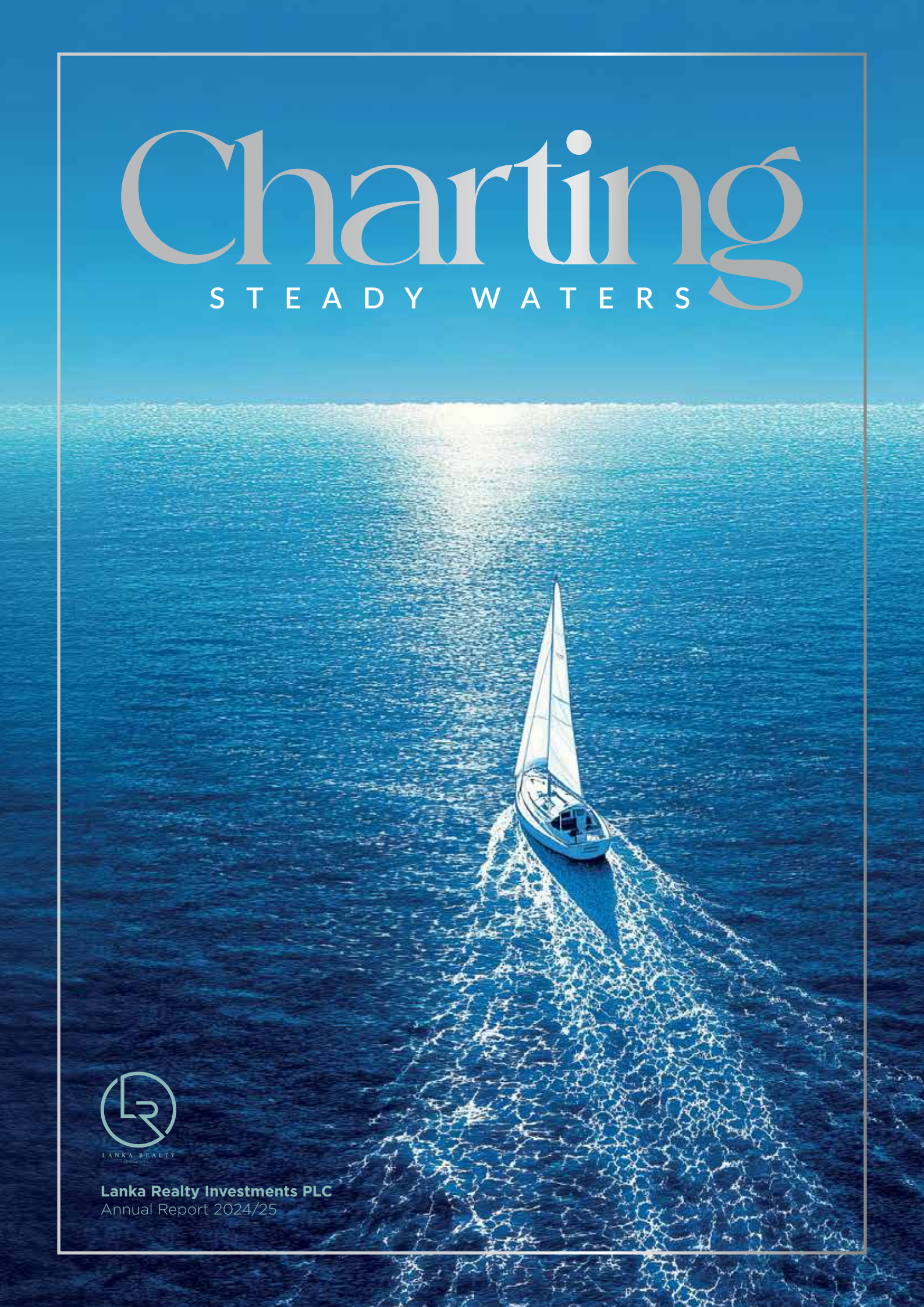
Charting

STEADY WATERS



LANKA REALTY
INVESTMENTS PLC

Lanka Realty Investments PLC
Annual Report 2024/25

Charting

STEADY WATERS

This year marks a pivotal moment in our journey at Lanka Realty Investments one shaped by renewed confidence, clear strategy, and forward momentum.

Following a period of recalibration, we've emerged stronger, more energised, and sharply focused on the path ahead. The year under review signifies more than a return to profitability; it reflects our resilience, vision, and the unwavering commitment of our team.

As we look to the future, these steady waters offer more than stability. They are the foundation we need a launchpad for growth, innovation, and lasting impact.

The course is set, momentum is building, and the future holds more promise than ever.

LANKA REALTY
INVESTMENTS PLC

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Financial and Operational Highlights

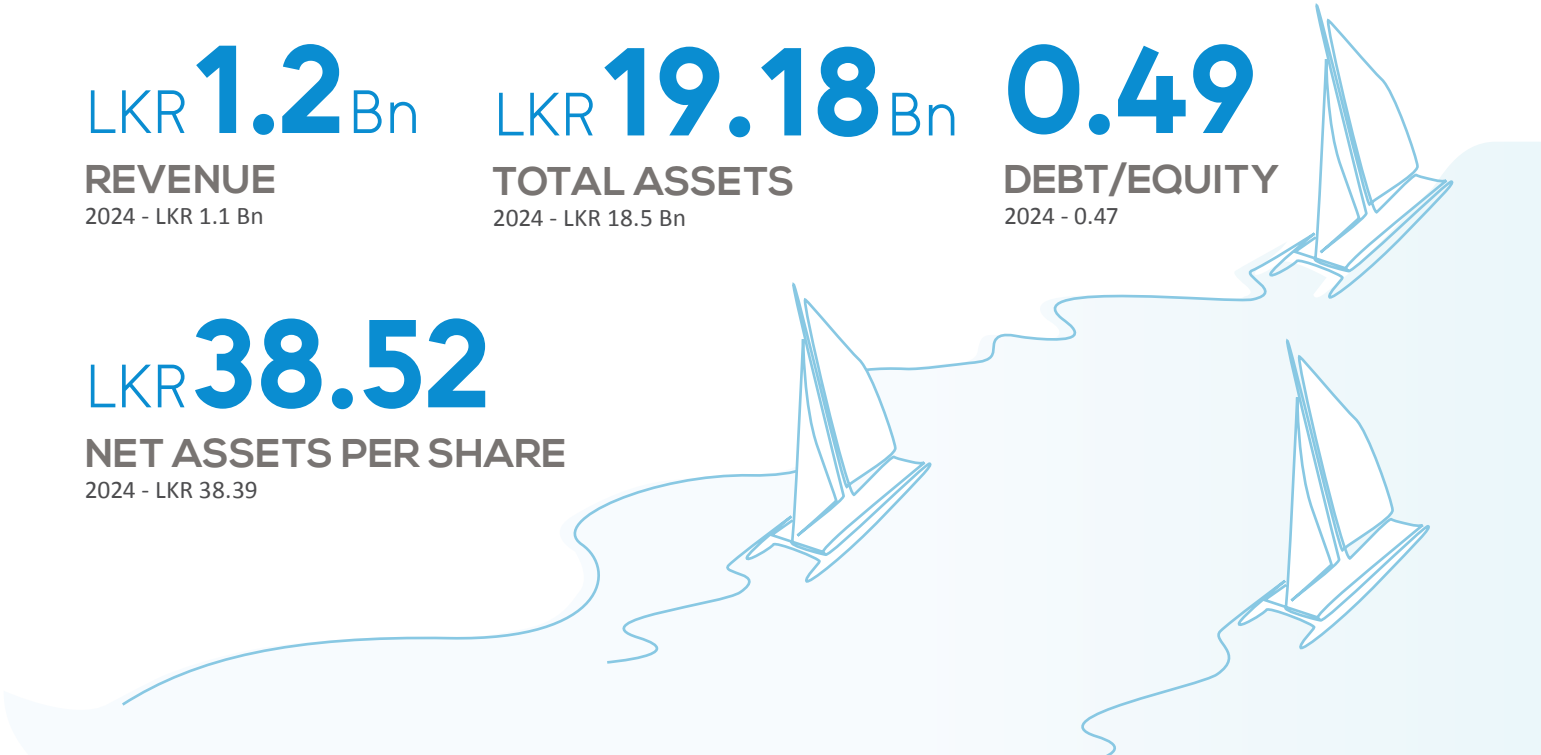
	2025	2024
Earning Highlights and Ratios		
Revenue	1,205,078,755	1,124,465,097
Gross Profit	445,079,020	297,331,084
Results from Operating Activities	167,606,404	(24,691,485)
Change in Fair Value of Investment Properties	457,198,875	720,351,702
Profit/ (Loss) for the Year	147,282,135	17,789,636
Profit/(Loss) Attributable to Equity Holders of the Company	(94,519,780)	(257,433,157)
Basic/Diluted Earnings/(Loss) Per Share (EPS)	(0.45) / (0.45)	(1.22) / (1.22)
Return on Equity (ROE)	1.5%	0.2%
Return on Assets (ROA)	0.8%	0.1%
Financial Position Highlights and Ratios		
Total Assets	19,175,819,853	18,537,289,645
Equity Attributable to Equity Holders of the Company	8,142,914,524	8,113,562,673
Total Debt	4,883,957,247	4,617,411,330
Total Equity	9,919,862,846	9,810,677,607
Number of Shares in Issue	211,370,428	211,370,428
Net Assets Per Share	38.52	38.39
Debt/Equity	0.49	0.47
Debt/Total Assets	0.25	0.25

LKR 1.2 Bn
REVENUE
2024 - LKR 1.1 Bn

LKR 19.18 Bn
TOTAL ASSETS
2024 - LKR 18.5 Bn

0.49
DEBT/EQUITY
2024 - 0.47

LKR 38.52
NET ASSETS PER SHARE
2024 - LKR 38.39



LRI Group Structure

100%
Lanka Realty Developments (PVT) Ltd

100%
Lanka Realty Leisure (PVT) Ltd

100%
Lanka Realty Ambalangoda (PVT) Ltd

LANKA REALTY
INVESTMENTS PLC

100%
Crown Resorts (PVT) Ltd

100%
Thudella Holdings (PVT) Ltd

100%
Almond Trees (PVT) Ltd

100%
ILook Villa (PVT) Ltd

100%
Oak Street
(PVT) Ltd

100%
285 Darley Road
(PVT) Ltd

100%
L&A Quarries
(PVT) Ltd

100%
Baseline
Holdings
(PVT) Ltd

80%
Amtrad Ltd

51%
On'ally Holdings
PLC (Unity Plaza)

100%
Mulberry
Holdings
(PVT) Ltd

100%
Alexandra
Holdings
(PVT) Ltd



Chairman's Statement



The real estate sector delivered an exceptional performance during the year under review, supported by rising property values, increased rental yields, lower interest rates, and accelerating economic activity.

SARRAVANAN NEELAKANDAN
Chairman

Dear Shareholders,

I am pleased to present the Annual Report for Lanka Realty Investments PLC (LRI) for the financial year ended 31st March 2025. Over the years, we have operated in a landscape shaped by both challenges and opportunities. Throughout, our resilience and clarity of purpose have remained unwavering - enabling us to continue delivering robust results while creating meaningful value for our shareholders.

The year under review was a testament to the strength of our leadership and the agility of our Company. Amidst a complex macroeconomic environment, we have re-emerged with renewed confidence – driven by focused strategic development, long-term vision and a positive outlook for the future. Our performance has been made possible by the commitment of our leadership team, the dedication and tireless efforts of our employees, all of whom are firmly anchored by LRI's core values.

SEGMENTAL HIGHLIGHTS

The real estate sector delivered an exceptional performance during the year under review, supported by rising property values, increased rental yields, lower interest rates, and accelerating economic activity. As Sri Lanka outpaced growth expectations, we were well-positioned to benefit from these tailwinds.

In the commercial segment, our flagship commercial property HQ Colombo maintained 100% occupancy - underscoring its prime location, superior facilities and high tenant satisfaction.

At Unity Plaza, refurbishment works are nearing completion. The revitalised complex has generated renewed interest, resulting in increased occupancy and positive tenant feedback. An exciting addition planned for the coming months is a wrap-around LED screen on all three external road-facing facades, reinforcing Unity Plaza's position as Sri Lanka's leading technology hub and creating an opportunity for new revenue streams.

In the residential segment, our premier three-tower development, Mulberry Residence, is advancing steadily towards completion. Two towers are fully sold and are partially occupied, while the third tower is scheduled for completion by the end of Q3 2025. Demand remains strong, with only two 3-bedroom apartments remaining unsold - reflecting the project's strong market appeal and value proposition.

The leisure segment showed early signs of promise amid a continued increase in tourist arrivals. Although the financial performance of our operating leisure properties did not meet expectations during the year under review, we remain optimistic about improved occupancy and performance in the remainder of 2025 and beyond. Strategic investments in property refurbishment and upgrades are already underway to enhance guest experiences and align with evolving market preferences. We are also actively progressing with new hotel development projects in our pipeline to position us to capture future growth in the segment.

In the manufacturing segment, operations at Amtrad were temporarily suspended for the first three quarters of the financial year due to adverse market conditions and weakened demand. However, operations resumed in January 2025, following a shift in the competitive landscape, which saw the exit of several smaller players. Encouragingly, we are now witnessing renewed interest in our sustainably manufactured concrete blocks and paving stones, and the segment is now poised for growth in the years to come.

FINANCIAL PERFORMANCE

The Group recorded total revenue of Rs. 1.2 billion for the financial year ended 31st March 2025, representing compared to the previous year, which saw a 37% decline.

CREATING STAKEHOLDER VALUE

At LRI, we remain steadfast in our mission to create long-term value for all our stakeholders - shareholders, employees, tenants, customers, and business partners. Our strategy is built on a foundation of operational excellence, ethical conduct, and transparent engagement.

In May 2025, we demonstrated this commitment by successfully completing a landmark dual transaction, securing and raising Rs. 1.6 billion (USD 5.3 million) in capital from a strategic investor. The infusion of funds into both the holding company, Lanka Realty Investments PLC, and its key subsidiary, Lanka Realty Development (Pvt) Ltd, also known as HQ Colombo, reflects strong investor confidence in our governance, asset strength and long-term strategy.

Furthermore, the divestment of Baseline Holdings (Private) Limited - a prime land in the heart of Colombo - for Rs. 1.1 billion in July 2025, is expected to significantly improve our gearing and strengthen the Group's balance sheet. These milestones mark a new chapter of financial agility and strategic focus for LRI.

RISK MANAGEMENT AND CORPORATE GOVERNANCE

Sound risk management and robust corporate governance remain central to our value creation strategy and long-term resilience. The Board plays an active role in embedding a culture of accountability, transparency and adaptability across the organisation.

Chairman's Statement

We continue to enhance our risk management framework to proactively identify, assess, and mitigate potential risks - whether strategic, operational, financial, or regulatory. This vigilant approach enables us to safeguard assets, support informed decision-making, and protect stakeholder interests, even in the face of evolving market conditions.

LRI adheres strictly to the governance standards set by the Securities and Exchange Commission of Sri Lanka and the Colombo Stock Exchange. Through sound governance and ethical practices, strong compliance and commitment to transparency, we continue to strengthen investor confidence and corporate integrity.

THE PATH AHEAD

As we enter the next phase of growth, LRI is actively exploring strategic joint ventures and the divestment of select land-bank assets to unlock value and attract synergistic partnerships. These initiatives are guided by a prudent and structured asset management strategy, ensuring optimal capital deployment while maintaining focus on long-term sustainability.

Over the next five years, our strategic roadmap will drive the Company towards a future of exceptional progress and achievement. This ambitious plan sets out clear objectives and priorities that will support the fulfilment of our commitments to stakeholders to deliver consistent returns and the realisation of our broader vision for growth.

We remain resolutely committed to delivering superior value to our stakeholders, ensuring that our progress is responsible, sustainable, and inclusive. With confidence in our people, our asset portfolio, and our strategy, we look ahead to building a more resilient, agile, and future-ready organisation.

ACKNOWLEDGEMENTS AND APPRECIATIONS

I would like to take this opportunity to extend my sincere appreciation to my fellow members of the Board of Directors for their steadfast guidance, strategic foresight and unwavering commitment to the long-term success of the Company.

I express my deep gratitude to our Executive Directors, Mr. Hisham Jamaldeen and Mr. Archie Warman – "The Dynamic Duo" – for their outstanding leadership, dedication and drive. Their efforts, along with those of our senior management and the entire LRI team, have been instrumental in steering the Company forward amidst a rapidly evolving landscape.

Finally, a heartfelt thank you to our valued shareholders, tenants, customers, and business partners, for their continued trust and unstinted support. Your confidence empowers us to innovate, evolve, and create lasting value, as we continue our journey towards a stronger and more impactful future.



Sarravanan Neelakandan
Chairman

Executive Directors' Review

We will continue to maintain our focus on revenue growth driven by higher occupancy, rental growth, and strong sales and collections.



ARCHIE JAMES BUCKLAND WARMAN
Executive Director

MOHAMED HISHAM JAMALDEEN
Executive Director

Executive Directors' Review

We are delighted with Lanka Realty Investments PLC's (LRI) performance for the financial year 2024/25, a period that underscores our strategic advancements, robust operational strengths, and unwavering commitment to growth. This year has been characterised by significant achievements across our portfolio, with revenue growth driven by higher occupancy, rental growth, and strong sales and collections, reinforcing our position as a leading entity in the real estate and leisure sectors.

ECONOMIC LANDSCAPE AND IMPACT

The Sri Lankan economy in 2024 continued to present a complex environment, with ongoing recovery efforts and evolving policy frameworks. While signs of stabilisation emerged, the real estate and leisure sectors experienced varied impacts. The real estate market, particularly for new developments, was affected by tighter credit conditions and cautious consumer sentiment. Despite these challenges, our strategic focus on high-occupancy operational assets, such as HQ Colombo and Unity Plaza, allowed us to maintain a strong performance. The leisure sector, while showing promising signs of recovery in tourist arrivals, continues to navigate the broader economic currents that influence operational costs and consumer spending patterns. Our diversified portfolio and agile strategies have been crucial in mitigating these external pressures and positioning us for resilience.

OPERATIONAL EXCELLENCE AND ASSET PERFORMANCE

A significant highlight of the year under review has been the exceptional performance of our core real estate assets. Throughout the financial year 2024/25, our operational excellence has been reflected in clear revenue growth drivers: steadily increasing occupancy across our income-generating assets, continued rental growth supported by proactive asset and facilities management, and strong sales and collections momentum.

We are delighted to report that HQ Colombo continues to maintain a remarkable 100% occupancy, a testament to its prime location and superior offerings. As such, the property recorded a revenue growth of 30.76% to Rs. 238 million during the year under review, representing the highest rent achieved by the Company.

The majority of the renovation work at Unity Plaza is now complete, and we are seeing strong demand for its revitalised retail and office spaces. As Sri Lanka's No. 1 IT hub, the property recorded a significant growth in rental income by 16.14% during the year under review, a trend we anticipate continuing with the innovative developments planned for other floors of the building. Accordingly, an 18.77% revenue growth was achieved, amounting to Rs. 340 million during the year under review.

Sales and collections for the Mulberry Residence project have been strong, with 119 units sold to date and only two 3-bedroom units remaining. Handovers have already commenced, and buyers are beginning to move in, marking an important contribution to collections. This milestone reflects the successful culmination of a significant development effort by the Company and underscores our ability to deliver a greenfield site to a modern living complex. We are immensely proud of this achievement, which will further strengthen our revenue streams in the years ahead.

As LRI pivots away from development to focus on core asset management, we are pleased to report the successful disposal of the landbank held by Baseline Holdings (Private) Limited post the financial year under review. We are now actively working on developing the Company's 792-perch land in Thudella, Ja-Ela.

Beyond our core real estate, we have also made advancements in the leisure sector. We are particularly excited about the promising leisure pipeline, which we believe holds substantial potential for future growth as the country's tourism sector rebounds and moves towards pre-COVID levels. Our existing leisure properties, W15 Weligama and W15 Escape Ahangama, have demonstrated stable performance, contributing positively to our bottom line. While we continue to address ongoing challenges in the Yala development, our broader leisure strategy remains firmly on track.

These achievements highlight our disciplined execution and resilience in a challenging market. Collectively, our revenue growth drivers, together with a focus on facilities management, where maintaining high-quality facilities and services remains a high-priority focus, establish a robust foundation for revenue growth and long-term value creation, while reinforcing the strength of LRI's operating model and positioning us to deliver consistent financial performance.

FINANCIAL HEALTH AND INVESTMENT STRATEGY

Financially, the importance of de-gearing and paying down debt has been paramount in ensuring the Company's sustainability amidst a recovering economic landscape. At the time of writing this report, we have successfully secured fresh investment for LRI and HQ Colombo, which has been instrumental in reducing our debt burden. Our land bank strategy is evolving; instead of outright sales, we are now prioritising joint venture partnerships. This approach creates potential for shared development benefits, allowing us to reduce debt while retaining exposure to future growth. We also note a favourable listing environment, presenting potential equity-raising opportunities on the horizon for income-backed asset initiatives. In response, our team is actively positioning the business to capture these opportunities.

FINANCIAL PERFORMANCE

The financial year under review recorded a group revenue growth of 7.2% to LKR 1.2 billion for the financial year ended 31st March 2025, compared to the 37% decline recorded in the previous financial year. The Company's real estate segment remained the main revenue

driver, especially Mulberry Residence. The total contribution to group revenue from Mulberry Residence amounted to 31.99% during the financial year under review. The leisure sector's contribution to group revenue increased to 18.44% during the financial year under review, compared to 20% recorded at the end of the previous financial year.

LRI's asset base has strengthened, with total group assets increasing to LKR 19.18 billion as of 31st March 2025, compared to LKR 18.537 billion as of 31st March 2024.

