyholder is to vote;
3. If there is in the view of the proxyholder doubt (by reason of the way in which the instructions contained in the proxy have been completed) as to the way in which the proxyholder should vote, the proxyholder shall vote as he thinks fit;

Instructions as to completion

1. To be valid, this completed Form of Proxy must be deposited at the Registered Office of the Company situated at 33, Park Street Colombo 02 or should be sent via email to rilagm2025@rilproperty.lk or facsimile on 0112399915, not less than forty-eight (48) hours before the appointed hour of the meeting;
2. The full name and address of the proxyholder and of the shareholder appointing the proxyholder should be entered legibly in the Form of Proxy; Please fill in the date of signature;
3. If you wish to appoint any person other than directors as your proxy, please insert the relevant details in the space provided overleaf;
4. If the Form of Proxy is signed by the Power of Attorney, the respective Power of Attorney should accompany the completed Form of Proxy for registration, in the event it has already not being registered with the Company;
5. If the shareholder is a company or a corporate body, the Form of Proxy should be executed under the common seal or be signed by its Attorney or by an Officer authorized to do so on behalf of such company/ corporate body;
6. Every alteration or addition to the Form of Proxy must be duly authenticated by the full signature of the shareholder signing the Form of Proxy. Such signatures should as far as possible be placed in proximity to the addition or alteration intended to be authenticated;
7. The use of the word "Member/s" herein is a reference to "Shareholder/s";

Stakeholder Feedback Form

To request information or submit a comment/query to the Company, please complete the following and return this page to:

Roshini Weudagedara
Company Secretary
R I L Property PLC
Level 1, ***PARKLAND***, No 33, Park Street, Colombo 02, Sri Lanka
e-mail: rilagm2025@gmail.com
Tel : + 94 112 332 850-1
Fax : +94 112 399 915

We also appreciate your comments on this Annual Report.

WHICH STAKEHOLDER GROUP/S DO YOU BELONG TO? (YOU MAY TICK MORE THAN ONE)

Employee	☐	Public authority	☐
Shareholder	☐	Regulatory body	☐
Investor	☐	Student	☐
Customer	☐	Journalist	☐
Supplier	☐	NGO	☐
Service provider	☐	Special interest group	☐
Community	☐	Other	☐

1. Rate your overall impression of this Report in terms of content and scope

	Excellent	Good	Fair	Poor
Informative	☐	☐	☐	☐
Transparent	☐	☐	☐	☐
Trustworthy	☐	☐	☐	☐
Comprehensive	☐	☐	☐	☐
User friendly	☐	☐	☐	☐
Quality and presentation	☐	☐	☐	☐

2. Turnaround time and speed for response to shareholder's query/complaint

Excellent	Good	Fair	Poor
☐	☐	☐	☐

3. Timely receipt of documents, e.g. Notice, Annual Report, Dividend

Excellent	Good	Fair	Poor
☐	☐	☐	☐

4. Overall assessment of shareholder service standards of the Company

Excellent	Good	Fair	Poor
☐	☐	☐	☐

5. Any grievance pending so far Yes/No

Comments/Queries/Suggestions for improvements

.....

.....

.....

.....

.....

Stakeholder Feedback Form

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www.rilproperty.lk

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