Furthermore, during the year under review, the Company took decisive steps to strengthen its capital structure, resulting in a reduction in total debt from LKR 4.5 billion as of June 2024 to LKR 3.9 billion as of June 2025. This significant deleveraging was primarily driven by the LKR 1.2 billion capital infusion from the sale of a 49% stake in the HQ Colombo building. Additionally, the divestiture of Baseline Holdings (Private) Limited generated proceeds of LKR 500 million, which will be utilised to further reduce our borrowings in the second quarter of the financial year 2025/26.

As part of our overall financial restructuring, we have also focused on optimising interest costs. We successfully renegotiated the terms on key banking facilities, reducing the average borrowing rate from 20% to 11.5%. This is expected to have a tangible reduction in interest expenses in the upcoming financial year.

FORGING THE FUTURE

As LRI continues its evolution, we have identified a clear strategic shift to optimise returns and mitigate risks over the coming years. Focusing on our five-year plan, our asset management strategy remains dynamic and responsive to market conditions. Our strategic direction is firmly centred on optimising our operational assets, such as Unity Plaza and HQ Colombo, while acquiring and strategically refurbishing well-located, income-producing properties, leveraging on our proven track record.

In the leisure segment, we will build upon the established strength of the W15 brand, actively exploring opportunities for management contracts to expand our footprint. Our immediate strategic focus will be on further improving occupancy rates within our existing leisure portfolio while simultaneously advancing the development of W15 Yala and W15 Ambalangoda.

Looking ahead to the next financial year, we have detailed plans to further segregate the retail space within Unity Plaza, including the creation of an innovative gamer's lounge on the third floor, designed to attract a wider demographic and increase footfall. Additionally, the upcoming installation of state-of-the-art LED wraparound screen around Unity Plaza with advertising potential will further boost its commercial appeal, enabling us to benefit from non-core income generating activities. These initiatives underscore our strength and knowledge in asset operation and management.

We will continue to maintain our focus on revenue growth driven by higher occupancy, rental growth, and strong sales and collections, while actively leveraging these levers to strengthen cash flows, enhance asset value, and create value for our stakeholders.

OUR SINCERE APPRECIATION

We take this opportunity to extend our sincere appreciation to the Chairman and the Board of Directors for their invaluable guidance and strategic direction throughout the year under review. Our deepest gratitude is also reserved for our employees, whose unwavering commitment, resilience, and dedication have been instrumental in ensuring the successful growth of LRI. They have embraced our corporate values and continue to build upon them as we pursue our strategic objectives.

We are especially thankful to our customers for their continued trust and loyalty - they remain at the heart of our success and growth. We also acknowledge with gratitude the steadfast support of our suppliers, business partners, regulatory authorities, and shareholders, whose confidence in the Company continues to inspire our journey forward.

In conclusion, the financial year 2024/25 has been a period of strategic execution and operational excellence. We are confident that the initiatives undertaken, particularly in asset optimisation, improvements in the leisure segment, and financial prudence, position LRI for continued success and sustainable growth.



Archie James Buckland Warman
Executive Director



Mohamed Hisham Jamaldeen
Executive Director

Board of Directors



SARRAVANAN NEELAKANDAN
Chairman



ARCHIE JAMES BUCKLAND WARMAN
Executive Director



MOHAMED HISHAM JAMALDEEN
Executive Director



PIERS MORGAN
Non-Executive Director



MOHAMED FIRDOUSE FAROOK
Non-Executive Director



BRIAN VINOD SELVANAYAGAM
Independent Non-Executive Director

SARRAVANAN NEELAKANDAN

Chairman / Independent Non-Executive Director

Mr. Sarravanan Neelakandan is an Attorney-at-Law and a Barrister of Lincoln's Inn. He holds a LLM in Banking and Finance Law from University of London and a LLB from the University of Durham.

Mr. Neelakandan has been in practice in the legal profession for over 19 years and is the Founder and Managing Partner of Sarravanan Neelakandan Law Associates, with a wide-ranging legal practice in the areas of Commercial Law, Corporate Law, Banking & Finance Law, Foreign Investment, Infrastructure Projects and Dispute Resolution.

In addition to his legal practice, Mr. Neelakandan contributes to the legal profession as Co-Editor-in-Chief of the Bar Association Law Journal, a key platform for legal scholarship and commentary in Sri Lanka.

He holds directorships/positions in four other entities viz: Independent Non-Executive Director of On'ally Holdings PLC, Director of Amazon Data Services Lanka (Pvt) Ltd, and Executive Director of SN Law Corporate Secretaries (Pvt) Ltd. He is also the Managing Partner of Sarravanan Neelakandan Law Associates.

MOHAMED HISHAM JAMALDEEN

Executive Director

Mr. M. H. Jamaldeen brings over two decades of expertise in corporate finance, accounting, and strategic business development, spanning the real estate, leisure, hospitality, retail, energy, and logistics sectors. His breadth of knowledge and experience have positioned him as a respected leader in both local and international business circles, with a proven record of creating value at Board level.

Mr. Jamaldeen's began his career in London's financial sector, serving as Finance Director at Newbridge Capital Investments Limited. In this role, he was involved in real estate transactions exceeding USD 1.6 billion, gaining substantial experience in acquisitions, disposals, transactional analysis, financing structures, and tax planning.

Returning to Sri Lanka, he founded Steradian Capital Investments (Pvt) Ltd, which has since grown into a leading real estate advisory and investment firm, managing assets of over LKR 25 billion. His entrepreneurial vision and strategic acumen earned him recognition by Echelon magazine as a trailblazer in the investment sector.

He has also held significant Board positions in leading Sri Lankan institutions. Notably, he served as an Independent Non-Executive Director of Hayleys PLC, Sri Lanka's premier diversified conglomerate, for over a decade, contributing to the creation of long-term stakeholder value. In addition, he has twice served on the Sri Lanka Cricket Interim Committees, focusing on strengthening governance and building more robust financial structures to support the sport's development. He has further contributed nationally as a Board Member of People's Bank and the Sri Lanka Atomic Energy Board, while serving the community as Treasurer of Moors Sports Club.

A Fellow of the Association of Chartered Certified Accountants (UK), Mr. Jamaldeen also holds an Engineering and Business degree from the University of Warwick, UK, equipping him with both technical and financial expertise.

He holds directorships in forty companies viz: Managing Director of On'ally Holdings PLC, and Executive Director of Steradian Capital Investments (Pvt) Ltd, Chairman/ Managing Director of Lanka Realty Developments (Pvt) Ltd, Non-Executive Director of 285 Darley Road (Pvt) Ltd, Alexandra Holdings (Pvt) Ltd, Alkhimi (Pvt) Ltd, Amtrad Limited, Almond Trees (Pvt) Ltd, Baseline Holdings (Pvt) Ltd, Bravo Holdings Lanka (Pvt) Ltd, Cape Diamante Nominee (Pvt) Ltd, Core Holdings Lanka (Pvt) Ltd, Crown Resorts (Pvt) Ltd, Dutch Bay Holdings (Pvt) Ltd, Hardy James (Pvt) Ltd, HJAW International (Pvt) Ltd, HQ Colombo (Pvt) Ltd, Ilook Villa (Pvt) Ltd, Jamaldeen Fine Jewels (Pvt) Ltd, L&A Quarries (Pvt) Ltd, Laffer (Pvt) Ltd, Lanka Land Realty (Pvt) Ltd, Lanka Realty Ambalangoda (Pvt) Ltd, Lanka Realty Leisure (Pvt) Ltd, Mulberry Holdings (Pvt) Ltd, Natures Clarity (Pvt) Ltd, Oak Street (Pvt) Ltd, Realty Business (Pvt) Ltd, Sathutu Nivahana Lanka (Pvt) Ltd, Steradian Capital Management (Pvt) Ltd, Thudella Holdings (Pvt) Ltd, W15 Lakeside (Pvt) Ltd, W15 Nuwaraeliya (Pvt) Ltd, HQ Entertainment (Pvt) Ltd, HQ Events (Pvt) Ltd, HQ Restaurants (Pvt) Ltd, Ferrutti (Pvt) Ltd, Summer Season Ltd, Summer Season Mirissa Ltd and Summer Season Residencies Ltd.

With his forward-looking perspective, strong financial discipline, and extensive leadership portfolio, Mr. Jamaldeen continues to play a pivotal role in driving growth, strengthening governance, and creating long-term value for stakeholders.

ARCHIE JAMES BUCKLAND WARMAN

Executive Director

Mr. Archie Warman is a qualified Chartered Surveyor. He has practiced in commercial & residential real estate and has been involved in investment brokerage, leasing and letting, valuations & development appraisals, property management, landlord and tenant law and asset management initially in the City and West End of London at Hexell Wylie (now Savills).

Mr. Warman was the Property Director at Newbridge Capital Investments Limited, a property investment and development company, transacting directly into the UK commercial and London residential markets.

Board of Directors

Mr. Warman achieved an MA in Property Valuation and Law at Cass Business School (City University London) and is a Member of the Royal Institute of Chartered Surveyors.

He holds directorships in twenty one other companies viz: Non-Executive Director of On'ally Holdings PLC, Executive Director of Steradian Capital Investments (Pvt) Ltd, Chairman / Managing Director of Amtrad Limited, Non-Executive Director of 285 Darley Road (Pvt) Ltd. Alexandra Holdings (Pvt) Ltd, Almond Trees (Pvt) Ltd, Baseline Holdings (Pvt) Ltd, Crown Resorts (Pvt) Ltd, Dutch Bay Holdings (Pvt) Ltd, Hardy James (Pvt) Ltd, HJAW International (Pvt) Ltd, L & A Quarries (Pvt) Ltd, Lanka Land Realty (Pvt) Ltd, Lanka Realty Ambalangoda (Pvt) Ltd, Lanka Realty Developments (Pvt) Ltd, Lanka Realty Leisure (Pvt) Ltd, Mulberry Holdings (Pvt) Ltd, Oak Street (Pvt) Ltd, Steradian Capital Management (Pvt) Ltd and Thudella Holdings (Pvt) Ltd.

PIERS MORGAN

Non-Executive Director

Mr. Piers Morgan is a lifelong entrepreneur. He was born in London and educated at Harrow School, completing his higher education qualified in Construction Engineering and Building Management in 1968.

His early business enterprises, which started in 1969, were quite diverse and included the logistics and leisure industries. As a result of moving to the Netherlands in 1988, he became involved in the Toy Industry, which led to the foundation of what has grown, over the past 36 years, to become The Animal Magic Group, based in Hong Kong with extensive manufacturing facilities in Southern China and sales across the globe.

In the early '90s, before Animal Magic had established its own factories in China, Mr Morgan manufactured some of his toy products in Sri Lanka. This gave him some insight into the Sri Lankan business environment, a profound love of its natural beauty as well as great respect for the culture of its people.

He holds directorships in two other companies viz: Chairman / CEO of Animal Magic Group of Companies and Director of Steradian Capital Investments (Pvt) Ltd.

MOHAMED FIRDOUSE FAROOK

Independent Non-Executive Director

Mr. Firdouse Farook is an entrepreneur and investor with over 23 years of experience in diversified fields of business including telecommunication, renewable energy, real estate development, venture capital and investment promotion.

He served as a member of the Board of Directors at Sri Lanka Telecom PLC (SLT) and as a Director of other subsidiary companies of SLT.

He is an old boy of Royal College, Colombo.

He holds directorships in fourteen other companies viz: Executive Director of Lakeside Property Developers (Private) Ltd and Non-Executive Director of Amtrad Limited, Aventus Lanka Holdings (Private) Limited, Greenland Bio Mass (Private) Ltd, Greenlanka Bio Power (Private) Ltd, Lanka Realty Developments (Pvt) Ltd, Manelwala Hydro Power (Private) Ltd, Mundel Center E P L Wind (Private) Ltd, Mundel North E P L Wind (Private) Ltd, Mundel South E P L Wind (Private) Ltd, Omega Group (Private) Limited, Pennant Dendro Power (Private) Limited, Power Hub Green Energy (Private) Ltd and Infinity Media Corporation (Pvt) Ltd.

BRIAN VINOD SELVANAYAGAM

Independent Non-Executive Director

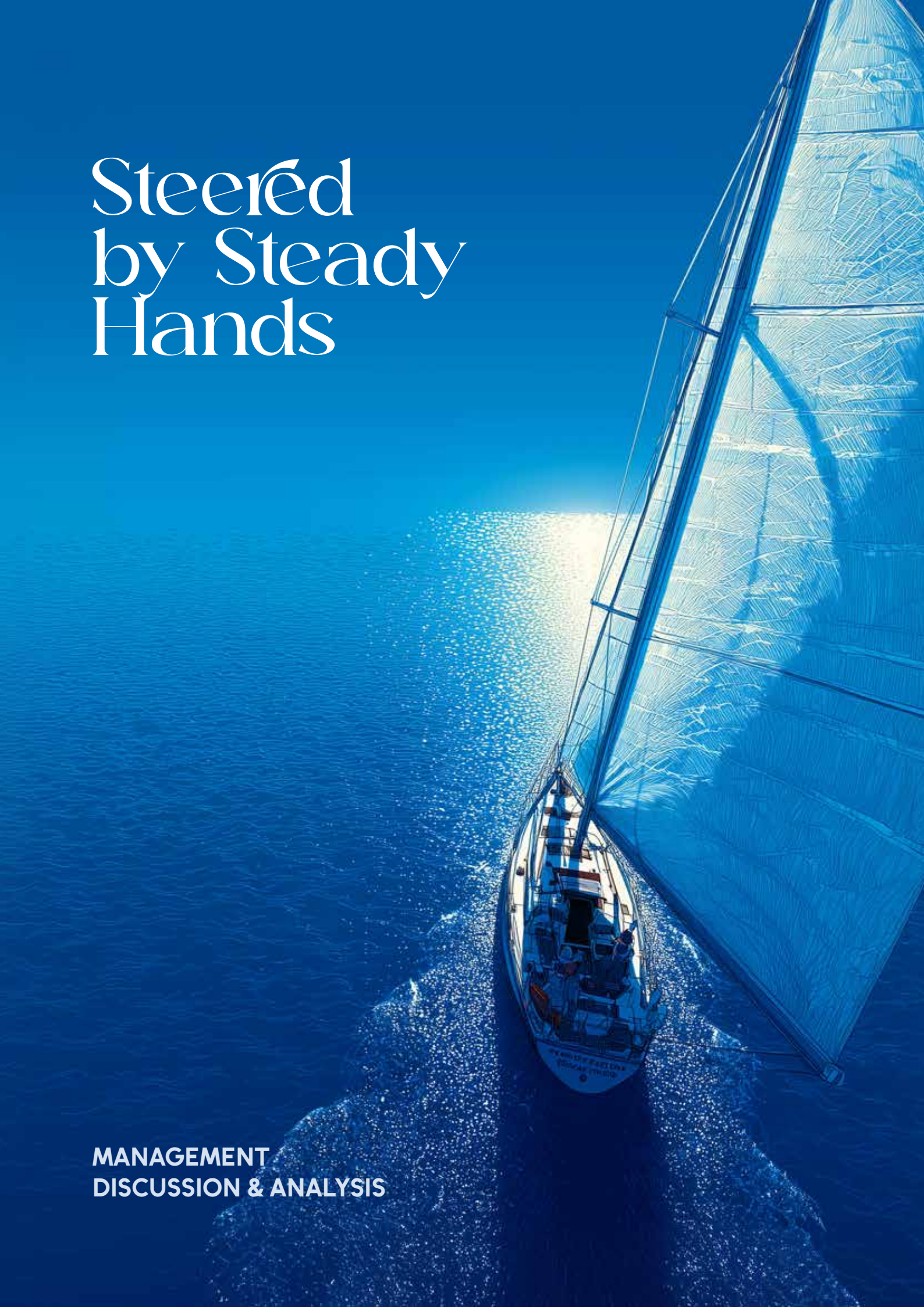
He is an Associate Member of the Chartered Institute of Management Accountants (UK), Fellow Member of the Institute of Chartered Accountants of Sri Lanka, Fellow Member of the Chartered Institute of Marketing (UK), Fellow Member of the Certified Management Accountants of Sri Lanka and Chartered Member of the Chartered Institute for Securities & Investment (UK).

He is the Past Chairman of the Chartered Institute of Marketing Sri Lanka and was a member of the Audit & Risk Committee of the Chartered Institute of Marketing (UK).

He is presently a Non-Executive Director of Ceylon Biscuits Limited and is also an Independent Non-Executive Director of AMW Capital Leasing & Finance PLC.

He counts over 25 years of work experience in fields covering auditing, banking and financial services, property development and education. He is also a Justice of Peace for the whole Island.

Steered by Steady Hands



MANAGEMENT DISCUSSION & ANALYSIS

Management Discussion & Analysis

Lanka Realty Investments PLC (LRI) is a prominent player in Sri Lanka's real estate sector. The Company is dedicated to operating income-generating assets across a diverse portfolio of properties, including commercial, residential, and leisure.



CORE BUSINESS SEGMENT

Commercial Real Estate

Owns and manages commercial properties to generate rental income.

Residential Real Estate

Pursues joint ventures by leveraging landbank to provide both luxury and affordable housing.

Leisure

Invests in, owns, and manages boutique hotels across Sri Lanka.



With a strong commitment to quality and innovation, LRI aims to create valuable real estate assets that cater to the evolving needs of the market. The Company's strategic approach and experienced management team position it as a leader in the industry, driving growth and delivering long-term value to stakeholders.

Over the past year, LRI has demonstrated significant progress across its core business pillars, supported by the following key industrial growth drivers, which strongly support LRI's ongoing growth plans and strategic ambitions.

Urbanisation: Rapid urbanisation, particularly in Colombo, Kandy, and Galle, is a major demand driver for both residential and commercial properties.

Tourism Recovery: The strong rebound in tourism is boosting demand for hospitality real estate and contributing to overall economic revitalisation.

Investor Confidence: Improved economic stability, declining interest rates, and renewed international confidence are contributing to increased investor sentiment.

Diaspora Investment: Sri Lankan expatriates are actively investing in properties for retirement or long-term asset growth.

Digital Transformation: Online listings and virtual tours are making property search more efficient, especially for overseas buyers.

Sustainable Development: There is growing momentum for eco-conscious development, including green buildings and sustainable construction practices.



REAL ESTATE SEGMENT

The Company's real estate segment continues to perform beyond expectations, driven by a more positive economic outlook and improving political and market conditions. In particular, the team's commitment to enhancing value through asset management has enabled LRI to focus heavily on operational assets, such as HQ Colombo and Unity Plaza, while making steady progress on the development and sales of the soon-to-be-completed Mulberry Residencies.

This segment contributed 80% to group revenue, marking an 9.2% growth during the financial year under review.

SRI LANKAN REAL ESTATE SECTOR

The Sri Lankan real estate market, encompassing both commercial and residential properties, has shown signs of resilience and recovery during the year under review, despite past economic challenges. Several factors, including urbanisation, increased international interest, and a more stable economic outlook, are shaping current trends.

A key factor supporting LRI's growth is the recovery of the commercial property sector, which continued at a faster pace in the recent past, with overall investor sentiment in the Sri Lankan real estate industry generally optimistic for long-term growth. The industry traded at a higher PE ratio than its 3-year average of 6.4 in both Q1 and Q4 of the financial year 2024/25. Industrial properties remain strong due to demand from e-commerce and logistics operations, with vacancy rates holding steady. Retail properties also show resilience, while office spaces, which were impacted by remote work trends, are slowly reversing; office vacancy rates are beginning to moderate in some markets.

The financial year 2024/25 has seen a consistent upward trend in land prices across Sri Lanka, driven by a recovering economy and shifting buyer preferences. The Central Bank of Sri Lanka's Land Valuation Indicator (LVI) for the Colombo District recorded a year-on-year increase of 7.7% in the second half of 2024. This growth was broad-based, with residential land leading the way with a 9.9% increase, followed by commercial and industrial plots. A major factor in this market buoyancy is a significant shift in demand from central urban centres to more affordable and developing suburban areas. Demand has been particularly robust for lands in the lower-to-mid price segments, while high-end plots have shown more limited growth. This trend reflects a cautious but optimistic market where affordability and long-term development potential are key drivers for investors and homebuyers.

The residential sector, particularly condominiums and suburban housing, has seen a positive trend in terms of prices and sales. The year-on-year increase in the Asking Price Index for condominiums in the Colombo district recorded an increase of 5.5%, rising from 177.7 in Q1 2024 to 187.4 in Q1 2025. Conversely, the year-on-year growth in the Price Index for New Condominiums moderated, registering a 13.9% increase in Q1 2025 to 240 compared to 210.8 in Q1 2024. This indicates a sustained, yet evolving, positive trend for condominium values within Colombo, which bodes well for LRI's Mulberry Residencies project. Furthermore, housing and land prices were also on the rise in Colombo and in the suburban areas of the Western Province.

While the Condominium Property Sales Volume Index showed a mixed trend, with Q1 2024 showing 95.7 and shooting up by 169% to 257.8 in Q1 2025. This is evidenced by several project launches. Sri Lankan residents continued to be the primary buyers of condominiums, with a notable increase in purchases for both immediate occupancy and investment purposes, while dual citizens and foreigners also showed an interest.

Management Discussion & Analysis



UNITY PLAZA

Colombo's Premier IT Hub

PERFORMANCE OF UNITY PLAZA

LOCATION
Colombo 04

STOREYS
10

AREA
156,145 sq. ft. (GIA), 81,832 sq. ft (NIA)

Strategically situated on Galle Road in central Colombo, Unity Plaza is a prime commercial property dedicated to the information technology sector.

It hosts a comprehensive ecosystem of IT B2B and B2C retailers and has established itself as the definitive one-stop destination for consumers and businesses seeking cutting-edge technology products and services.

Unity Plaza, positioned as Sri Lanka's No. 1 IT hub, demonstrated a resilient performance throughout the financial year, with occupancy rates being maintained at an average 69% as of 31st March 2025, despite significant refurbishments taking place throughout the year. The property successfully secured 48 new leases and facilitated 21 renewals during the year under review. Unity Plaza recorded a significant rental growth of 18.77%, successfully meeting our planned rental income targets and making strong headway in terms of estimated rental value (ERV) growth. This robust performance clearly highlights continued demand and tenant satisfaction.

Various strategic initiatives are underway to further optimise the building's offerings. One of the most exciting developments is the installation of the new LED wraparound screen for external signage of the building, which promises to significantly enhance Unity Plaza's overall appeal and visibility, whilst also opening up new revenue streams from advertising opportunities. The 2nd floor Food Court in the balcony area, designed to host multiple food outlets and a spacious dining area, has finished structural work, glass window installation, and construction, making it ready for occupation. This aligns with the broader 2nd Floor renovations, which are now complete, with occupancy commencing after 1st August 2024. On the 1st floor, common area renovations are well underway, with much of the work completed on the ceiling and flooring refurbishment, alongside the enlargement of pathways and shop spaces. Additionally, Unity Plaza is working towards operationalising its vision of a high-tech gaming lounge on the third floor of the building, to attract an emerging generation of upcoming gamers and tech enthusiasts. Looking ahead, plans are in motion for a proposed auditorium on the 8th floor, which is expected to significantly enhance our facilities, offering a versatile space for events, presentations, and large gatherings.



HQ COLOMBO

Elevating the Modern Workplace

PERFORMANCE OF HQ COLOMBO

LOCATION
Colombo 10

STOREYS
09

AREA
114,900 sq. ft. (GIA), 78,133 sq. ft (NIA)

HQ Colombo is a contemporary commercial office space designed to redefine the workplace experience.

It features a curated selection of world-class amenities, perfect for both enhancing daily operations and impressing business partners and clients.

LRI is excited to announce that HQ Colombo reached 100% occupancy as of 31st March 2025, a significant milestone for the year. This achievement is particularly noteworthy as it represents the second consecutive year that HQ Colombo has maintained full occupancy, underscoring its consistent appeal and demand in the market. A testament to this robust interest was the seamless transition when one tenant vacated, with their space being immediately taken over by another tenant, ensuring no loss of occupancy.

Beyond achieving full capacity, the property also recorded an impressive 30.76% rental growth during the year under review. Notably, HQ Colombo secured a large-format deal at Rs. 250 per square foot, which is the highest rate achieved for a large area within the building. This performance reflects our strategic focus on ERV growth across various size bands. The property also successfully completed 9 lease renewals and signed 4 new agreements, further solidifying HQ Colombo's position as a premier workplace destination.

Complementing this achievement, HQ Colombo's facilities management and customer service have played a pivotal role in sustaining tenant satisfaction. The property upholds rigorous housekeeping standards, ensuring a clean, safe, and well-maintained environment that enhances the daily experience for occupants and visitors. Proactive tenant support, prompt issue resolution, and attention to detail in service delivery have reinforced trust and loyalty, positioning HQ Colombo not only as a premier commercial address but also as a benchmark for customer-centric real estate management.

Adding to the vibrant atmosphere and enhancing the tenant experience, 'Headquarters by W15', our upscale rooftop restaurant, bar, and lounge, which opened during the last financial year, is performing exceptionally well. It remains a popular destination, significantly contributing to the overall appeal of HQ Colombo.

Management Discussion & Analysis



MULBERRY RESIDENCE

Affordable Homes for Young Families

PERFORMANCE OF MULBERRY RESIDENCE

LOCATION
Colombo 09

STOREYS
3 towers with 14 storeys each

LAND AREA
106.34 Perches

APARTMENTS
121

Mulberry Residence is a residential development designed to provide affordable housing options for young dual-income families, offering two- and three-bedroom apartments.

Mulberry Residence has demonstrated remarkable progress in both sales and development during the year under review, showcasing LRI's operational excellence and commitment to quality. We are pleased to confirm that all towers are now structurally complete, and 119 apartments have been successfully sold out, underscoring the strong demand for this residential development. The remaining two 3-bedroom apartments have garnered much interest from prospective buyers and are expected to be sold in the upcoming financial year. During the year under review, the rooftop work was fully completed across Towers A, B, and C, and the podium waterproofing was finished with protection concrete laid. The swimming pools and the pool changing rooms were also completed. The gym installation is nearing completion, while the landscaping, including tiling and planting, for the boundary and front garden areas, was completed. All final interior work, including flooring, painting, and electrical work, is in its final stages, with completion expected shortly across all towers and units.

COMPANY-OWNED LANDBANK

LRI's extensive land bank provides a strong platform for joint ventures with strategic partners, enabling the Company to unlock hidden value through selective developments and divestments. With improved incomes, declining interest rates, and easing financial pressures, market conditions are strengthening for these properties, creating an opportune moment to pursue such collaborations. By holding onto prime land parcels and maximising their potential through joint venture agreements, LRI is well-positioned to enhance portfolio value, strengthen cash flows, and capture new growth opportunities with reduced capital outlay in the coming years.

MULBERRY JA-ELA

Capitalising on Megalopolis Development

LOCATION
Thudella, Ja-Ela

LAND AREA
792 Perches

Mulberry Ja-Ela represents a strategically located greenfield site in Colombo, uniquely poised to capitalise on Sri Lanka's upcoming Megalopolis development in the region.

The Company plans to unlock value by divesting a portion of the larger landbank through subdivision into plots, while retaining a prime section for the development of high-yield apartments. With all regulatory approvals already secured, the project is well-positioned to deliver strong returns and optimise land use.

MULBERRY BASELINE ROAD LANDBANK

LOCATION
Colombo 09

LAND AREA
230 Perches

The Company made a strategic decision to divest Baseline Holdings (Private) Limited, and the sale was successfully closed for Rs. 1.1 billion on July 18, 2025.

MULBERRY DARLEY ROAD

Colombo's Premier Mixed-Use Development Site

LOCATION
Colombo 10

LAND AREA
214 Perches

Mulberry Darley Road stands as a highly desirable, prime freehold property strategically located within Colombo's central business district. Boasting exceptional dual road frontage and a versatile square shape, its unparalleled proximity within a two-kilometre radius of the city centre positions it as a truly unique development site in Colombo.

Owned by Oak Street Pvt Ltd, a Board of Investment (BOI) registered company, the property qualifies for significant tax incentives. Furthermore, the project has already secured preliminary planning approval from the Urban Development Authority for a substantial 1.1 million square foot mixed-use development, setting the stage for a landmark undertaking.

Management Discussion & Analysis

FUTURE PROSPECTS AND STRATEGIC DIRECTION

The Company remains optimistic about growth within the real estate sector in the coming years, supported by urbanisation, which is projected to reach an impressive 70-80% by 2030, which will further increase demand across the sector. The more positive industry environment, driven by a combination of economic recovery and stabilisation, IMF reforms, and increased investor confidence, is expected to drive growth and opportunity within the sector.

Considering various external factors and strategic opportunities, LRI will maintain focus on pursuing opportunities which align with its expertise in commercial building refurbishment and asset management. Accordingly, the Company aims to identify and pursue new opportunities to drive LRI's growth and success by strategically pursuing joint venture partnerships and management agreements as the core approach for its new developments. The collective efforts of all our stakeholders will be instrumental in achieving these ambitious objectives.



LEISURE SEGMENT

Operating under the W15 brand, LRI's leisure segment effectively manages a portfolio of boutique hotels, each strategically located in highly sought-after tourist destinations. Over the years, W15 has established a reputation for luxury and exceptional service, driving strong demand from discerning guests.

This segment, catering to both domestic and international visitors, recorded a significant rise in occupancy during the year under review, in line with the robust growth of Sri Lanka's tourism sector and improved domestic market conditions. Furthermore, the Company's strategic alliances with destination management companies supported growth with their consistent referrals.

This segment contributed 18.44% to group revenue, recording an 2.32% decline during the financial year under review.

TOURISM INDUSTRY OVERVIEW

The Sri Lankan tourism industry recorded a significant rebound in 2024, with the strong recovery boosting demand for hospitality-related real estate such as holiday rentals and boutique

hotels. In 2024, the country welcomed approximately 2.05 million tourists, generating USD 3.2 billion in revenue. For 2025, the ambitious targets are 3 million arrivals and USD 5 billion in revenue, with nearly 1.2 million arrivals already recorded at the end of the first half of the year. India remains the leading source market, with leisure travel being the primary motivation.

Key growth drivers include Sri Lanka's economic stabilisation, the depreciating Rupee making holidays more affordable, and proactive government promotional efforts. However, challenges persist, such as the impact of the Minimum Room Rate in Colombo, the need to regulate the expanding informal tourism sector, and issues like inadequate waste management in popular sites. External factors, including global economic developments and geopolitical disruptions, continue to impact industry performance. Overall, the outlook is positive; however, continued policy refinement, robust regulation, and a commitment to sustainable practices are essential for achieving long-term sustainable growth.



W15 WELIGAMA

A Fusion of Sun, Surf, and Serenity

PERFORMANCE OF W15 WELIGAMA

LOCATION
Beside the Weligama Bay

ROOMS
10

DIRECT BEACH FRONTAGE
45 Meters

W15 Weligama is a luxurious beachfront boutique hotel and beach club, offering a quintessential coastal escape.

This ocean-side retreat perfectly blends the allure of sun-drenched shores with the thrill of the surf and the serene beauty of the sea.

Occupancy levels recorded a marginal increase compared to the previous financial year, with an annual average of 68% reflecting the improving position of the tourism sector. Total revenue earned amounted to Rs. 205 million, an decrease of 0.6% compared to the previous financial year.

Management Discussion & Analysis



W15 AHANGAMA

Contemporary Elegance in a Tropical Haven

PERFORMANCE OF W15 AHANGAMA

LOCATION
Ahangama

ROOMS
09

DIRECT BEACH FRONTAGE
A few hundred metres inland from the coastline

This boutique villa, set amidst the vibrant tropical foliage of a traditional Sri Lankan town, harmoniously combines contemporary design with a minimalist aesthetic, offering an immersive and tranquil experience.

W15 Escape Ahangama maintained performance levels similar to the previous financial year, although occupancy remained low. This is primarily due to the ongoing transformation of the property into a premium surf and wellness retreat, strategically aligned with the southern coastline's rise as a leading surf destination in Sri Lanka. To capitalise on this potential, the Company is investing capital to reposition the property, a move expected to drive stronger occupancy and long-term value creation.

PROPOSED DEVELOPMENTS

W15 YALA

Experience Luxury in the Wilderness

LOCATION: Yala **LAND AREA:** 7 Acres

ROOMS: 30 tented lodges



W15 Yala represents a planned exclusive retreat of 30 tented lodges within the iconic Yala National Park.

The project's launch is currently undergoing thorough planning, ensuring that comprehensive plans are in place for its future execution at the right time.

PROPOSED DEVELOPMENTS

W15 AMBALANGODA

Coastal Vibrancy near Historic Galle

LOCATION: Ambalangoda **LAND AREA:** 278 Perches

ROOMS: 53



This property is envisioned as a vibrant haven on Sri Lanka's iconic coastline, just moments from the historic charm of Galle Fort.

All necessary regulatory approvals for the project have been secured, and construction commencement is contingent upon the Company's planned expansion strategy.

FUTURE PROSPECTS AND STRATEGIC DIRECTION

Recognising the significant resurgence within the tourism sector, the Company is strategically advancing plans for the refurbishment and redevelopment of its existing portfolio, and pursuing the development of new hotels in prime tourism locations. Given the projected increase in arrivals for the upcoming year and the strong start with over 1 million visitors in the first six months of 2025, LRI is optimally positioned to capitalise on these evolving market dynamics.

MANUFACTURING SEGMENT

AMTRAD LIMITED

Pioneering Sustainable Construction Solutions in Sri Lanka

LOCATION: Veyangoda **LAND AREA:** 748.59 Perches | 51,490 Sq.ft.

CERTIFICATES: SLS 855:1989 Certified
CIDA (C7 Building & C6 Highway)



Renowned manufacturer of cement blocks and paving stones, Amtrad is deeply committed to sustainability, serving both large-scale industrial projects and residential construction.

Our cement blocks, manufactured in accordance with SLS certification standards, contribute to reduced costs and shorter construction times. Additionally, the larger size of our blocks compared to standard hardware options offers further efficiencies.

The Company's operations were suspended for the first three quarters of the financial year under review due to challenging market conditions. Activities recommenced in January 2025, driven by renewed demand and enhanced production capacity. Furthermore, cost optimisation methods were utilised to reduce transportation costs for our customers.

Corporate Governance

The Board of Directors of Lanka Realty Investments PLC (the "Company") is committed to maintaining the highest standards of corporate governance in line with the Companies Act No. 07 of 2007, 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.

The Company is dedicated to ensuring transparency, accountability, and fairness in all its dealings, with the objective of protecting and enhancing stakeholder value while fostering sustainable long-term growth.

The Company aspires to adhere to the best practices in Corporate Governance by ensuring greater transparency, business integrity, professionalism and ethical values in the best interests of all stakeholders.

BOARD OF DIRECTORS

The Board is the highest authority and is responsible for providing strategic leadership to achieve the Company's strategic goals and compliance with the applicable corporate governance practices, the requirements under 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.

COMPOSITION OF THE BOARD

The Board collectively possesses diverse range of skills and competencies, including entrepreneurship, financial, legal, marketing and property development. They are all business leaders and professionals of high repute. Their profiles are given on page……

As at the reporting date, the Board comprised of two (02) Executive and four (04) Non-Executive Directors, of whom three (3) are Independent Directors.

INDEPENDENCE OF DIRECTORS

Each Independent Non-Executive Director has submitted a Declaration of his independence as required under the Listing Rules of the Colombo Stock Exchange.

Based on the declarations so submitted by the Independent Non-Executive Directors, the Board has determined that three (03) Non-Executive Directors, namely, the Chairman Mr. Sarravanan Neelakandan and Directors, Mr. Mohamed Firdouse Farook and Mr. Brian Vinod Selvanayagam (who was appointed on 30th September 2024) are 'Independent' as per the criteria set out in the Listing Rules of the Colombo Stock Exchange. The Board has also determined that Mr R M M J Ratnayake the former Chairman of the Board of Directors who resigned with effect from 30th September 2024 was 'independent' upto the date of his resignation. In making the said determination the Board has also considered that the period of service as a Board Member exceeding nine years rendered by Mr R M M J Ratnayake did not compromise the independence and objectivity in discharging their functions as an Independent Director and he was nevertheless "Independent' as per the Listing Rules, as applicable during the said period.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of the Chairman and Executive Directors are separate with a clear distinction of responsibilities, which ensures balance of power and authority.

Mr. Sarravanan Neelakandan who is an Independent Non-Executive Director is the Chairman of the Board of Directors from 1st October 2024 and Mr. M H Jamaldeen and Mr. A J B Warman function as Executive Directors.

BOARD MEETINGS

The Board meets formally every quarter as a matter of routine. Ad hoc meetings are held as and when necessary to maintain regular communication to discuss relevant business issues and any other matter directed to the Board which can be resolved by circular resolution, is decided by Resolutions in writing. Seven days prior to every meeting the Directors are provided with the relevant information and background material relevant to the agenda.

The Board's functions include the assessment of the adequacy and effectiveness of internal controls, compliance with applicable laws and regulations, review of management and operational information, adoption of annual and interim accounts before they are published, review of exposure to key business risks, strategic direction of business, approval of annual budgets, monitoring progress towards achieving the budgets, approvals relating to key appointments, sanctioning major capital expenditure etc.

The attendance of the Directors at Board Meetings held during the year was as follows :

Name of Director	Status	16/05/2024	02/08/2024	25/10/2024	07/02/2025	Total
Mr. Sarravanan Neelakandan (Chairman)	IND/NED	✓	✓	✓	✓	4/4
Mr. Piers Morgan	NED	✓	✓	Ex	✓	3/4
Mr. Mohamed Hisham Jamaldeen	ED	✓	✓	✓	✓	4/4
Mr. Archie James Buckland Warman	ED	✓	✓	✓	✓	4/4
Mr. Mohamed Firdouse Farook	IND/NED	✓	✓	✓	✓	4/4
Mr. Brian Vinod Selvanayagam (appointed w.e.f. 30.09.2024)	IND/NED	Appointed w.e.f 30.9.2024		✓	✓	2/2
Mr. Ratnayake Mudiyanselage Mohan Joseph Ratnayake (resigned w.e.f 30.09.2024)	IND/NED	✓	✓	Resigned w.e.f 30.09.2024		2/2
Mr. Kudagamage Jayantha Pradeep (resigned w.e.f 30.04.2024)	NED	-	-	Resigned w.e.f 30.04.2024		-

NED – Non-Executive Director IND – Independent Director ED – Executive Director Ex -Excused

APPOINTMENT OF DIRECTORS / RE-ELECTION OF DIRECTORS / APPOINTMENT OF DIRECTORS OVER 70 YEARS OF AGE

The Board is guided by the Nominations and Governance Committee which was formed on 11th February 2021 to make recommendations on the structure and composition of the Board, new appointments to the Board, re-election / re-appointment of Directors and on Board performance evaluation.

The Company's Articles of Association requires any Director appointed during the year to hold office until the next Annual General Meeting, at which he retires and seeks re-election by the shareholders. One third of Directors other than the Chairman and Executive Directors retire by rotation at each Annual General Meeting and if eligible seek re-election by the shareholders.

Directors over 70 years of age shall be appointed / re-appointed by the shareholders only.

BOARD SUB COMMITTEES

The Board of Directors has formed four Sub Committees in compliance with the Listing Rules of the Colombo Stock Exchange and the Code of Best Practice on Corporate Governance. Current composition of Board Sub Committees is set out in the Annual Report of the Board of Directors appearing on page 12. As required by the Listing Rules, the Reports of the said Sub Committees appear on pages 37 and 43 respectively.

MEETINGS OF BOARD SUB COMMITTEES

The Board Audit Committee and Related Party Transactions Review Committee meet quarterly with provision to schedule additional meetings if required. The Remuneration Committee and Nominations and Governance Committee meet as and when necessary.

The attendance at Board Sub Committee Meetings held during the year was as follows:

AUDIT COMMITTEE

Name of Director	Status	Attendance
Mr Brian Vinod Selvanayagam [appointed w.e.f. 30.9.2024]	IND/NED	2/2
Mr. Sarravanan Neelakandan	IND/NED	4/4
Mr. Mohamed Firdouse Farook	IND/NED	4/4
Mr. Ratnayake Mudiyanselage Mohan Joseph Ratnayake [resigned on. 30.9.2024]	NED/IND	2/2
Mr. Kudagamage Jayantha Pradeep (resigned w.e.f 30.04.2024)	NED	

NED – Non-Executive Director
IND – Independent Director

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Name of Director	Status	Attendance
Mr Brian Vinod Selvanayagam [appointed w.e.f. 30.9.2024]	IND/NED	2/2
Mr. Sarravanan Neelakandan	IND/NED	4/4
Mr. Mohamed Firdouse Farook	IND/NED	4/4
Mr. Ratnayake Mudiyanselage Mohan Joseph Ratnayake [resigned on 30.9.2024]	IND/NED	2/2

NED – Non-Executive Director
IND – Independent Director

NOMINATIONS AND GOVERNANCE COMMITTEE

Name of Director	Status	Attendance
Mr Brian Vinod Selvanayagam [appointed w.e.f. 30.09.2024]	IND/ NED	1/1
Mr. Sarravanan Neelakandan	IND/ NED	2/2
Mr. Piers Morgan [appointed on 30.09.2024]	NED	1/1

Corporate Governance

Name of Director	Status	Attendance
Mr. Mohamed Hisham Jamaldeen [upto 30.09.2024]	ED	1/1
Mr. Ratnayake Mudiyanselage Mohan Joseph Ratnayake [resigned on 30.09.2024]	IND/ NED	1/1

NED – Non-Executive Director
IND – Independent Director
ED – Executive Director

COMPANY SECRETARY

P W Corporate Secretarial (Pvt) Ltd acts as the Company Secretary. The Company Secretary maintains minutes of all Board, Audit Committee, Related Party Transactions Review Committee, Remuneration Committee, Nominations and Governance Committee, meetings. The Company Secretary assists in ensuring the Board procedures are followed.

The Company Secretary is also responsible for timely circulation of information and papers related to Board and Sub - Committee meetings and advice on matters relating to corporate governance, Board procedures, rules and regulations. All Directors have access to the advice and services of the Company Secretary.

INTERNAL CONTROLS

The Board is responsible for the Company's internal controls. In this respect controls are established for safeguarding the Company's assets, making available accurate and timely information and imposing greater discipline on decision making. The process is strengthened by regular review by the Audit Committee on internal controls and procedures in the areas of finance, operations, human resources, and relevant legal and regulatory compliance.

COMPLIANCE WITH LAWS AND REGULATIONS

All necessary steps have been taken by the Board and the Management to ensure compliance with all relevant laws and regulations. The services of Lawyers, Auditors and other Consultants are obtained whenever it is necessary, to provide assurance to the Board in this respect.

GOING CONCERN

The Directors have reviewed the Company's budgets, capital expenditure requirements and future cash flows and are satisfied that the Company has sufficient resources to continue in operations for the foreseeable future. Therefore, the Going concern principle has been adopted in the preparation of the Financial Statements.

FINANCIAL REPORTING

The Board aims to provide and present a balanced assessment of the Company's position and prospects in compliance with the Sri Lanka Accounting Standards (LKAS / SLFRS) and the relevant Statutes and has established formal and transparent processes for financial reporting and internal controls.

The Statement of Directors' Responsibilities for the Financial Reporting is given on page 36 of this Report.

CORPORATE DISCLOSURES AND SHAREHOLDER RELATIONSHIP

The Company is committed to providing timely and accurate disclosure of all price sensitive information, financial results and significant developments to all shareholders, the Colombo Stock Exchange and where necessary, to the general public.

Shareholders are provided with Annual Report and, the Company disseminates to the market, Interim Financial Statements in accordance with the Listing Rules of the Colombo Stock Exchange.

The Company has adopted a Policy on Relations with Shareholders and Investors in compliance with the provisions of Rule 9.2.1 of the Listing Rules, which sets out the process for directing their inquiries and suggestions or questions to the Board of Directors through the Company website or by written requests forwarded through the Company Secretaries.

The Annual General Meeting provides a platform for shareholders to discuss and seek clarifications on the activities of the Company and its subsidiaries.

COMPLIANCE

The Company has complied with Rule 9 of the Listing Rules of the Colombo Stock Exchange on 'Corporate Governance' save and except in respect of the disclosure pertaining to appointment of the Chairman of the Board.

By Order of the Board
Lanka Realty Investments PLC

P W Corporate Secretarial (Pvt) Ltd
Director / Secretaries

20th November 2025

Annual Report of the Board of Directors on the Affairs of the Company

The Board of Directors of Lanka Realty Investments PLC has pleasure in presenting to the shareholders their Annual Report on the affairs of the Company together with the Audited Financial Statements of the Company and the Consolidated Financial Statements of the Company and its subsidiaries for the financial year ended 31st March 2025, conforming to all relevant statutory requirements.

This Report provides the information as required by the Companies Act No.07 of 2007, Listing Rules of the Colombo Stock Exchange and the recommended best practices.

GENERAL

Lanka Realty Investments PLC (the Company) was incorporated as a limited liability company under the name 'Asian Cotton Mills Limited' on 29th November 1967 under the Companies Ordinance No. 51 of 1938. The Company was re-registered under the new Companies Act No. 07 of 2007 as Asian Cotton Mills PLC on 16th April 2008, under Company No. PQ 139.

The name of the Company was changed to 'Ascot Holdings PLC' on 16th October 2008 and changed as 'Lanka Realty Investments PLC' on 19th September 2018.

The Registered Office of the Company is situated at 1st Floor, HQ Colombo, 464A, T B Jayah Mawatha Colombo 10.

The ordinary shares of the Company are listed on the Main Board of the Colombo Stock Exchange.

PRINCIPAL ACTIVITIES OF THE COMPANY AND ITS SUBSIDIARIES

Lanka Realty Investments PLC, the Group's holding company, manages a portfolio of holdings in property development, commercial property, affordable housing, manufacturing, tourism and leisure, which together constitute the LRI Group.

Lanka Realty Investments PLC held the following investments as at the end of the year under review:

(i) 50.886% of the issued shares of On'ally Holdings PLC, which is engaged in the business of property development and renting of commercial / office space

(ii) 100% of the issued shares of Lanka Realty Developments (Pvt) Ltd which is engaged in the business of commercial property development and renting of commercial office space. The Company's holding in this entity reduced to 51% on 15th May 2025 consequent to infusion of capital by Eighth Wonder.

(iii) 80% of the issued shares of Amtrad Limited which is engaged in the manufacturing & selling of cement/ concrete building blocks and paving blocks.

(iv) 100% of the issued shares of L & A Quarries (Private) Limited which was in the business of operating crusher plants. L & A Quarries (Private) Limited did not operate any crusher plants during the year under review.

(v) 100% of the issued shares of Lanka Realty Leisure (Pvt) Ltd. This company holds leasehold rights of a land in Yala, which is to be developed as a Hotel property.

(vi) 100% of the issued share of Lanka Realty Ambalangoda (Pvt) Ltd. This company holds leasehold rights of a property in Ambalangoda to be developed as a hotel property.

(vii) 100% of the issued shares of Baseline Holdings (Pvt) Ltd. The land owned by this company was sold on 18th July 2025.

(viii) 100% of the issue shares of Alexandra Holdings (Pvt) Ltd. The property owned by this company was sold on 24th January 2024.

(ix) 100% of the issued shares of 285 Darley Road (Pvt) Ltd which holds a bare land in Colombo 10 through its fully owned subsidiary Oak Street (Pvt) Ltd.

(x) 100% of the issued shares of Mulberry Holdings (Pvt) Ltd which is engaged in the business of residential property development in Colombo 10.

(xi) 100% of the issued shares of Thudella Holdings (Pvt) Ltd which holds a bare land in Ja-ela through Crown Resorts (Pvt) Ltd a fully owned subsidiary of Thudella Holdings (Pvt) Ltd.

(xii) 100% of the issued shares of Almond Trees (Pvt) Ltd which is engaged in the operation of a hotel, a restaurant and a pub and the company holds an investment in a fully owned subsidiary Ilook Villas (Pvt) Ltd which engages in operation of a hotel, restaurant and a bar.

REVIEW OF BUSINESS

The Chairman's Message on pages 6 to 8 and the Executive Directors' Review on pages 9 to 11 provide an overview of business performance of the Company and its subsidiaries (hereinafter sometimes collectively referred to as the Group), and future developments. These Reports together with the Financial Statements, reflect the state of affairs of the Company and its subsidiary companies.

The segment-wise contribution to Group Results, Assets and Liabilities are provided in Note 39 to the Financial Statements on pages 112 to 113.

FINANCIAL STATEMENTS

The Financial Statements of the Company and the Consolidated Financial Statements of the Group have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRS) laid down by the Institute of Chartered Accountants of Sri Lanka and comply with the requirements of the Companies Act No.07 of 2007.

The aforesaid Financial Statements, duly signed by the Head of Finance and two Directors on behalf of the Board are included in this Annual Report and form an integral part of this Annual Report of the Board of Directors.

Annual Report of the Board of Directors on the Affairs of the Company

AUDITORS' REPORT

The Report of the Auditors on the Group Financial Statements is attached with the Financial Statements.

ACCOUNTING POLICIES AND CHANGES DURING THE YEAR

The accounting policies adopted in the preparation of the Financial Statements are given on pages 58 to 71. There were no significant changes to the accounting policies used by the Company and/or the subsidiaries during the year under review vis-à-vis those used in the previous year, except as referred to in Note 4.22 to the Financial Statements.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

The Directors are responsible for the preparation of the Financial Statements of the Company and the Group, which reflect a true and fair view of the state of affairs.

The Directors are of the view that the Statement of Income, Statement of Financial Position, Statement of Changes in Equity, Cash Flow Statement and Notes to Financial Statements appearing on pages 52 to 113 have been prepared in conformity with the requirements of the Sri Lanka Accounting Standards, Companies Act No.07 of 2007, Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and the amendments thereto and the Listing Rules of the Colombo Stock Exchange.

The Statement of Director Responsibility for Financial Reporting is given on page 36.

NET REVENUE

The net revenue of the Group during the year under review was Rs 1.2 billion (Rs. 1.1 billion in the year 2023/24).

RESULTS AND APPROPRIATIONS

Performance of the Group and the Company and Transfers to Reserves

The Net Profit before Tax of the Group and the Company amounted to LKR 196 million and LKR 132 million respectively in the year under review [LKR 322 million and LKR 223 million respectively in 2023/24].

The Net Profit after Tax of the Group and the Company amounted to LKR 147 million and LKR 18 million respectively in the year under review [LKR 223 million and LKR 211 million respectively in 2023/24]

Details of Appropriations are given in the Statement of Changes in Equity on page 55.

DIVIDENDS ON ORDINARY SHARES

The Directors do not recommend the payment of a dividend for the year under review.

RESERVES

A summary of the Group's Reserves is given in Note 25.1 to the Financial Statements on page 96.

Property, Plant and Equipment and Significant Changes in the Company's and its subsidiaries' fixed assets and market value of land is given in Note 15 to the Financial Statements on pages 86 and 87.

LAND HOLDINGS

The Company does not own any land or investment property.

Land holdings and investment property of subsidiary companies are set out in Note 15.1.1 and 15.1.4 to the Financial Statements.

The immovable property held by the subsidiary companies were revalued as at 31st March 2025 by an Independent Valuer and their market values are set out in Note 17.1 and 17.2 of the Financial Statements.

STATED CAPITAL

The Stated Capital of the Company as at 31st March 2025 was LKR 7,048,662,671/- represented by 211,370,428 Ordinary Shares. [LKR 7,048,662,671/- represented by 211,370,428 Ordinary Shares as at 31st March 2024].

SHARE INFORMATION

Distribution Schedule of shareholdings

Information on the distribution of shareholding and the respective percentages and analysis of shareholders are given on pages 115 to 116 under Investor Information.

Earnings, Dividends, Net Assets and Market Value of Shares

Information relating to earnings, dividend, net assets and market value per share are given on page 114.

Major Shareholders

Information on the twenty largest shareholders of the Company are given on page 115 under Investor Information.

Float adjusted market capitalisation and Public Holding

Information on float adjusted market capitalisation and public holding in terms of the Listing Rules is given on page 116 under Investor Information.

Directors' Interests in Contracts or Proposed Contracts and Interest Register

The Company maintains an Interest Register in terms of the Companies Act No. 07 of 2007, which is deemed to form part and parcel of this Annual Report and is available for inspection upon request.

Information on the Directors of the Company and the Group as at 31st March 2025

The Board of Directors of the Company as at 31st March 2025 consisted of six (6) Directors and their brief profiles appear on pages 12 to 14.

Names of the Directors who held office as at 31st March 2025 are given below:

Name of Director	Executive	Non-Executive	Independent Non-Executive
Mr Sarravanan Neelakandan (Chairman)			✓
Mr. Piers Morgan		✓	
Mr. Mohamed Hisham Jamaldeen	✓		
Mr. Archie James Buckland Warman	✓		
Mr. Mohamed Firdouse Farook			✓
Mr. Brian Vinod Selvanayagam (appointed w.e.f. 30.09.2024)			✓

CHANGES IN THE BOARD OF DIRECTORS DURING THE YEAR

Resignations

Mr. Ratnayake Mudiyanselage Mohan Joseph Ratnayake, Independent Non-Executive Director resigned with effect from 30th September 2024.

Mr. Kudagamage Jayantha Pradeep, Non-Executive Director resigned w.e.f. 30th April 2024.

New Appointment

Mr. Brian Vinod Selvanayagam, Independent Non-Executive Director was appointed with effect from 30th September 2024.

Recommendation for re-election of Directors who retire by rotation

Mr. Mohamed Firdouse Farook retires by rotation in terms of Articles 83 and 84 of the Articles of Association and being eligible, consequent to review by the Nominations and Governance Committee is recommended by the Board for re-election.

Recommendation for re-election of Directors who were appointed since the last Annual General Meeting

Mr. Brian Vinod Selvanayagam who was appointed to the Board in terms of Article 90 of the Articles of Association of the Company, since the last Annual General Meeting is recommended by the Board for re-election by the shareholders, consequent to review by the Nominations and Governance Committee.

Appointment of Directors who are over 70 years of age

Mr Piers Morgan who is 78 years of age and vacates office at the conclusion of the Annual General Meeting in terms of Section 210(2) (b) of the Companies Act No. 07 of 2007, is recommended by the Board, for re-appointment as a Director under Section 211 of the Companies Act, specially declaring that the age limit stipulated in Section 210 of the Companies Act shall not apply to the said Director.

DIRECTORS OF THE SUBSIDIARIES AS AT 31ST MARCH 2025

Names of the Directors of all subsidiaries as at 31st March 2025 are given on pages 118 to 121.

DIRECTORS' SHAREHOLDING IN THE COMPANY

The information pertaining to the Directors' Shareholding in the Company is given on page 116.

DIRECTORS' REMUNERATION

The Company has adopted a Remuneration Policy and established a formal procedure for determination of remuneration of Directors. No Director is involved in deciding his or her own remuneration.

The Directors' remuneration is disclosed under key management personnel compensation in Note 34.6 to the Financial Statements on page 109.

CORPORATE GOVERNANCE

The Board of Directors confirm that the Company is compliant with Corporate Governance Rules set out in Section 9 of the Listing Rules of the Colombo Stock Exchange, except a delayed disclosure on the appointment of the Chairman of the Board.

The corporate governance of the Company is reflected in its strong belief in protecting and enhancing stakeholder value in a sustainable manner, supported by a sound system of policies and practices. Prudent internal controls ensure professionalism, integrity and commitment of the Board of Directors, Management and employees.

The Corporate Governance Statement on pages 26 to 28 explains the measures adopted by the Company during the year.

BOARD MEETINGS

Four (4) Board Meetings of the Company were held during the year under review and the Directors' attendance at those Meetings is set out on page 37.

BOARD SUB COMMITTEES

The Board of Directors has formed four Board Sub Committees in terms of the Listing Rules of the Colombo Stock Exchange, namely, Audit Committee, Remuneration Committee, the Related Party Transactions Review Committee and Nominations and Governance Committee.

Annual Report of the Board of Directors on the Affairs of the Company

The composition of the said Board Sub Committees are as follows :

Audit Committee

Mr Brian Vinod Selvanayagam
Chairman Independent Non-Executive Director (appointed on 30.09.2024)

Mr Sarravanan Neelakandan
Independent Non-Executive Director

Mr Mohamed Firdouse Farook
Independent Non-Executive Director

Mr Ratnayake Mudiyanselage Mohan Joseph Ratnayake
Independent Non-Executive Director
(Chairman - resigned on 30.09.2024)

Mr Kudagamage Jayantha Pradeep
Non-Executive Director
(resigned on 30.04.2024)

The Report of the Audit Committee appears on page 39.

Remuneration Committee

Mr Mohamed Firdouse Farook
Chairman Independent Non-Executive Director
(appointed on 30.09.2024)

Mr Sarravanan Neelakandan
Independent Non-Executive Director
(Chairman upto 30.09.2024)

Mr Piers Morgan
Non-Executive Director
(appointed on 30.09.2024)

Mr Ratnayake Mudiyanselage Mohan Joseph Ratnayake
Independent Non-Executive Director
(resigned on 30.09.2024)

Mr Kudagamage Jayantha Pradeep
Non-Executive Director
(resigned on 30.04.2024)

The Report of the Remuneration Committee appears on page 43.

Related Party Transactions Review Committee

Mr Brian Vinod Selvanayagam
Chairman Independent Non-Executive Director
(appointed on 30.09.2024)

Mr Sarravanan Neelakandan
Independent Non-Executive Director
(Chairman upto 30.09.2024)

Mr Mohamed Firdouse Farook
Independent Non-Executive Director

Mr Ratnayake Mudiyanselage Mohan Joseph Ratnayake
Independent Non-Executive Director
(resigned on 30.09.2024)

The Report of the Related Party Transactions Review Committee appears on page 37.

Nominations and Governance Committee

Mr Brian Vinod Selvanayagam
Chairman Independent Non-Executive Director
(appointed on 30.09.2024)

Mr Sarravanan Neelakandan
Independent Non-Executive Director

Mr Piers Morgan
Non-Executive Director
(appointed on 30.09.2024)

Mr Ratnayake Mudiyanselage Mohan Joseph Ratnayake
Independent Non-Executive Director
(Chairman - resigned on 30.09.2024)

Mr Mohamed Hisham Jamaldeen
Executive Director
(upto 30.09.2024)

The Report of the Nominations and Governance Committee appears on page 40.

DECLARATION - COMPLIANCE WITH THE LISTING RULES ON RELATED PARTY TRANSACTIONS

In terms of Rule 9.14.8(4) of the Listing Rules, the Directors declare that the Company has complied with Rule 9.14 of the Listing Rules of the Colombo Stock Exchange pertaining to Related Party Transactions during the financial year ended 31st March 2025.

POLICIES IN TERMS OF RULE 9.2 OF THE LISTING RULES

In terms of Rule 9.2.1 of the Listing Rules, the Company established, adopted and published on the Company website (www.lriplc.com) the following policies, ensuring adherence to best practices in corporate governance, ethical conduct, and regulatory compliance:

a) Policy on the matters relating to the Board of Directors
b) Policy on Board Committees
c) Policy on Corporate Governance, Nominations and Re-election
d) Policy on Remuneration
e) Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities
f) Policy on Risk Management and Internal Controls
g) Policy on Relations with Shareholders and Investors
h) Policy on Environmental, Social and Governance Sustainability
i) Policy on Control and Management of Company Assets and Shareholder Investments
j) Policy on Corporate Disclosures
k) Policy on Whistleblowing
l) Policy on Anti-Bribery and Corruption

There were no significant changes to the above policies adopted by the Company during the year under review.

FIT AND PROPER ASSESSMENT OF DIRECTORS

In terms of Rule 9.7.4 of the Listing Rules of the Colombo Stock Exchange, declarations were obtained from the Directors who confirmed that they have continuously satisfied the Fit and Proper Assessment Criteria set out in the Listing Rules during the Financial Year under review and as at the date of such Declarations. These Declarations were placed before the Nominations and Governance Committee, and upon review by the Nominations and Governance Committee, where no member participated in decisions relating to his continuation, were then presented to the Board.

The Board determined that all Directors satisfy the fit and proper assessment criteria stipulated in the Listing Rules and qualify to continue as Directors in their respective capacities, subject to those who retire by rotation, new appointee and over 70 years of age being re-elected/re-appointed by the shareholders at the forthcoming Annual General Meeting.

INDEPENDENCE OF DIRECTORS

The Board, based on the Declarations submitted by the Independent Directors declaring their independence against the criteria specified in the Listing Rules and such other information available to the Board that could reasonably be construed to have a bearing on the independence of such Directors, determined that the three (3) Independent Directors namely Mr. Sarravanan Neelakandan who serves as the Chairman, Mr. Mohamed Firdouse Farook and Mr. Brian Vinod Selvanayagam are 'Independent' in terms of the Listing Rules.

The Board further determined that Mr. Ratnayake Mudiyanselage Mohan Joseph Rathnayake who served as the Chairman of the Board and resigned on 30th September 2024, was also 'independent'. The basis for such determination is disclosed in the Corporate Governance Report on page 26.

POLICY ON RELATIONS WITH SHAREHOLDERS AND INVESTORS

The Company has established a process for effective communication and relations with shareholders and investors. Accordingly, the shareholders have access to the Company as set out in reference to Corporate Governance Report [Corporate Disclosures and Shareholder Relationship] on page 28 of this Report.

OTHER DIRECTORSHIPS HELD BY THE DIRECTORS

The Board, based on the recommendations of the Nominations and Governance Committee, and considering the time allocation required of the Directors for Board related matters of the Company decided that a Director of the Company shall not hold more than ten (10) directorships in Listed Companies.

POLICY ON MATTERS RELATING TO THE BOARD OF DIRECTORS

The Company has in terms of the above Policy, acted in compliance with the requirements set out in Rule 9.5.1 of the Listing Rules.

ADDITIONAL DISCLOSURES PERTAINING TO DIRECTORS

(i) Material Interests in Contracts involving the Company

The Directors have declared all material interests in contracts involving the Company in terms of the Companies Act and the Articles of the Association of the Company and have acted as prescribed therein, and where relevant have refrained from voting on matters in which they were materially interested.

(ii) Material Business Relationships with each other

None of the Directors or close family members have any material business relationships with the other Directors of the Company.

(iii) Other Directorships held by the Directors

Other Directorships held by Directors are disclosed on pages 13 to 14.

(iv) Review of Internal Controls

The Directors have, through the Audit Committee, conducted a review of the Internal controls covering financial, operational and compliance and thereby obtained reasonable assurance of their effectiveness and successful adherence therewith.

(v) Applicable Laws Rules and Regulations

The Directors have made arrangements to make themselves aware of applicable laws, rules and regulations and are aware of the changes, particularly to Listing Rules and applicable capital market provisions.

Non-Recurrent Related Party Transactions – Disclosure in terms of Rule 9.14.8(i). The aggregate value of Non Recurrent Related Party Transactions entered into by the Company during the year under review was below the threshold for disclosure in terms of Rule 9.14.8 (1) of the Listing Rules.

Recurrent Related Party Transactions – Disclosure in terms of Rule 9.14.8 (2) of the Listing Rules

Name of the Related Party	Relationship	Controlling Interest	Nature of the Transaction	Aggregate value of Related Party Transactions entered into during the financial year (LKR)	Aggregate value of Related Party Transactions	Term and conditions of the Related Party Transactions
Steradian Capital Investments (Pvt) Ltd	Other Related Party	-	Technical Service Fees	234,435,936	19%	Commercial Terms and conditions
Steradian Capital Investments (Pvt) Ltd	Other Related Party	-	Settlement of amount due	48,104,448	4%	Commercial Terms and conditions
Onally Holdings PLC	Subsidiary	50.88%	Dividend Income	170,371,325	14%	Commercial Terms and conditions

Annual Report of the Board of Directors on the Affairs of the Company

Name of the Related Party	Relationship	Controlling Interest	Nature of the Transaction	Aggregate value of Related Party Transactions entered into during the financial year (LKR)	Aggregate value of Related Party Transactions	Term and conditions of the Related Party Transactions
Oak Streets (Pvt) Ltd	Subsidiary	100%	Settlement of amount due	115,677,495	10%	Commercial Terms and conditions
Mulberry Holdings (Pvt) Ltd	Subsidiary	100%	Settlement of amount due	100,008,891	8%	Commercial Terms and conditions
Baseline Holdings (Pvt) Ltd	Subsidiary	100%	Settlement of amount due	83,676,963	7%	Commercial Terms and conditions

MATERIAL ISSUES PERTAINING TO EMPLOYEES AND INDUSTRIAL RELATIONS OF THE COMPANY

No material issues pertaining to employees or industrial relations of the Company occurred during the year under review which requires disclosure under Rule 7.6(vii) of the Listing Rules.

EMPLOYEE SHARE OPTION SCHEMES / EMPLOYEE SHARE PURCHASE SCHEMES

The Company does not have any Share Option / Share Purchase Schemes for its employees.

MATERIAL FORESEEABLE RISK FACTORS

Lanka Realty Investments PLC is a diversified investment holding company of which the primary business line is "investment in, development and management of Real Estate".

The Management considers qualitative and quantitative methods to evaluate the likelihood and impact of potential events which might affect the achievement of objectives including the failure to capitalise on opportunities.

Financial Risk Management objectives and policies are set out in Note 14.1 on pages 80 to 81.

Risks that the Company and its subsidiaries are exposed to are set out in the Section on Risk Management / Material Foreseeable Risk Factors on page 81.

DONATIONS

During the year, neither the Company nor any of its subsidiaries made any donations.

INDEPENDENT AUDITORS

Company

Messrs Ernst & Young, Chartered Accountants served as the Auditors of the Company. A sum of LKR 1,732,101/- is payable by the Company to the Auditors for the year under review as audit fees.

A resolution to re-appoint the Auditors and authorising the Directors to determine their remuneration will be proposed at the forthcoming Annual General Meeting.

Group

Messrs Ernst & Young, Chartered Accountants also served as Auditors of all the subsidiary companies except Almond Trees (Pvt) Ltd and Ilook Villa (Pvt) Ltd, whose Auditors are T & D Associates.

Details of payments to the said Auditors on account of audit fees are set out in Note 10 to the Financial Statements on page 73.

INDEPENDENCE OF AUDITORS

To the extent that the Directors are aware, the Auditors do not have any relationship with (other than that of the Auditor), or interest in, the Company and the Group, which in the opinion of the Board, may reasonably be considered to have a bearing on their independence within the meaning of the Code of Professional Conduct and Ethics issued by the Institute of Chartered Accountants of Sri Lanka, as applicable on the date of this Report.

STATUTORY PAYMENTS

The Directors, to the best of their knowledge and belief, are satisfied that all statutory payments due to the Government, other regulatory institutions and related to employees have been paid on their due dates (save and except certain payments in respect of which the Company is in discussion with the relevant authorities for payment plans) or where relevant have been provided for in the Financial Statements.

CONTINGENT LIABILITIES

The contingent liabilities as at 31st March 2025 are given in Note 37.3 to the Financial Statements on page 111.

EVENTS OCCURRING AFTER THE REPORTING DATE

No event of material significance that requires adjustments to the Financial Statements, have occurred subsequent to the Reporting date other than those disclosed in Note 38 to the Financial Statements on page 111.

GOING CONCERN

The Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that it has resources to continue in business for the foreseeable future.

SPECIAL BUSINESS TO BE TRANSACTED AT THE ANNUAL GENERAL MEETING - AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The "Special Business" set out as Item 2 of the Notice of Annual General Meeting contains amendments to certain Articles of the Articles of Association of the Company, as recommended by the Directors, to be adopted by way of a Special Resolution. The salient amendments proposed are :

(a) Article 51 be deleted in its entirety and a new Article 51 is to be substituted therefor under the title "Methods of Holding Meetings" for meetings of shareholders to be held in addition to physical meetings as per the present Article; by means of audio or audio and visual communication thereby providing the Board to have the option to determine whether a General Meeting of shareholders would be held as a physical meeting, electronic meeting or as a hybrid meeting.

(b) The Listing Rules have introduced provisions relating to the circumstances under which / the period for which an Alternate Director may be appointed. The proposed amendment to the provisions relating to Alternate Directors is to align the existing provisions with the Listing Rules.

(c) Additional methods were brought in, to serve notice on shareholders.

(d) Publication of notice is further enhanced if permitted by law, to be done via the official website of the Company and/or the official website of the Colombo Stock Exchange so long as the Company is listed on the Colombo Stock Exchange.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on Thursday, **22nd December 2025 at 4.00 p.m. at the Sri Lanka Foundation**, No.100, Padanam Mawatha, Independence Square, Colombo 07.

The Notice of the Annual General Meeting appears on page 122.

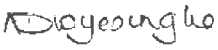
This Annual Report is signed for and on behalf of the Board of Directors by



Sarravanan Neelakandan
Chairman



M H Jamaldeen
Executive Director



Anusha Wijesekara
P W Corporate Secretarial (Pvt) Ltd
Secretaries

20th November 2025
Colombo

Statement of Directors' Responsibilities for Financial Reporting

The responsibilities of the Directors, in relation to the Financial Statements of the Company and its subsidiaries differ from the responsibilities of the Auditors.

The responsibility of the Independent Auditors in relation to the Financial Statements is set out in the Report of the Auditors given on pages 48 to 50 of the Annual Report.

As per the Sections 150(1), 151, 152(1) and (2), 153 (1) and (2) of the Companies Act No. 07 of 2007, the Directors are required to prepare Financial Statements for each financial year giving a true and fair view of the state of affairs of the Company and its subsidiaries as at the end of the financial year and of the results of its operations for the financial year, ensure that they are completed within six months or such extended period as may be determined by the Registrar General of Companies, certified by the person responsible for the preparation of the Financial Statements that they are in compliance with the said Companies Act and dated and signed on behalf of the Board by two Directors of the Company.

In terms of Section 166(1) read together with Sections 168(1)(b) and (c) and section 167(1) of the Companies Act, the Directors shall cause a copy of the aforesaid Financial Statements together with the Annual Report of the Board of Directors of the Company prepared as per Section 166(1) of the Companies Act to be sent to every shareholder not less than fifteen working days before the date fixed for holding the Annual General Meeting. The said obligation is discharged by the Directors by publishing / making available for download, the Company's Annual Report on the Corporate Website of the Company and the Colombo Stock Exchange Website, and by notifying the shareholders thereof. On request, printed copies of the Annual Report will be forwarded to the shareholders.

The Directors consider that in preparing these Financial Statements set out on pages 51 to 54 appropriate accounting policies have been selected and applied in a consistent manner and supported by reasonable and prudent judgment and that all applicable Accounting Standards, as relevant, have been followed.

The Directors are of the view that the Company and its subsidiaries have adequate resources to continue in operation either on their own or with the assistance of the Company, as the holding company, and have applied the going concern basis in preparing these Financial Statements.

Further, the Directors have a responsibility to ensure that the Company and its subsidiaries maintain sufficient accounting records to disclose with reasonable accuracy, the financial position of the Company and its subsidiaries.

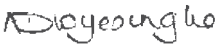
The Directors are also responsible for taking reasonable steps to safeguard the assets of the Company and its subsidiaries and in this regard to give proper consideration to the establishment of appropriate internal control systems to prevent and detect fraud and other irregularities.

Financial Statements prepared and presented in this report have been prepared based on Sri Lanka Accounting Standards (SLFRS/LKAS) and are consistent with the underlying books of accounts and are in conformity with the requirements of Sri Lanka Accounting Standards, Companies Act No. 07 of 2007, Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and the Listing Rules of the Colombo Stock Exchange.

The Directors are of the view, that they have discharged their responsibilities as set out in this statement, save and except that the Financial Statements for the year 2024/25 could not be issued within the period of six months referred to in Sections 150(i) and 152(i) of the Companies Act No. 07 of 2007.

The Directors also confirm that to the best of their knowledge, all statutory payments payable by the Company and its subsidiaries as at the reporting date have been paid or where relevant provided for, (save and except certain payments in respect of which the Company is in discussion with the relevant authorities for payment plans).

By order of the Board
Lanka Realty Investments PLC



P W Corporate Secretarial (Pvt) Ltd
Director / Secretaries

20th November 2025

Related Party Transactions Review Committee Report

The Related Party Transactions Review Committee comprise of the following Directors:.

COMPOSITION

Mr. Brian Selvanayagam (IND/NED) – [Chairman -appointed w.e.f. 30.9.2024]

Mr. Sarravanan Neelakandan (IND/NED) [Chairman from 1.4.2024 to 30.9.2024]

Mr. Mohamed Firdouse Farook (IND/NED)

Mr. Mohan Ratnayake (IND/NED) – [Resigned on 30.9.2024]

IND/NED - Independent Non-Executive Director

(Refer to pages 13 to 14 for brief profiles of the Members of the Committee which includes their other directorships)

ATTENDANCE AT COMMITTEE MEETINGS

Director	16.05.2024	02.08.2024	25.10.2024	07.02.2025	Total
Mr B V Selvanayagam	Appointed w.e.f 30.09.2024	✓	✓	✓	2/2
Mr. S. Neelakandan	✓	✓	✓	✓	4/4
Mr. M. F. Farook	✓	✓	✓	✓	4/4
Mr. R.M.M.J. Ratnayake	✓	✓	Resigned w.e.f. 30.09.2024	✓	2/2

The Committee was reconstituted whereby Mr B V Selvanayagam was appointed the Chairman with effect from 30.09.2024, consequent to the vacancy created by the resignation of Mr. Ratnayake Mudiyanselage Mohan Joseph Ratnayake, Independent Non-Executive Director.

Deliberations of the Committee have also been carried out through discussions with the management followed by decisions of the Committee being reached through Circular Resolutions.

DUTIES OF THE RELATED PARTY TRANSACTIONS COMMITTEE

- To review in advance all proposed non-recurrent related party transactions of the Group either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such review, prior to the completion of the transaction.
- To review the recurrent related party transactions entered into by the Company to ascertain that they have been entered into in conformity with the guidelines established in that respect, and periodically review the guidelines issued / terms and conditions governing such transactions in order to maintain the arms-length feature vis-a-vis those transactions as per the prevailing macro-economic conditions.
- Seek any information the Committee requires from management, employees or external parties with regard to any transaction entered into with a related party.
- To assess all aspects of proposed related party transactions where necessary after seeking appropriate professional and expert advice from suitably qualified persons.
- To recommend, where necessary, to the Board and obtain their approval prior to the execution of any non recurrent related party transactions (as applicable).
- To monitor to ensure that all related party transactions of the entity are transacted on normal commercial terms and are not prejudicial to the interests of the entity and its minority shareholders.
- Meet with the Management, Independent Auditors and such other Advisors as necessary to carry out the assigned duties.
- To review the transfer of resources, services or obligations between related parties regardless of whether a price is charged.
- To review the economic and commercial substance of both recurrent/non recurrent related party transactions
- To monitor and recommend the acquisition or disposal of substantial assets incurring of liabilities between related parties, including obtaining 'competent independent advice' from independent professional experts with regard to the value of the substantial assets of the related party
- To review the disclosure requirements approvals relating to the Related Party Transactions.

ACTIVITIES IN 2024/2025

- The Related Party Transactions Review Committee reviewed the related party transactions of Lanka Realty Investments PLC and its Group Companies and their compliances with applicable Rules and communicated the same to the Board and relevant Companies.
- The Committee reviewed four Non Recurrent related party transactions during the year under review.

Related Party Transactions Review Committee Report

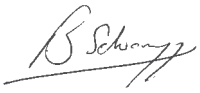
- The Committee reviewed the disclosure requirements relating to both recurrent and non-recurrent transactions entered into by the Company / its subsidiary, Lanka Realty Developments (Pvt) Ltd during the year under review.
- The Committee in its review process recognised the adequacy of the content and quality of the information forwarded to its members by the Management.
- The Committee after having reviewed the material placed before it, made its recommendations on the four Non-Recurrent Related Party Transactions aforesaid with three Related Parties to the Board of Directors of the Company/ the said subsidiary.
- Subsequent to the Reporting Date, the Committee also reviewed a Non Recurrent Related Party Transaction concerning the issue of a Corporate Guarantee to a Bank on behalf of a fully owned subsidiary company.

RELATED PARTY TRANSACTIONS DURING THE YEAR UNDER REVIEW

The aggregate value of Non-Recurrent Related Party Transactions entered into by the Company during the year were below the threshold for disclosure in the Annual Report as per the Listing Rules.

DECLARATION

In terms of Rule 9.14.8 (4) of the Listing Rules of the Colombo Stock Exchange, a declaration by the Board of Directors as an affirmative statement of the compliance with the Listing Rules pertaining to Related Party Transactions is given on pages 106 to 109 of the Annual Report.



B V Selvanayagam
Chairman
Related Party Transactions Review Committee

20th November 2025

Report of the Audit Committee

COMPOSITION

The Audit Committee during the year under review and as at the reporting date comprised the following Directors:

Mr B V Selvanayagam (IND/NED) -Chairman (appointed on 30.09.2024)

Mr Sarravanan Neelakandan (IND/NED)

Mr. Mohamed Firdouse Farook (IND/NED)

Mr R M M J Ratnayake (IND/NED) – Chairman [resigned on 30.09.2024]

(IND/NED) – Independent Non-Executive Director

(Refer to pages 13 to 14 for brief profiles of the members of the Committee)

ATTENDANCE AT COMMITTEE MEETINGS

Name	16./05/2024	02/08/2024	25/10/2024	07/02/2025	Total
Mr. Brian Vinod Selvanayagam	Appointed w.e.f 30.09.2024		✓	✓	2/2
Mr. Sarravanan Neelakandan	✓	✓	✓	✓	4/4
Mr. Mohamed Firdouse Farook	✓	✓	✓	✓	4/4
Mr. Ratnayake Mudiyanselage Mohan Joseph Ratnayake	✓	✓	Resigned w.e.f. 30.09.2024		2/2

* The Audit Committee was reconstituted with effect from 30th September 2024, whereby Mr. Brian Vinod Selvanayagam, Independent Non-Executive Director was appointed as a member of the Committee, consequent to the vacancy created by the resignation of Mr. Ratnayake Mudiyanselage Mohan Joseph Ratnayake, Independent Non-Executive Director.

Mr. Kudagamage Jayantha Pradeep (resigned w.e.f 30.04.2024).

The Executive Directors attend the meetings by invitation. The Company Secretary functions as the Secretary to the Committee.

The Audit Committee operates under a defined Terms of Reference.

ROLE OF THE COMMITTEE

The primary functions of the Committee can be summarised as:

- Ensure compliance with the Sri Lankan Accounting Standards and all relevant laws and regulations
- Ensure organisational policies are in line with those of the best Corporate and the applicable Rules.
- Ascertainment of the reliability of the Management Information Systems.
- Overseeing the Entity's compliance with financial reporting requirements in terms of the relevant financial reporting regulations and requirements,
- Review of Annual Financial Statements
- Review of Quarterly Financial Statements
- Review of the effectiveness of financial and internal control systems
- Ensure the independence of the Auditors and recommend the appointment of Independent Auditors and their fees
- Identification of risk that would impact on the Company's business.

ACTIVITIES

The Committee reviewed and discussed the Company's Quarterly and Annual Financial Statements prior to publication to ensure reliability and their compliance with the Sri Lanka Accounting Standards.

The Committee evaluates the internal control reports and compliance reports presented by the management and are satisfied that an effective internal control system is in place.

Based on the proceedings of the Audit Committee meetings, recommendations and observations were reported to the Board for appropriate action.

INDEPENDENT AUDITORS

The Committee held meetings with the External Auditors to review the nature, approach and scope of audit. The Committee also reviewed the Audited Financial Statements with the External Auditors.

The Audit Committee has obtained a written assurance from the External Auditors that they have been independent throughout the conduct of the audit engagement in accordance with the terms of the relevant professional and regulatory requirements.

The Audit Committee is satisfied that the independence of the External Auditors has not been influenced by any event that results in a conflict of interest. The fees pertaining to audit have been reviewed and recommended to the Board.

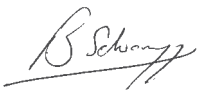
The Audit Committee, together with the External Auditors, has reviewed the Company's financial statements and is satisfied with the results.

The Audit Committee has recommended to the Board of Directors that Messrs Ernst & Young and Chartered Accountants continue as Auditors for the ensuing financial year, subject to the approval of the shareholders at the next Annual General Meeting.

CONCLUSION

The Audit Committee is satisfied that the Company's accounting policies and operational controls provide reasonable assurance that the affairs of the Company are managed in accordance with the set rules and that systems are in place to minimise the impact of identifiable risks.

The Committee further assessed that future prospects of its business operations and having received the assurance of the Executive Directors, is satisfied with the going concern assumption used in the preparation of the Financial Statements as being appropriate.



B V Selvanayagam
Chairman – Audit Committee

20th November 2025

Nominations and Governance Committee Report

The Nominations and Governance Committee (NGC) of the Company was formed by the Board on 11th February 2021 in accordance with the Best Practices of the Corporate Governance, which was subsequently reconstituted on 30th September 2024 to be in conformity with the Corporate Governance Rules of the Colombo Stock Exchange. The scope and functions of the NGC were aligned with the provisions of the Listing Rules with effect from 1st October 2024.

COMPOSITION OF THE COMMITTEE

The composition of the Committee as of 31st March 2025 and the date of this Report is:

Name of Member	Appointed to the Committee on	Nature of Directorship	No. of Meetings
Mr. B V Selvanayagam (Chairman)	30.09.2024	Independent Non-Executive Director	1/1
Mr. Sarravanan Neelakandan	11.02.2021	Independent Non-Executive Director	2/2
Mr. Piers Morgan	01.10.2024	Non-Executive Director	1/1

From 1st April to 29th September 2024 Mr. Ratnayake Mudiyanselage Mohan Joseph Ratnayake and Mr. Mohamed Hisham Jamaldeen who were appointed to the Committee on 11th February 2021 were the Chairman and a Member respectively.

Brief profile of each member appears on pages 13 to 14 of this report.

The Company Secretaries, P W Corporate Secretarial (Pvt) Ltd function as the Secretaries to the Committee.

The Committee meets only as and when necessary.

Deliberations of the Committee have also been carried out through discussions with the management followed by decisions of the Committee being reached through circular resolutions.

POLICY AND PROCESSES FOR DIRECTORS' NOMINATIONS

The NGC operates under a documented policy and defined processes for the nomination of Directors. These processes include :

- Overseeing the identification, assessment, selection, and nomination of suitable candidates to be appointed as Directors to fill any vacancy on the Board, howsoever created and/or as additional Directors based on the business requirements of the Company;
- Assessing the skills, knowledge, experience, expertise, diversity, and levels of independence necessary that will best complement the effectiveness of the Board;
- Ensuring that the Directors nominees accord with the fit and proper criteria under Rule 9.7.3 of the Listing Rules and obtaining a declaration to that effect from the candidate and;
- Where a Director nominee is to be appointed as an Independent Director, identifying any potential conflicts of interest and assessing the independence of the candidate, and overseeing that he / she satisfies the criteria for independence as per Rule 9.8.5 of the Listing Rules and obtaining a duly completed declaration to that effect from the said party.
- Based on the assessment as aforesaid making recommendations to the Board on appointment of new Directors.

RE-ELECTION OF DIRECTORS

In accordance with the Company's Articles of Association, one-third of the Directors shall retire from office provided that Directors appointed to the office of Chairman, Managing or Joint Managing Director shall not while holding that office be subject to retirement by rotation or be taken into account in determining the Directors to retire in each year.

INFORMATION ON DIRECTORS' RE-ELECTION / RE-APPOINTMENT

As required by the Listing Rules, the table below sets out the details of the Directors who were re-elected / re-appointed at the 54th Annual General Meeting held on 27th September 2024, and the details of those Directors who are recommended for re-election / re-appointment at the forthcoming Annual General Meeting, in accordance with the provisions of the Articles of Association of the Company and the Companies Act No. 07 of 2007:

54TH ANNUAL GENERAL MEETING HELD ON 27TH SEPTEMBER 2024

Name of Director	Board Committees served on	Date of First appointment as a Director	Date of last re-election / re-appointment as a Director	Directorships or Chairpersonship and other principal commitments both present and those held over the preceding three years in other Listed entities	Any relationship including close family relationships between the candidate and the Directors, the Listed Entity or its shareholders holding more than 10% of the shares of the Listed Entity
Re-election in terms of Articles 83 and 84 of the Articles of Association of the Company					
Mr. M F Farook	AC RPTRC	07.11.2017	30.11.2022	Refer profile on page 14	None
Re-appointment in terms of Section 210 of the Companies Act No. 07 of 2007					
Mr. Piers Morgan	None	08.02.2019	21.09.2023	Refer profile on page 14	None

55TH ANNUAL GENERAL MEETING TO BE HELD ON 22ND DECEMBER 2025

Name of Director	Board Committees served on	Date of First appointment as a Director	Date of last re-election / re-appointment as a Director	Directorships or Chairpersonship and other principal commitments both present and those held over the preceding three years in other Listed entities	Any relationship including close family relationships between the candidate and the Directors, the Listed Entity or its shareholders holding more than 10% of the shares of the Listed Entity
Recommended for re-election in terms of Articles 87 and 88 of the Articles of Association of the Company					
Mr. M F Farook	AC RPTRC RC	07.11.2017	27.09.2024	Refer profile on page 14	None
Re-appointment in terms of Section 210 of the Companies Act No. 07 of 2007					
Mr. Piers Morgan	RC	08.02.2019	27.09.2024	Refer profile on page 14	None
Re-election of Directors appointed since last Annual General Meeting in terms of Article 90 of the Articles of Association of the Company					
Mr. B V Selvanayagam	AC RPTRC NGC	30.09.2024	N/A	Refer profile on page 14	None

AC - Audit Committee
RPTRC - Related Party Transactions Review Committee
RM - Remuneration Committee
NGC - Nominations and Governance Committee

BOARD DIVERSITY

Board diversity is considered an essential factor in ensuring the Board's effective performance. In that context, the Company is committed to maintaining a diverse Board across the following dimensions that align with its strategic goals and governance standards.

Experience	The present Board comprises of Directors possessing varied experience / expertise in many disciplines which is appropriate for the business carried on by the Company. It reflects a diverse range of expertise, including entrepreneurship, finance, audit and risk management, real estate, advisory, mergers and acquisitions, transactional analysis, valuations & development appraisals, asset management, marketing, governance and legal.
Skills	The Board is possessed of skills that are essential to drive the business of the Company including communication skills, leadership skills, decision making skills, organisational skills and skills to embody the vision of organisation. Many Directors are experienced entrepreneurs, professionals and business leaders and make significant contribution towards the strategic direction of the Company and its subsidiaries with their diverse skills and attributes.
Age	There is a balanced distribution amongst different age groups, ranging from 45 years to 78 years.
Gender	The Company's will be moving towards gender diversity.

Nominations and Governance Committee Report

EFFECTIVE IMPLEMENTATION OF POLICIES AND PROCESSES FOR APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS

The effectiveness of the policies and processes relating to the appointment and re-appointment of Directors is demonstrated by the following:

- The NGC reviewed the criteria for fitness and propriety, independence and other compliance requirements for individual Directors at the time of their initial appointments to the Board and through annual review. Such a review also covered the general disclosure of interests, declarations and other information provided by Director nominees and by individual Directors in accordance with the Listing Rules, Companies Act and the Company's Articles of Association.
- Director nominees are subject to reference checks and reviews of their past performance.
- A process has been established for Board evaluations, including attendance, engagement and effective contribution as a Board member, to ensure that each Director continues to add value to the Company to achieve its objectives, before the NGC recommends the re-election / re-appointment of a Director.

PERIODIC EVALUATIONS ON THE PERFORMANCE OF THE BOARD AND THE EXECUTIVE DIRECTORS.

As per the Rules on Corporate Governance embodied in the Listing Rules and the Policy on Corporate Governance, Nomination and Re-election adopted by the Company with effect from 1st October 2024, it is necessary that periodic evaluation of the performance of the Board of Directors and the Executive Directors of the Company are carried out, through a scheme of self-assessment to be undertaken by each Director. The NGC is responsible for such an assessment and to submit a report on the matter to the Board.

PROCESS ON THE FLOW OF INFORMATION TO INDEPENDENT DIRECTORS ON MAJOR ISSUES

The Company ensures that Independent Directors are informed through a structured communication framework, including regular Board and Committee meetings, with detailed agenda and relevant documents shared in advance. Directors receive periodic updates on key financial, operational and strategic matters, with direct access to the Senior Management and the Company Secretaries to seek clarifications on matters falling under the purview of the Board.

Special briefings are provided to the Directors through the Executive Director, Mr M H Jamaldeen and/or the Company Secretaries in dealing with important matters.

INDUCTION AND ORIENTATION PROGRAMS

The Company provides induction programs for newly appointed Directors, covering operations, governance, regulations, strategic objectives, financial performance and key policies.

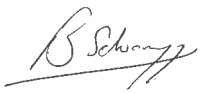
Updates are also provided to the Board on corporate governance, regulatory developments and relevant laws, ensuring compliance, effective risk management, and alignment with legislative amendments to protect shareholder interests.

DETERMINATION OF INDEPENDENCE OF INDEPENDENT DIRECTORS

The NGC confirms that three Independent Directors meet the criteria for independence as stipulated in Rule 9.8.3 of the Listing Rules.

COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS STIPULATED UNDER THE LISTING RULES

The NGC confirms that the Company has fully complied with the Corporate Governance Requirements outlined in the Listing Rules, save and except in respect of the disclosure pertaining to appointment of the Chairman of the Board.



B V Selvanayagam
Chairman – Nominations and Governance Committee

20th November 2025

Remuneration Committee Report

COMPOSITION OF THE COMMITTEE

The Committee comprises two Independent Non-Executive Directors (one of whom is the Chairman) and one Non-Executive Director, in conformity with Rule 9.12.6 of the Listing Rules.

The Committee was reconstituted on 30th September 2024 and the composition of the Committee during the year was as follows:

As of 31st March 2025 and the date of this Report the Committee consists of:

Members	Date of appointment to the Committee	Nature of Directorship
Mr. Mohamed Firdouse Farook (Chairman from 30.9.2024)	16.05.2024	Independent Non-Executive Director
Mr. Sarravanan Neelakandan	07.11.2017	Independent Non-Executive Director
Mr. Piers Morgan	30.09.2024	Non-Executive Director

Brief profile of each member appears on pages 13 to 14 of this Report.

The Members of the Committee from 1st April 2024 to 30th September 2024 were:

Mr Ratnayake Mudiyanselage Mohan Joseph Ratnayake - Chairman (resigned on 30.09.2024)

Mr Sarravananan Neelakandan

Mr Mohamed Firdouse Farook (from 16.05.2024)

The Company Secretaries, P W Corporate Secretarial (Pvt) Ltd serves as the Secretaries to the Company.

The Committee meets only as and when necessary.

Deliberations of the Committee have also been carried out through discussions with the management followed by decisions of the Committee being reached through circular resolutions.

REMUNERATION POLICY

The objective of the Remuneration Policy of the Company is to attract and retain a qualified and experienced team of high calibre managers and professionals and ensuring that remuneration is in line with that of the industry and market.

The Committee further reports that the Company has adopted a "Policy on Remuneration" in compliance with Rule 9.2.1 of the Listing Rules, and it has complied with the provisions of the Companies Act and the Articles of Association regarding Directors' Remuneration.

ROLE OF THE REMUNERATION COMMITTEE

The Remuneration Committee is responsible for advising and assisting the Board in determining a formal and transparent procedure for developing the policy on Executive Directors' remuneration and for fixing the remuneration of Non-Executive Directors.

Its key functions include:

- establishing and review of the parameters of the framework for remuneration of Executive Directors, Non-Executive Directors and Senior Management of the Company and its unlisted subsidiaries.
- review and make recommendations to the Board with regard to the remuneration of Executive Directors and Senior Management and also Non-Executive Directors.
- assisting the Board of Directors to comply with the obligations under section 216 of the Companies Act No. 07 of 2007 read together with the Articles of Association of the Company when approving remuneration of Directors including the basis under which the remuneration may be considered fair to the Company or the relevant subsidiary.

DISCLOSURE ON DIRECTORS' REMUNERATION

The aggregate remuneration paid to the Directors of the Company during the year is disclosed in Note … to the Financial Statements in this Annual Report.



Mohamed Firdouse Farook
Chairman
Remuneration Committee

20th November 2025

Risk Management

MATERIAL RISKS AND PLANS FOR MITIGATION

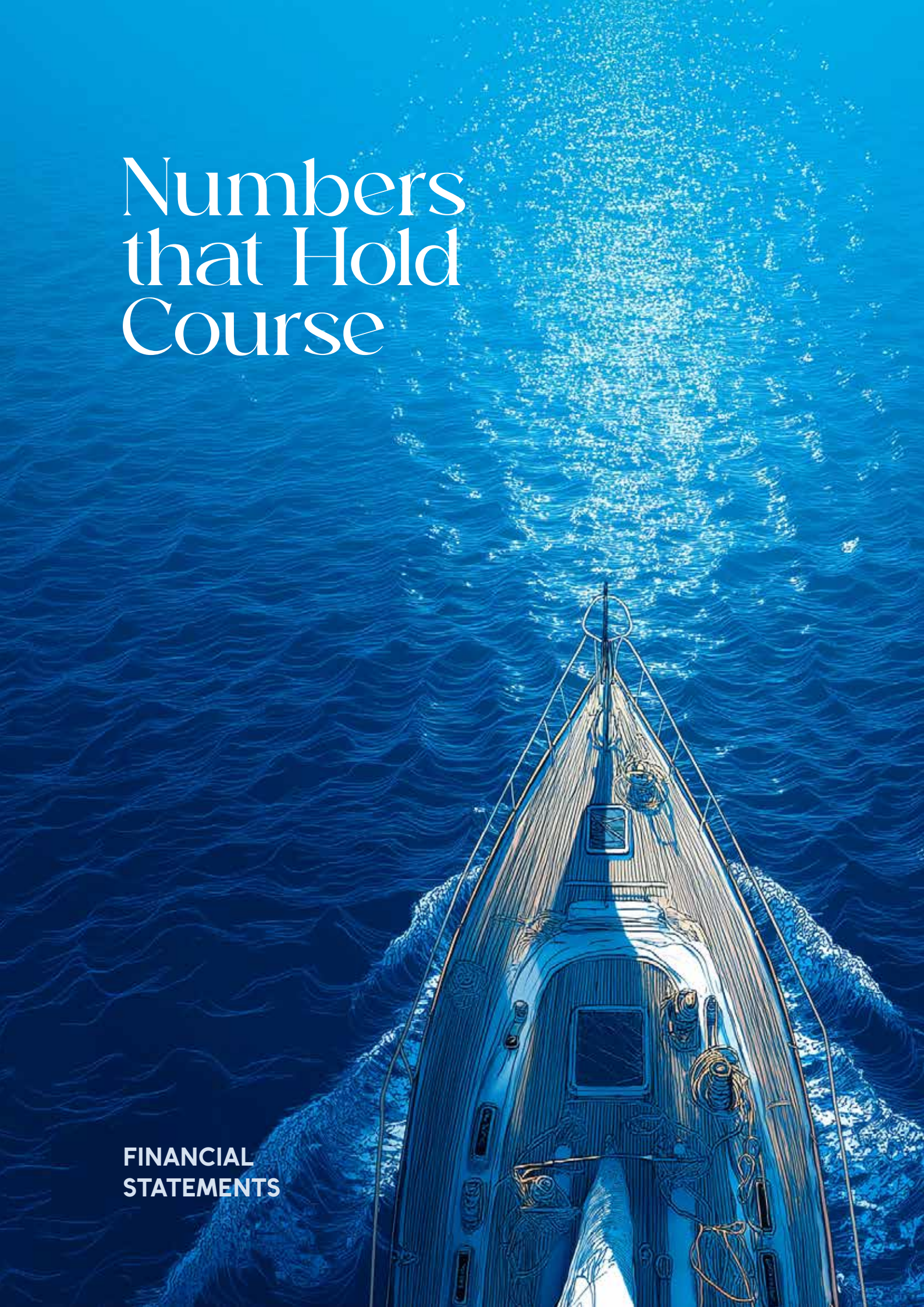
Risk	Description	Impact	Severity of Impact	Likelihood	Mitigating Strategy
Strategic Risk	Risks of not achieving strategic goals and objectives of the Company and the potential for adverse outcomes from failed strategic decisions, actions, or responses to changes in the business environment.	Changes in government legislation and competition will affect the execution of strategies of LRI.	Moderate	Possible	LRI operates with a clear Business Plan taking into account all possible variables in the economy. The Group operates within an approved annual budget and variances are reviewed periodically by the Board of Directors. Steps are being taken to diversify revenue streams to limit dependability on one sector.
Construction Costs	Risks from an increase in construction material costs and the inadequacy of local contractors.	The Company being unable to meet the budgeted construction cost and incurring losses as a result.	Moderate	Possible	Entering into fixed price LKR contracts with contractors and trying to keep any variations arising due to economic conditions at a minimum.
Brand and Reputation	Risks relating to negative publicity arising from poor product quality, service standards and overdue delivery.	Negative client and public opinion and loss of customer satisfaction, resulting in current and future performance.	Major	Unlikely	Maintaining high product and service quality standards and quality assurance/control systems in projects. Ensuring high levels of hygiene and security protocols are being maintained. Regular reviews of customer comments and feedback and address customer complaints promptly.
Human Capital	The inability to attract and maintain a sufficient number of skilled and experienced workers, as well as the inability to guarantee their ongoing involvement and dedication, will impede the achievement of expansion ambitions.	Disruption to continuity of operations due to capable and experienced personnel leaving the Company and having to recruit and train new employees to fill the gap.	Moderate	Possible	Our recruitment is non-discriminatory. Recruiting the best talent, retaining them and providing an adequate career development plan are critical to our HR policy. Close dialogue with employees helps to identify areas of concern and maintaining an open-door policy for employees creates accessibility at the senior level for an effective work atmosphere. There are no material issues pertaining to employees or industrial relations with our entity.

Risk	Description	Impact	Severity of Impact	Likelihood	Mitigating Strategy
Liquidity Risks	The risk of not having sufficient liquid financial resources to meet its obligations as they fall due in the normal course of business.	The Company being unable to meet financial obligations will result in a loss of credibility with suppliers and other creditors and in the worst-case scenario will result in the winding up of the Company.	Major	Possible	Strong relationships have been built with banks to ensure that urgent borrowing needs are met at short notice. Facilities are in place to cover forecasted cash needs for at least a period of twelve months. Additionally, solvency related analysis is carried out periodically by the finance division.
Legal, Regulatory and Compliance	Risks due to changes in taxes, legal regulations and other government policies. This could result in non-compliance with legal and regulatory requirements, potentially leading to penalties and fees.	This will lead to loss of reputation and future loss of sales, and the Company will need to incur legal costs to rectify non-compliance.	Major	Unlikely	The Company conducts regular reviews of laws and regulations relevant to its operations to ensure compliance. Managing and minimising the risk of legal disputes, lawsuits, and regulatory investigations. For this purpose, the Company has retained the services of tax consultants, legal consultants, and professional company secretaries.
Foreign Exchange Risk	Unprecedented movement of LKR against foreign currencies.	Depreciation of the LKR against USD will lead to delays in allocation of USD for material imports. Additionally restrictions being placed on non-essential imports will cause material prices to soar which cannot be passed on to the end client. On the other hand, the depreciation of the LKR will boost LKR revenue in the Leisure sector.	Major	Possible	Keeping track of foreign exchange rate fluctuations. Secure fixed price contracts and reprice unsold units to offset increased the cost due to currency fluctuations.
Interest Rate	Risks relating to interest income from investments and the cost of borrowing.	An increase in interest rates, as evidenced by the interest hike from early 2022 to the latter part of 2023, can cause interest on loans subject to floating rates to hike and at the same time, interest income from investments also to go up. Customers' affordability will be affected due to high financing costs, resulting in slow sales.	Moderate	Possible	Measures taken to negotiate favourable rates and terms on borrowings and deposits. Maintain an appropriate combination of fixed and floating rate borrowings. Offer flexible payment plans to customers opting for bank loans.

Risk Management

Risk	Description	Impact	Severity of Impact	Likelihood	Mitigating Strategy
Disruptions to Supply Chain	Risk of disruptions in the supply chain for construction materials, equipment, hotel supplies, or essential services, which could impact both ongoing construction projects and hotel operations.	The progress of project completion will be impacted and delays in completion will cause loss in reputation. The hotel operations can get impacted causing losses during peak season.	Moderate	Possible	Supplier diversification, and maintaining strong relationships with reliable suppliers, and maintaining buffer stock. Develop contingency plans for supply chain disruptions.
Health and Safety Risk	Risk of possible threats to the health and life of employees, customers, and any other person at office premises, hotels or construction sites.	Non-adherence to health and safety regulations or any major safety measures can raise legal issues, fines, project stoppages, and reputational damage.	Major	Unlikely	The Company complies with all industrial safety requirements. Provide medical covers for employees. Ensure regular sanitation of work areas and regular pest control measures.
Climate Related Risk	The effects on weather patterns and seasonal changes on tourist arrivals.	Tourist arrivals depend on seasonal changes, and the leisure sector of LRI gets affected. Construction activities are affected due to rain and extreme heat, delaying completion.	Major	Possible	Have backup revenue streams from leisure properties during the off-season. The project programs are integrated with possible changes in weather.
Data Security and Data Privacy	Disruptions to IT systems are caused by cyberattacks, infrastructure failures and breaches of the confidentiality of data of stakeholders.	Disrupt business operations, leading to downtime, loss of productivity and delays. Unauthorised access to confidential data can cause a loss of customer confidence, loss of market share and damage to reputation.	Major	Unlikely	Stringent cybersecurity measures are in place to deter cyber threats. IT policy has been enforced to govern the usage of IT resources and set out best practices. Conducting staff training on data privacy and data security. Utilising measures to prevent email spoofing and sensitive data being intercepted or tampered with.
Competition	Risks arising from new commercial and residential developments.	The market share will decline causing the sales to go down.	Moderate	Possible	Monitoring of existing and new supply by commercial and residential developers. Regular competitor analysis. Differentiating the Company's offerings from other development offerings in the market.

Numbers that Hold Course



FINANCIAL STATEMENTS

Independent Auditor's Report

Building a better working world

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF LANKA REALTY INVESTMENTS PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Lanka Realty Investments 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 flow for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company and the Group as at 31 March 2025, and of its financial performance and its 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.

Key audit matter	How our audit addressed the key audit matter
Assessment of fair value of land and buildings Property, Plant and Equipment and Investment Properties include land and buildings carried at fair value. The fair value of land and buildings were determined by external valuers engaged by the Group. This was a key audit matter due to: • The materiality of the reported fair value of land and buildings which amounted to Rs. 17.6 Bn representing 92% of the Group's total assets as of the reporting date; and • The degree of assumptions, judgements and estimation uncertainties associated with fair valuation of land and buildings using the income approach. Key areas of significant judgments, estimates and assumptions used in assessing the fair value of land and buildings, as disclosed in Notes 15 and 17 to the financial statements, included judgements involved in ascertaining the appropriate valuation techniques and estimates such as: • Estimated rental yield per square foot • Estimated maintenance cost and other outgoings • Discount rate • Terminal capitalization rate • Growth rate	Our audit procedures included the following key procedures: • Assessed the competency, capability and objectivity of the external valuer engaged by the Group. • Read the external valuer's report and understood the key estimates made and the approach taken by the valuer in determining the valuation of the property. • Assessed the reasonableness of significant assumptions, judgements and estimates made by the valuer such as estimated rental yield per square foot, Estimated maintenance cost and other outgoings, Discount rate, Terminal capitalization rate, Growth rate and valuation techniques as relevant in assessing the fair value of the property. We also assessed the adequacy of the disclosures made in Notes 15 and 17 to the financial statements.

Key audit matter	How our audit addressed the key audit matter
Interest Bearing Borrowings As of the reporting date, the Group reported total interest bearing borrowings of Rs. 4.5 Bn, of which Rs. 2.9 Bn was reported as current liabilities and the balance Rs. 1.6 Bn as non-current liabilities, as disclosed in Note 28 to the financial statements. Interest bearing borrowings was a key audit matter due to: • The materiality of the interest-bearing borrowings; and • Appropriateness of disclosures including liquidity risk management, maturity profile and disclosures relating to the current and non-current classification of such borrowings in the financial statements.	Our audit procedures included the following key procedures: • Obtained an understanding of the terms of repayment and any covenants attached to borrowings, by reading the loan agreements. • Obtained confirmations from financial institutions for outstanding amounts as of the reporting date. • Assessed the maturity profile of the Group's borrowings focusing on the management's plans to meet the debt obligations maturing within the next twelve months and working capital requirements. We have also assessed the adequacy and appropriateness of the disclosures made in Note 28 relating to interest bearing borrowings.

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 management and those charged with governance for the financial statements

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

Independent Auditor's Report

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 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 1697.



20th November 2025
Colombo.

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, R N de Saram ACA FCMA, 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), M U M Mansoor ACA

A member firm of Ernst & Young Global Limited

Statement of Profit or Loss

In LKR		Group		Company	
For the year ended 31 March	Notes	2025	2024	2025	2024
Revenue	5	1,205,078,755	1,124,465,097	404,807,261	350,499,423
Cost of sales		(759,999,735)	(827,134,013)	-	-
Gross profit		445,079,020	297,331,084	404,807,261	350,499,423
Other operating income	6	40,051,278	54,307,402	153,412	3,362
Selling and distribution expenses		(10,286,538)	(11,951,158)	-	-
Administrative expenses		(303,921,842)	(289,576,158)	(14,071,532)	(11,330,441)
Other operating expenses	7	(3,315,514)	(74,802,655)	(76,902)	(34,042)
Results from operating activities		167,606,404	(24,691,485)	390,812,238	339,138,303
Finance cost	8	(451,635,011)	(635,285,088)	(69,450,806)	(117,083,992)
Finance income	9	23,434,646	71,594,905	977,804	1,408,109
Net finance cost		(428,200,365)	(563,690,183)	(68,473,002)	(115,675,883)
Change in fair value of investment property	17	457,198,875	720,351,702	-	-
Profit/(loss) before tax	10	196,604,914	131,970,034	322,339,236	223,462,419
Tax (expense)/reversal	11	(49,322,779)	(114,180,398)	(98,856,777)	(12,430,717)
Profit/(loss) for the year		147,282,135	17,789,636	223,482,459	211,031,702
Attributable to:					
Equity holders of the parent		(94,519,780)	(257,433,157)	223,482,459	211,031,702
Non-controlling interests		241,801,915	275,222,793	-	-
		147,282,135	17,789,636	223,482,459	211,031,702
Earnings/(loss) per share					
Basic, profit/(loss) for the year attributable to ordinary equity holders of the parent	12	(0.45)	(1.22)	1.06	0.99
Diluted, profit/(loss) for the year attributable to ordinary equity holders of the parent	12	(0.45)	(1.22)	1.06	0.99

The notes from pages 58 to 113 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Statement of Comprehensive Income

In LKR		Group		Company	
For the year ended 31 March	Notes	2025	2024	2025	2024
Profit/(loss) for the year		147,282,135	17,789,636	223,482,459	211,031,702
Other comprehensive income					
Other comprehensive income not to be reclassified to income statement in subsequent periods:					
Revaluation of land	15	115,093,086	53,900,000	-	-
Revaluation of buildings	15	57,377,122	60,974,047	-	-
Revaluation of right-of-use-asset		-	-	-	-
Re-measurement gain/(loss) on employee benefit liabilities	27	3,278,381	(6,019,858)	-	-
Income tax effect	11.2	(49,405,697)	(33,013,708)	-	-
Total other comprehensive income/(loss) for the year, net of tax		126,342,892	75,840,481	-	-
Total comprehensive income/(loss) for the year, net of tax		273,625,027	93,630,117	223,482,459	211,031,702
Total comprehensive income attributable to:					
Equity holders of the parent		29,335,882	(196,903,945)	223,482,459	211,031,702
Non-controlling interests		244,289,145	290,534,062	-	-
		273,625,027	93,630,117	223,482,459	211,031,702

The notes from pages 58 to 113 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Statement of Financial Position

In LKR		Group		Company	
For the year ended 31 March	Notes	2025	2024	2025	2024
ASSETS					
Non-current assets					
Property, plant and equipment	15	2,452,602,333	2,286,857,868	-	-
Intangible assets	16	340,378,408	343,882,755	1,199,906	1,449,444
Investment property	17	15,253,264,446	14,622,664,445	-	-
Investments in subsidiaries	18	-	-	7,609,327,660	7,609,327,660
Other non-current assets	19	8,037,231	8,037,231	-	-
Deferred tax assets	26.2	135,778	1,028,946	135,778	1,028,946
		18,054,418,195	17,262,471,245	7,610,663,344	7,611,806,050
Current assets					
Inventories	20	419,558,002	455,276,436	-	-
Trade and other receivables	21	339,282,313	327,066,493	783,905	783,905
Financial assets-fair value through profit or loss	22	242,513	96,280	242,513	96,280
Amounts due from related parties	34.4	6,226,070	20,675,645	2,111,163,530	1,745,438,007
Other current assets	23	94,771,435	99,957,974	10,810,197	17,089,356
Short-term investments	33	20,475,577	20,493,313	-	-
Cash in hand and at bank	33	240,845,747	351,252,259	58,863,463	1,355,257
		1,121,401,657	1,274,818,400	2,181,863,607	1,764,762,805
Total assets		19,175,819,853	18,537,289,645	9,792,526,951	9,376,568,855
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Stated capital	24	7,048,662,671	7,048,662,671	7,048,662,671	7,048,662,671
Revaluation reserve		358,249,279	238,788,604	-	-
Retained earnings	25	712,902,574	803,011,399	478,966,338	255,483,879
Other components of equity	25	23,100,000	23,100,000	23,100,000	23,100,000
		8,142,914,524	8,113,562,673	7,550,729,009	7,327,246,550
Non-controlling interests		1,776,948,322	1,697,114,934	-	-
Total equity		9,919,862,846	9,810,677,607	7,550,729,009	7,327,246,550
Non-current liabilities					
Deferred tax liabilities	26.1	2,798,344,173	2,848,140,507	-	-
Employee benefit liabilities	27	23,602,985	22,549,435	-	-
Interest bearing borrowings	28	1,627,864,005	2,941,214,936	400,000,000	400,000,000
Amounts due to related parties	34.5	104,995,090	47,666,349	104,995,090	47,666,349
Other Non-Current Liabilities	29	166,297,691	181,353,031	-	-
		4,721,103,944	6,040,924,258	504,995,090	447,666,349

Statement of Financial Position

In LKR		Group		Company	
For the year ended 31 March	Notes	2025	2024	2025	2024
Current liabilities					
Trade and other payables	30	344,687,844	357,595,196	1,360,194	637,844
Amounts due to related parties	34.5	357,262,291	282,201,877	1,519,618,768	1,433,853,271
Income tax liabilities	31	127,073,095	21,324,402	68,543,257	12,462,599
Current portion of interest bearing borrowings	28	2,915,433,646	1,369,305,042	106,734,300	135,773,645
Other current liabilities	32	449,736,591	348,369,912	25,210,298	16,293,781
Bank overdrafts	33	340,659,595	306,891,351	15,336,034	2,634,815
		4,534,853,063	2,685,687,780	1,736,802,852	1,601,655,955
Total equity and liabilities		19,175,819,853	18,537,289,645	9,792,526,951	9,376,568,855

The notes from pages 58 to 113 form an integral part of these financial statements.

Figures in brackets indicate deductions.

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

Minoli Jayasundara
Head of Finance

The Board of Directors is responsible for these financial statements.
Signed for and on behalf of the board by;

Sarravanan Neelakandan
Chairman

M H Jamaldeen
Director

20th November 2025
Colombo

Statement of Changes in Equity

Group In LKR	Stated capital	Other components of equity	Revaluation Reserve	Retained earnings	Total Equity attributable to equity holder of the parent	Non-controlling interests	Total equity
As at 31 March 2023	7,048,662,671	23,100,000	173,708,588	1,064,995,359	8,310,466,618	1,511,639,625	9,822,106,242
Profit/(loss) for the year	-	-	-	(257,433,157)	(257,433,157)	275,222,793	17,789,636
Dividend Payment						(105,058,754)	(105,058,754)
Other comprehensive income:							
Revaluation of land & building	-	-	90,354,797	-	90,354,797	24,519,250	114,874,047
Re-measurement gain/(loss) on employee benefit liabilities	-	-	-	(3,487,030)	(3,487,030)	(2,532,828)	(6,019,858)
Income tax on other comprehensive income	-	-	(25,274,782)	(1,063,773)	(26,338,555)	(6,675,153)	(33,013,708)
As at 31 March 2024	7,048,662,671	23,100,000	238,788,604	803,011,399	8,113,562,673	1,697,114,934	9,810,677,607
Profit/ (loss) for the year	-	-	-	(94,519,780)	(94,519,780)	241,801,915	147,282,135
Dividend Payment						(164,439,788)	(164,439,788)
Other comprehensive income:							
Revaluation of land & building	-	-	168,333,077	-	168,333,077	4,137,131	172,470,208
Re-measurement gain/(loss) on employee benefit liabilities	-	-	-	4,593,592	4,593,592	(1,315,211)	3,278,381
Income tax on other comprehensive income	-	-	(48,872,402)	(182,637)	(49,055,039)	(350,658)	(49,405,697)
As at 31 March 2025	7,048,662,671	23,100,000	358,249,279	712,902,574	8,142,914,523	1,776,948,322	9,919,862,846

Company In LKR	Stated capital	Other components of equity	Retained earnings	Total equity
As at 31 March 2023	7,048,662,671	23,100,000	44,452,178	7,116,214,949
Loss for the year	-	-	211,031,702	211,031,702
As at 31 March 2024	7,048,662,671	23,100,000	255,483,879	7,327,246,550
Loss for the year	-	-	223,482,459	223,482,459
As at 31 March 2025	7,048,662,671	23,100,000	478,966,338	7,550,729,009

The notes from pages 58 to 113 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Statement of Cash Flows

In LKR		Group		Company	
For the year ended 31 March	Notes	2025	2024	2025	2024
OPERATING ACTIVITIES					
Profit/(loss) before tax		196,604,914	131,970,034	322,339,236	223,462,419
Adjustments to reconcile profit before tax to net cash flows:					
Depreciation of property, plant and equipment	15.1	16,318,066	15,936,956	-	-
Amortization of intangible assets	16.1	2,784,285	2,441,025	249,538	249,538
Finance income	9	(23,434,646)	(71,594,905)	(977,804)	(1,408,109)
Dividend income	5	-	-	(170,371,325)	(108,848,346)
Finance expense	8	451,635,012	635,285,088	69,450,806	117,083,992
Gratuity provision and related costs	27	4,912,029	4,436,095	-	-
Fair value change in investment properties	17	(457,198,875)	(720,351,702)	-	-
(Appreciation)/ depreciation in fair value of FVTPL	22	(146,233)	(3,362)	(146,233)	(3,362)
Disposal Loss on property, plant & equipment	6	-	68,501,368	-	-
Impairment of investments		720,062	-	-	-
Working capital adjustments:					
(Increase) / Decrease in inventories		35,718,434	142,253,425	-	-
(Increase) / Decrease in trade and other receivables		(12,215,820)	(112,349,717)	-	(500,000)
(Increase) / Decrease in amounts due from related parties		14,449,574	(15,104,099)	(365,725,522)	(318,071,929)
(Increase) / Decrease in other current assets		(36,696,411)	215,879,676	(35,603,792)	(16,298,672)
Increase / (Decrease) in trade and other payables		(12,907,352)	218,850,856	722,350	99,541,137
Increase / (Decrease) in amounts due to related parties		132,389,155	71,727,633	143,094,238	-
Increase / (Decrease) in tenants refundable deposit		(15,055,340)	94,228,249	-	-
Increase / (Decrease) in other current liabilities		393,553,077	(41,172,818)	30,625,603	2,581,862
		691,429,932	640,933,802	(6,342,904)	(2,211,470)
Interest received		23,434,647	71,594,905	977,804	1,408,109
Finance expenses paid		(243,614,402)	(635,285,088)	(91,159,892)	(117,083,992)
Tax paid	31	-	(44,037,519)	-	-
Employee benefit paid	27	(580,097)	(2,634,198)	-	-
Net cash flow from/(used in) operating activities		470,670,079	30,571,902	(96,524,992)	(117,887,354)

In LKR		Group		Company	
For the year ended 31 March	Notes	2025	2024	2025	2024
INVESTING ACTIVITIES					
Purchase of investment property	17	(173,401,126)	(416,948,299)	-	-
Purchase of property, plant and equipment	15	(9,592,322)	(12,723,718)	-	-
Disposal of Assets		-	505,644,423	-	-
Disposal of Intangible Assets		-	674,503	-	-
Dividend received	5	-	-	170,371,325	108,848,346
Net cash flow from/(used in) investing activities		(182,993,448)	76,646,908	170,371,325	108,848,346
FINANCING ACTIVITIES					
Dividend Payments	-	(164,439,788)	(105,058,754)	-	-
Proceeds of bank borrowings	28	-	109,781,883	-	35,773,645
Repayment of bank borrowings	28	(264,148,084)	(162,921,652)	(29,039,345)	(58,930,931)
Principle payment under finance lease liabilities	28	(3,281,250)	(3,291,250)	-	-
Net cash flow from/(used in) financing activities		(431,869,123)	(161,489,773)	(29,039,345)	(23,157,286)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(144,192,491)	(54,270,962)	44,806,988	(32,196,292)
CASH AND CASH EQUIVALENTS AT THE BEGINNING		64,854,220	119,125,182	(1,279,558)	30,916,734
CASH AND CASH EQUIVALENTS AT THE END		(79,338,271)	64,854,220	43,527,430	(1,279,558)
ANALYSIS OF CASH AND CASH EQUIVALENTS					
Favourable balances					
Cash in hand and at bank	33	240,845,747	351,252,259	58,863,463	1,355,257
Short-term invest	33	20,475,577	20,493,313	-	-
Unfavourable balances					
Bank overdrafts	33	(340,659,595)	(306,891,351)	(15,336,034)	(2,634,815)
Total cash and cash equivalents		(79,338,271)	64,854,220	43,527,429	(1,279,558)

The notes from pages 58 to 113 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Notes to the Financial Statements

1.1 CORPORATE INFORMATION

1.1.1 Reporting entity

Lanka Realty Investments PLC is a public (limited) liability Company incorporated and domiciled in Sri Lanka. The ordinary shares of the Company are listed on the Colombo Stock Exchange of Sri Lanka. The registered office of the Company is located at 1st Floor, HQ Colombo, 464/A, T. B. Jayah Mawatha, Colombo 10.

1.1.2 Consolidated financial statements

The consolidated financial statements of Lanka Realty Investments PLC, for the year ended 31 March 2025, encompasses "the Company" referring to Lanka Realty Investments PLC as the parent and "the Group" referring to the companies that have been consolidated therein.

1.1.3 Nature of operations and principal activities of the Company and the Group

Lanka Realty Investments PLC, the Group's holding Company, manages a portfolio of holdings consisting of a range of diverse business operations, which together constitute the Lanka Realty Investments Group.

Lanka Realty Investments PLC holds 100% of the issued share capital of Lanka Realty Developments (Pvt) Ltd which is engaged in the business of commercial property development, 100% of the issued share capital of L & A Quarries (Pvt) Ltd which is in the business of operating crusher plants and 80% of the issued share capital of Amtrad Ltd which operates in the manufacturing & selling of cement/concrete building blocks and paving stones.

Further, the Company holds 100% of the issued share capital of Lanka Realty Leisure (Pvt) Ltd, Lanka Realty Ambalangoda (Pvt) Ltd and Ascot Yala (Pvt) Ltd which are in the business of leisure. There were no business operations in these three companies since its incorporation.

On 13th August 2019, Lanka Realty Investments PLC had acquired 100% of the issued share capital of the following companies:

- Baseline Holdings (Pvt) Ltd – Holds a bare land.
- 285 Darley Road (Pvt) Ltd – Holds a bare land through Oak Street (Pvt) Ltd (100% owned subsidiary of 285 Darley Road (Pvt) Ltd).
- Thudella Holdings (Pvt) Ltd – Holds a bare land through Crown Resorts (Pvt) Ltd (100% owned subsidiary of Thudella Holdings (Pvt) Ltd)
- Almond Trees (Pvt) Ltd- Engaged in the operation of a hotel, a restaurant and a pub and the company holds an investment in a fully owned subsidiary (Ilook Villa (Pvt) Ltd which engages in operation of a hotel, a restaurant and a bar.
- Mulberry Holdings (Pvt) Ltd which is a developer of residential apartments.

On 03rd December 2020, Lanka Realty Investments PLC had acquired 50.89% of the issued share capital of the On'ally Holdings PLC which is in the business of property development / real estate.

1.1.4 Approval of financial statements

The financial statements of Lanka Realty Investments PLC ("Company") and the consolidated financial statements of the Company and its subsidiaries ("Group") for the year ended 31 March 2025, were authorized for issue by the Board of Directors on 20th November 2025.

1.1.5 Responsibility for financial statements

The responsibility of the Board of Directors in relation to the financial statements is set out in the Statement of Directors' Responsibility report in the Annual Report.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The consolidated financial statements which comprise the statement profit of loss, statements of comprehensive income, statement of financial position, statement of changes in equity and the statement of cash flows together with accounting policies and notes are prepared in accordance with Sri Lanka Accounting Standards (SLFRS/ LKAS).

2.2 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for:

- Land and buildings which are recognised as property plant and equipment which are measured at cost at the time of the acquisition and subsequently carried at fair value.
- Land and buildings which are recognised as investment property which are measured at cost at the time of the acquisition and subsequently carried at fair value.
- Lands which are recognised as right of use asset which are measured at cost at the time of the acquisition and subsequently carried at fair value.
- Financial instruments reflected as fair value through profit or loss which are measured at fair value.

Where appropriate, the specific policies are explained in the succeeding notes.

No adjustments have been made for inflationary factors in the consolidated financial statements.

2.3 Presentation and functional currency

The consolidated financial statements are presented in Sri Lankan Rupees (LKR), which is also the parent Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

2.4 Materiality and aggregation

Each material class of similar items is presented separately in the consolidated financial statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

2.5 Comparative information

The presentation and classification of the financial statements of the previous years have been amended, where relevant, for better presentation and to be comparable with those of the current year. (Please refer Notes 39 to the financial statements)

3. BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2025. The financial statements of the subsidiaries are prepared in compliance with the Group's accounting policies.

3.1 Subsidiaries

Subsidiaries are those entities controlled by the Group. Control is achieved when the Group is exposed, or rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

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

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

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

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

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in the profit or loss. Any investment retained is recognised at fair value.

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

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

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

Notes to the Financial Statements

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition- related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SLFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with SLFRS 9. Other contingent consideration that is not within the scope of SLFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

4.2 Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in 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 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 Group classifies all other liabilities as non-current.

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

4.3 Fair value measurement

The Group measures financial instruments such as derivatives, and non-financial assets such as investment properties, at fair value at each reporting date.

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.

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, describes follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

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

- Financial instruments (including those carried at amortised cost)
- Quantitative disclosures of fair value measurement hierarchy
- Property, plant & equipment under revaluation model
- Investment properties

4.4 Property, plant and equipment

Construction in progress is stated at cost, net of accumulated impairment losses, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Land and buildings are measured at fair value less accumulated depreciation and impairment losses recognised after the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to

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the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Description	Period
Buildings	8- 25
Plant and machinery	4- 12
Motor vehicles	4
Furniture and fitting, tools & other office equipment	3 – 5

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

4.5 Leases

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.

4.5.1 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.

4.5.2 Right-of-use 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). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement 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. After recognition the right-of-use assets is carried at revalue amounts, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position. See Notes 15.1.2 and 28 to the financial statements

4.5.3 Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing loans and borrowings. See Note 28 to the financial statements.

4.5.4 Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases. It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

4.5.5 Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income

arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

4.6 Investment properties

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

Investment property is measured initially at cost, including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating. The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

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

- Reduced by the carrying amount of any accrued income resulting from the spreading of lease incentives and/or minimum lease payments
- In the case of investment property held under a lease, increased by the carrying amount of any liability to the head lessor that has been recognised in the statement of financial position as a finance lease obligation

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. Investment property is derecognised either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Investment property is derecognised either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

4.7 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

4.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily

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takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.9 Financial instruments - Initial recognition and subsequent measurement

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

4.9.1 Financial assets

4.9.1.1 Initial Recognition and Measurement

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under SLFRS 15. Refer to the accounting policies in note 4.16 for Revenue from contracts with customers.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

4.9.1.2 Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognisation (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (Debt instruments)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI.

Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other noncurrent financial assets.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument by instrument basis.

Gains and losses on these financial assets are never recycled to Profit or Loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the Financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

This category includes listed and non-listed equity instruments under this category. Financial assets at fair value through profit or loss Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

4.9.1.3 De-recognition

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

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

Or

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

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

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

4.9.1.4 Impairment of Financial Assets

The Group recognises an allowance for Expected Credit Losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward- looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Trade receivables Note 21.1 to the financial statements

4.9.2 Financial liabilities

4.9.2.1 Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings, payables.

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

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

4.9.2.1 Subsequent Measurement

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

4.9.2.1 Loans and borrowings

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

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

This category generally applies to interest bearing loans and borrowings. For more information, refer to Note 28 to the financial statement.

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4.9.2.2 De-recognition

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

4.9.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.10 Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: Weighted average directly attributable cost
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

4.10.1 Inventory property

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

Principally, this is residential property that the Group develops and intends to sell before, or on completion of, development. Cost incurred in bringing each property to its present location and condition includes:

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

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

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

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

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

4.11 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment on inventories is recognised in the profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and as when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

4.12 Cash and short-term deposits

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

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

4.13 Provisions, contingent assets and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the profit or loss net of any reimbursement.

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

4.14 Defined contribution plans- Employees' provident fund and employees' trust fund

Employees are eligible for employees' provident fund contributions and employees' trust fund contributions in line with respective statutes and regulations. The company contributes the defined percentages of gross emoluments of employees to an approved employees' provident fund of 12% and to the employees' trust fund of 3% respectively, which are externally funded.

4.15 Defined employee benefit liabilities

The liability recognised in the statement of financial position is the present value of the defined benefit obligation at the reporting date using the projected unit credit method. Any remeasurements gains or losses arising are recognised immediately in the other comprehensive income. Remeasurements are not reclassified to profit or loss in subsequent periods. The liability is not externally funded.

4.16 Revenue from contracts with customers

The Group is in the business of operating hotels, manufacturing construction materials and real estate. Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods.

4.16.1 Revenues from the sale of inventory property

Revenues from the sale of inventory property The Group enters into contracts with customers to sell completed inventory property.

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

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

4.16.2 Rendering of services

Group determines at contract inception whether it satisfies the performance obligation over time or at a point in time. For each performance obligation satisfied overtime, the Group recognises the revenue over time by measuring the progress towards complete satisfaction of that performance obligation.

Interest income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

Dividends

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend and in the case of quoted securities is the ex-dividend date.

Rental income

Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease terms.

Room, food and beverage income

The room, food and beverage income gross turnover comprise proceeds from provision of food, beverage, lodging and other hospitality industry related activities. The net turnover excludes turnover taxes and trade discounts.

The specific recognition criteria described below must also be met before revenue is recognised.

a) Room revenue is recognised on the rooms occupied on daily basis.

b) Food and Beverage revenue is recognised at the time of sales.

c) Other Hotel Related Revenue is accounted when such service is rendered.

4.16.3 Significant financing component

Generally, the Group receives short-term advances from its customers. Using the practical expedient in SLFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

4.16.4 Contract balances

4.16.4.1 Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in note 4.9) Financial instruments – initial recognition and subsequent measurement.

4.16.4.2 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

4.17 Expenses

Expenses are recognised in the profit or loss on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the profit or loss.

For the purpose of presentation of the profit or loss, the "function of expenses" method has been adopted, on the basis that it presents fairly the elements of the Group's and Company's performance.

4.18 Foreign currencies

For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation; the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

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

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

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

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

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

4.19 TAX

4.19.1 Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

4.19.2 Deferred tax

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset

Notes to the Financial Statements

is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

4.20 General

4.20.1 Events occurring after the reporting date

All material post reporting date events have been considered and where appropriate adjustments or disclosures have been made in the financial statements. Refer Note 38 to the financial statements.

4.20.2 Earnings per share

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4.21 Significant accounting judgments, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Other disclosures relating to the Group's exposure to risks and uncertainties includes:

- Capital management Note 14.4 to the financial statements.
- Financial risk management and policies Note 14 to the financial statements.
- Sensitivity analyses disclosures Notes 14.3.1 and 27 to the financial statements.

Estimates and assumptions

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

4.21.1 Going concern

The directors have made an assessment of the Group's ability 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 performance of the Group and the measures adopted by the government to support the recovery of the economy. 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. Therefore, the financial statements continue to be prepared on the going concern basis.

4.21.2 Revaluation of property, plant and equipment and investment properties

The Group carries its investment properties and property, plant and equipment at fair values, with changes in fair value being recognised in the statement of profit or loss and other comprehensive income respectively. For investment properties and certain property, plant and equipment, a valuation methodology based on a discounted cash flow (DCF) model was used, as there is a lack of comparable market data because of the nature of the properties.

The Group engaged an independent valuation specialist to assess fair values as at 31 March 2025 for investment properties and land and buildings (classified as property, plant and equipment).

The key assumptions used to determine the fair value of the properties and sensitivity analyses are provided in Notes 15 and 17 to the financial statements

4.21.3 Taxation

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together as with future tax planning strategies.

The Group has LKR 2,758 Mn (2024: LKR 4,283 Mn) of unused tax losses for which no deferred tax asset is recognised in the statement of financial position. These losses relate to Company and subsidiaries that have a history of losses and may not be used to offset taxable income elsewhere in the Group. The Company and subsidiaries neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

Further details on taxes are disclosed in Note 11 and 26 to the financial statements.

4.22 Standards issued but not yet effective

The new and amended standards and interpretations that are issued up to the date of issuance of the Company's financial statements but are not effective for the current annual reporting period, are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

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.

Notes to the Financial Statements

5 REVENUE

In LKR	Group		Company	
For the year ended 31 March	2025	2024	2025	2024
Interest income on loans to subsidiaries	-	-	234,435,936	241,651,077
Rental income derived from investment property	578,142,801	468,447,189	-	-
Sale of paving blocks	17,624,726	47,389,549	-	-
Dividend income	-	-	170,371,325	108,848,346
Apartments Revenue	384,459,727	381,767,586	-	-
Room, food and beverage income	224,851,501	226,860,773	-	-
	1,205,078,755	1,124,465,097	404,807,261	350,499,423

5.1 DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

In LKR	Group	
For the year ended 31 March	2025	2024
Rental Income	578,142,801	468,447,189
Revenue from contracts with customers	626,935,954	656,017,908
Revenue recognized at a point-in-time	626,935,954	656,017,908

6 OTHER OPERATING INCOME

In LKR	Group		Company	
For the year ended 31 March	2025	2024	2025	2024
Net gain on financial instruments at fair value through profit or loss	146,233	3,362	146,233	3,362
Sundry income	18,211,036	6,142,557	-	-
Write off payables	6,027,564	-	7,179	-
Rental on hoarding and sign boards	10,056,938	9,310,500	-	-
Foreign exchange gain	5,609,507	38,850,983	-	-
	40,051,278	54,307,402	153,412	3,362

7 OTHER OPERATING EXPENSES

In LKR	Group		Company	
For the year ended 31 March	2025	2024	2025	2024
Bank charges	407,480	3,232,336	76,902	34,042
Alexandra Assets disposal loss	-	68,501,368	-	-
Insurance-Building	267,705	242,851	-	-
Security chargers	2,037,400	2,460,900	-	-
Write off provision	408,265	-	-	-
Other operating expenses	194,664	365,200	-	-
	3,315,514	74,802,655	76,902	34,042

8 FINANCE COST

In LKR	Group		Company	
For the year ended 31 March	2025	2024	2025	2024
Interest expenses on bank overdraft	45,464,563	14,648,952	1,517	1,500
Interest expenses on bank and other borrowings	394,380,913	610,256,180	62,120,548	110,850,101
Interest expenses on finance leases	4,267,669	4,147,565	-	-
Interest expenses on related party loans	7,328,741	6,232,391	7,328,741	6,232,391
Unrealized exchange loss	193,125	-	-	-
	451,635,011	635,285,088	69,450,806	117,083,992

9 FINANCE INCOME

In LKR	Group		Company	
For the year ended 31 March	2025	2024	2025	2024
Interest income on short- term investments	23,434,646	71,594,905	977,804	1,408,109
	23,434,646	71,594,905	977,804	1,408,109

10 PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS

In LKR	Group		Company	
For the year ended 31 March	2025	2024	2025	2024
Profit/(loss) before tax is stated after charging all expenses including the following;				
Directors' fees	5,400,000	5,400,000	5,400,000	5,400,000
Audit Fees			-	-
Ernst & Young	3,871,260	3,751,650	1,732,101	900,000
T&D Associates	325,000	265,000		
Staff cost	-	-	-	-
Defined benefit plan cost	1,668,068	2,034,295	-	-
Defined contribution plan cost- EPF & ETF	5,322,243	5,119,093	-	-
Other staff cost (excluding defined benefit plan cost and defined contribution plan cost)	47,279,934	39,638,125	-	-
Technical service fees	112,676,727	207,761,665	-	-
Depreciation of property, plant and equipment & lease hold assets	7,543,474	15,936,955	-	-
Impairment of Investments in subsidiaries	720,062	-	-	-

Notes to the Financial Statements

11 TAX EXPENSE

In LKR		Group		Company	
For the year ended 31 March	Note	2025	2024	2025	2024
Current income tax:					
Current income tax charge	11.1	105,748,693	12,462,599	56,080,658	12,462,599
WHT Expenses		41,882,951	-	41,882,951	-
Deferred tax:					
Relating to origination and reversal of temporary differences	11.2	(98,308,865)	101,717,799	893,168	(31,882)
Income tax expense reported in the income statement		49,322,779	114,180,398	98,856,777	12,430,717

11.1 Reconciliation of tax expense and the accounting profit

In LKR		Group		Company	
For the year ended 31 March	Note	2025	2024	2025	2024
Accounting profit/(loss) before tax		196,604,914	131,970,034	322,339,236	223,462,419
Dividend income		(170,371,325)	(108,848,346)	(170,371,325)	(108,848,346)
Disallowable expenses		370,586,269	530,868,521	-	249,538
Allowable expenses		(598,678,158)	(908,971,703)	(118,769)	(137,264)
Taxable Profit on Disposal of Fixed Assets		-	210,809,012	-	-
Income not liable for income tax		43,914,730	(98,386,294)	-	(3,362)
Utilisation of previously unrecognised tax losses	11.3	-	(55,902,335)	-	(73,180,988)
Expenses attributable to Dividend Income		35,086,384	-	35,086,384	-
Taxable profit/(loss) for the year		(122,857,185)	(298,461,111)	186,935,527	41,541,996
Income tax charged at					
Income tax @ 30%		105,748,693	12,462,599	56,080,658	12,462,599
Adjustments in respect of current income tax of previous year		41,882,951	-	41,882,951	-
Charge for the year		147,631,644	12,462,599	97,963,609	12,462,599
Deferred tax charge/(reversal)	11.2	(98,308,865)	101,717,799	893,168	(31,882)
Income tax expense reported in the income statement		49,322,779	114,180,398	98,856,777	12,430,717

11.2 Deferred tax expense/(reversal)

In LKR	Group		Company	
For the year ended 31 March	2025	2024	2025	2024
Deferred tax expense arising from;				
Accelerated depreciation for tax purposes	58,575,171	120,918,209	-	(31,882)
Retirement benefit obligations	(230,351)	(447,062)	-	-
Losses available for off setting against future taxable income	(22,407,923)	(144,198,383)	-	-
Gain on fair value of investment properties	(135,138,931)	125,445,035	-	-
Intangible Asset	893,168	-	893,168	-
Deferred tax charge/(reversal)	(98,308,866)	101,717,799	893,168	(31,882)
Deferred tax related to items recognise in OCI during the year				
Gain on revaluation of land	34,380,000	(70,830,000)	-	-
Gain on revaluation of building	15,639,147	(105,667,329)	-	-
Net loss/(gain)on actuarial gain and losses	(613,450)	1,823,621	-	-
Deferred tax charged to OCI	49,405,697	(33,013,708)	-	-
	(48,903,169)	68,704,091	893,168	(31,882)

11.3 Tax losses carried forward

In LKR	Group		Company	
For the year ended 31 March	2025	2024	2025	2024
Tax losses brought forward	4,282,818,626	4,222,288,559	311,312,903	269,770,907
Tax losses for the year	302,413,119	116,432,402	-	114,722,985
Adjustments on finalisation of liability	(26,352,633)	-	-	-
Utilisation of previously unrecognised tax losses	-	(55,902,335)	-	(73,180,988)
Expired Loss	(1,800,949,470)	-		
Tax losses carried forward	2,757,929,642	4,282,818,626	311,312,903	311,312,903

LKR 2,758 Mn (2024: 4,283 LKR Mn) of unused tax losses for which no deferred tax asset is recognized in the statement of financial position.

Notes to the Financial Statements

11.4 Applicable rates of income tax

Resident companies in the Group, excluding the company which enjoys a concessionary rate of taxation, were liable to income tax at 30% during year of assessment 2024/25, (Y/A 2023/24- 30%).

11.4.1 From 1st April 2018 corporate income taxes of companies resident in Sri Lanka will be subjected to the Inland Revenue Act No.24 of 2017.

12 EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings/(loss) per share

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of the dilutive potential ordinary shares into ordinary shares.

In LKR	Group		Company	
For the year ended 31 March	2025	2024	2025	2024
Profit/(loss) attributable to ordinary equity holders of the parent for the basic and diluted EPS calculations.	(94,519,780)	(257,433,157)	223,482,459	211,031,702
Weighted average number of ordinary shares for basic EPS*	211,370,428	211,370,428	211,370,428	211,370,428
Weighted average number of ordinary shares adjusted for the effect of dilution*	211,370,428	211,370,428	211,370,428	211,370,428

* The weight average number of shares takes in to account the weighted average effect of the change in ordinary shares during year.

12.1 Basic earnings/(loss) per share

In LKR	Group		Company	
For the year ended 31 March	2025	2024	2025	2024
Profit /(loss) attributable to ordinary equity holders of the parent	(94,519,780)	(257,433,157)	223,482,459	211,031,702
Weighted average number of ordinary shares for basic EPS	211,370,428	211,370,428	211,370,428	211,370,428
Basic earnings/(loss) per share	(0.45)	(1.22)	1.06	0.99

12.2 Diluted earnings/(loss) per share

In LKR	Group		Company	
For the year ended 31 March	2025	2024	2025	2024
Profit /(loss) attributable to equity holders of the parent	(94,519,780)	(257,433,157)	223,482,459	211,031,702
Weighted average number of ordinary shares adjusted for the effect of dilution	211,370,428	211,370,428	211,370,428	211,370,428
Diluted earnings/(loss) per share	(0.45)	(1.22)	1.06	0.99

13 FINANCIAL INSTRUMENTS

13.1 Financial assets and liabilities by class

Set out below is a comparison by class of the carrying amounts and fair values of the Group's and Company's financial instruments that are carried in the financial statements.

In LKR		Group		Company	
Financial assets by class	Note	Carrying value	Fair value	Carrying value	Fair value
As at 31 March		2025		2025	
Financial instruments in current assets					
Loans and receivables					
Trade and other receivables	21	339,282,313	339,282,313	783,905	783,905
Amounts due from related parties	34.4	6,226,070	6,226,070	2,111,163,530	2,111,163,530
Financial assets-fair value through profit or loss	22	242,513	242,513	242,513	242,513
Short-term investments	33	20,475,577	20,475,577	-	-
Cash in hand & at bank	33	240,845,747	240,845,747	58,863,463	58,863,463
Total		607,072,220	607,072,220	2,171,053,410	2,171,053,410

In LKR		Group		Company	
Financial assets by class	Note	Carrying value	Fair value	Carrying value	Fair value
As at 31 March		2024		2024	
Financial instruments in current assets					
Loans and receivables					
Trade and other receivables	21	327,066,493	327,066,493	783,905	783,905
Amounts due from related parties	34.4	20,675,645	20,675,645	1,745,438,007	1,745,438,007
Financial assets-fair value through profit or loss	22	96,280	96,280	96,280	96,280
Short-term investments	33	20,493,313	20,493,313	-	-
Cash in hand & at bank	33	351,252,259	351,252,259	1,355,257	1,355,257
Total		719,583,990	719,583,990	1,747,673,450	1,747,673,450

Notes to the Financial Statements

In LKR		Group		Company	
Financial liabilities by class		Financial liabilities measured at amortised cost		Financial liabilities measured at amortised cost	
As at 31 March	Note	2025	2024	2025	2024
Financial instruments in non-current liabilities					
Interest bearing borrowings	28	1,627,864,005	2,941,214,937	400,000,000	400,000,000
Amount due to related parties	34.5	104,995,090	47,666,349	104,995,090	47,666,349
Financial instruments in current liabilities					
Trade & other payables	30	344,687,844	357,595,196	1,360,194	637,844
Amounts due to related parties	34.5	357,262,291	282,201,877	1,519,618,768	1,433,853,271
Interest bearing borrowings	28	2,915,433,646	1,369,305,042	106,734,300	135,773,645
Bank overdrafts	33	340,659,595	306,891,351	15,336,034	2,634,815
Total		5,690,902,472	5,304,874,751	2,148,044,387	2,020,565,924

The management assessed that, cash in hand and at bank, short-term investments, amounts due from related parties, trade and other receivables, trade and other payables, amount due to related parties and bank overdrafts approximate to their fair value largely due to the short-term maturities of these instruments. The fair value of loans and receivables and financial liabilities does not significantly vary from the value based on the amortised cost methodology for the Group/Company.

The management also assessed its interest bearing borrowings and since they are approximate to the floating market interest rates and considered not significantly variable from fair value.

13.2 Financial assets and liabilities by fair value hierarchy

The group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable , either directly or indirectly.

Level 3: Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

13.2 Financial assets and liabilities by fair value hierarchy (Contd.)

The group and the Company held the following financial and non-financial instruments carried at fair value in the statement of financial position.

In LKR	Group			
As at 31 March	2025			
Assets measured at fair value	Total	Level 1	Level 2	Level 3
Investment property / Property Plant & Equipment (Note 17 & 15)				
Land and building	17,250,257,532	-	-	17,250,257,532
Long term leasehold rights of lands	436,409,000			436,409,000
	17,686,666,532	-	-	17,686,666,532
Financial assets at fair value through profit or loss				
Quoted equity shares (Note 22)	242,513	242,513	-	-

During the reporting period ended 31 March 2021, there were no transfers between Level 1 and Level 2 fair value measurements.

In LKR	Group			
As at 31 March	2024			
Assets measured at fair value	Total	Level 1	Level 2	Level 3
Investment property / Property plant & equipment (Note 17 & 15)				
Land and building	16,454,343,096	-		16,454,343,096
Long term leasehold rights of lands	429,395,892			429,395,892
	16,883,738,988	-	-	16,883,738,988
Financial assets at fair value through profit or loss				
Quoted equity shares (Note 22)	96,280	96,280	-	-

In LKR	Company			
As at 31 March	2025			
Assets measured at fair value	Total	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss				
Quoted equity shares (Note 22)	242,513	242,513	-	-

In LKR	Company			
As at 31 March	2024			
Assets measured at fair value	Total	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss				
Quoted equity shares (Note 22)	96,280	96,280	-	-

Notes to the Financial Statements

14 FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risk from financial instruments

1. Credit risk
2. Liquidity risk
3. Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, polices and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included through out these consolidated financial statements.

The Board of Directors has the overall responsibility for the establishment and oversight of the Group's financial risk management frame work which includes developing and monitoring the Group's financial risk management policies.

Financial risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group activities. The Lanka Realty Investments PLC audit committee overseas how management monitors compliance with the Group's financial risk managements polices and procedures, and review the adequacy of the financial risk management frame work in relation to the risk faced by the Group.

14.1 Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all clients who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

With respect to credit risk arising from the other financial assets of the Group, such as cash and cash equivalents, financial assets FVTPL, and the Group's exposure to credit risk arises from default of the counterparty. The Group manages its operations to avoid any excessive concentration of counterparty risk and the Group takes all reasonable steps to ensure the counterparties fulfill their obligations.

14 FINANCIAL RISK MANAGEMENT (Contd.)

14.1.1 Risk exposure

The maximum risk positions of financial assets which are generally subject to credit risk are equal to their carrying amounts (without consideration of collateral, if available). Following table shows the maximum risk positions.

As at 31 March		2025						
Group In LKR	Notes	Cash in hand and at bank	Fair value through profit or loss	Trade and other receivables	Short-term investments	Amounts due from related parties	Total	% of allocation
Trade & other receivables	21	-	-	339,282,313	-	-	339,282,313	56%
Amounts due from related parties	34.4	-	-	-	-	6,226,070	6,226,070	1%
Financial assets/Fair value through profit or loss	22	-	242,513	-	-	-	242,513	0%
Short-term investments	33	-	-	-	20,475,577	-	20,475,577	3%
Cash in hand and at bank	33	240,845,747	-	-	-	-	240,845,747	40%
Total credit risk exposure		240,845,747	242,513	339,282,313	20,475,577	6,226,070	607,072,221	100%

As at 31 March		2024						
Group In LKR	Notes	Cash in hand and at bank	Fair value through profit or loss	Trade and other receivables	Short-term investments	Amounts due from related parties	Total	% of allocation
Trade & other receivables	21	-	-	327,066,493	-	-	327,066,493	45%
Amounts due from related parties	34.4	-	-	-	-	20,675,645	20,675,645	3%
Financial assets/Fair value through profit or loss	22	-	96,280	-	-	-	96,280	0%
Short-term investments	33	-	-	-	20,493,313	-	20,493,313	3%
Cash in hand and at bank	33	351,252,259	-	-	-	-	351,252,259	49%
Total credit risk exposure		351,252,259	96,280	327,066,493	20,493,313	20,675,645	719,583,991	100%

Notes to the Financial Statements

As at 31 March				2025			
Company In LKR	Notes	Cash in hand and at bank	Fair value through profit or loss	Trade and other receivables	Amounts due from related parties	Total	% of allocation
Trade & other receivables	21	-	-	783,905	-	783,905	0%
Amounts due from related parties	34.4	-	-	-	2,111,163,530	2,111,163,530	97%
Financial assets/Fair value through profit or loss	22	-	242,513	-	-	242,513	0%
Cash in hand and at bank	33	58,863,463	-	-	-	58,863,463	3%
Total credit risk exposure		58,863,463	242,513	783,905	2,111,163,530	2,171,053,410	100%

As at 31 March				2024			
Company In LKR	Notes	Cash in hand and at bank	Fair value through profit or loss	Trade and other receivables	Amounts due from related parties	Total	% of allocation
Trade & other receivables	21	-	-	783,905	-	783,905	0%
Amounts due from related parties	34.4	-	-	-	1,745,438,007	1,745,438,007	98%
Financial assets/Fair value through profit or loss	22	-	96,280	-	-	96,280	0%
Cash in hand and at bank	33	1,355,257	-	-	-	1,355,257	2%
Total credit risk exposure		1,355,257	96,280	783,905	1,745,438,007	1,747,673,449	100%

14.1.1.1 Trade receivables

In LKR		Group		Company	
As at 31 March	Note	2025	2024	2025	2024
Neither past due nor impaired		206,926,668	240,646,347	-	-
30–60 days		5,327,089	5,694,955		
61–90 days		2,433,341	2,464,596	-	-
91–180 days		38,552,801	16,239,677	-	-
> 181 days		2,153,165	2,370,179	-	-
Impaired		7,620,489	7,620,489	-	-
Gross carrying value		263,013,553	275,036,243	-	-
Less: impairment provision				-	-
Individually assessed impairment provision	21.1.1	(7,620,489)	(7,620,489)	-	-
Total		255,393,064	267,415,754	-	-

The requirement for an impairment is analysed at each reporting date on an individual basis for all customers. The calculation is based on actual incurred historical data.

14.1.1.2 Amounts due from related parties

The Company's/Group's amounts due from related party mainly consists of the balance from subsidiaries (Companies under common control) and other related companies respectively.

14.1.1.3 Fair value through profit or loss

The financial asset class of fair value through profit or loss consist of quoted investments held for trading purposes.

14.1.1.4 Credit risk relating to cash and cash equivalents

To mitigate the concentration, settlement, and operational risks associated with cash and cash equivalents, the Group/Company carefully manages its exposure to any single counterparty. This is done by considering, where relevant, the counterparty's credit rating or financial standing. The position is reviewed as needed, taking into account the duration of the exposure, the nature of the transaction, and the agreement governing the exposure.

14.2 Liquidity Risk

The Group's policy is to maintain cash and undrawn committed facilities at a level that ensures sufficient funds are available to meet its medium-term capital and funding obligations, including those related to organic growth, acquisitions, and any unforeseen obligations or opportunities. This approach allows the Group to effectively manage its liquidity risk.

The Group manages its risk of a potential shortage of funds through a daily cash management process. This process takes into account the maturity of the Group's financial investments and assets (such as accounts receivable and other financial assets) as well as projected cash flows from operations.

All liquidity policies and procedures are reviewed and approved by the Board of Directors. Daily reports provide updates on the liquidity position of the Group and its operating subsidiaries.

The Group is managing liquidity risk, resulting from extended credit periods to customers due to COVID-19, by negotiating additional overdraft and short-term financing facilities with banks. Additionally, the Group has secured Saubagya COVID-19 renaissance loans to further address this liquidity risk.

14.2.1

In LKR	Group		Company	
As at 31 March	2025	2024	2025	2024
Net (debt)/cash				
Cash in hand and at bank	240,845,747	351,252,259	58,863,463	1,355,257
Short-term investments- less than three months	20,475,577	20,493,313	-	-
Liquid assets	261,321,324	371,745,572	58,863,463	1,355,257
Bank overdrafts	340,659,595	306,891,351	15,336,034	2,634,815
Liquid liabilities	340,659,595	306,891,351	15,336,034	2,634,815
(Net debt)/cash	(79,338,271)	64,587,421	43,527,429	(1,279,558)

Notes to the Financial Statements

14.2.2 Maturity analysis

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

As at 31 March	2025						
Group	Within	Between	Between	Between	Between	More than	Total
In LKR	1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	5 years	
Interest bearing borrowings	2,915,433,646	317,452,389	188,083,759	108,083,759	28,083,759	986,160,342	4,543,297,649
Trade and other payables	344,687,844	-	-	-	-	-	344,687,844
Amounts due to related parties	357,262,291	-	-	-	-	104,995,090	462,257,382
Bank overdrafts	340,659,595	-	-	-	-	-	340,659,595
Total	3,958,043,377	317,452,389	188,083,759	108,083,759	28,083,759	1,091,155,432	5,690,902,470

As at 31 March	2024						
Group	Within	Between	Between	Between	Between	More than	Total
In LKR	1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	5 years	
Interest bearing borrowings	1,369,305,042	492,887,270	337,783,013	214,685,985	192,405,930	1,703,452,741	4,310,519,978
Trade and other payables	357,595,196	-	-	-	-	-	357,595,196
Amounts due to related parties	282,201,877	-	-	-	-	47,666,349	329,868,226
Bank overdrafts	306,891,351	-	-	-	-	-	307,158,151
Total	2,315,993,466	492,887,270	337,783,013	214,685,985	192,405,930	1,751,119,090	5,304,874,751

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

As at 31 March	2025						
Company	Within	Between	Between	Between	Between	More than	Total
In LKR	1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	5 years	
Interest bearing borrowings	106,734,300	100,000,000	100,000,000	100,000,000	100,000,000	-	506,734,300
Trade and other payables	1,360,194	-	-	-	-	-	1,360,194
Amounts due to related parties	1,519,618,768	-	-	-	-	104,995,090	1,624,613,858
Bank overdrafts	15,336,034	-	-	-	-	-	15,336,034
Total	1,643,049,297	100,000,000	100,000,000	100,000,000	100,000,000	104,995,090	2,148,044,387

As at 31 March	2024						
Company	Within	Between	Between	Between	Between	More than	Total
In LKR	1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	5 years	
Interest bearing borrowings	135,773,645	100,000,000	100,000,000	100,000,000	100,000,000	-	535,773,645
Trade and other payables	637,844	-	-	-	-	-	637,844
Amounts due to related parties	1,433,853,271	-	-	-	-	47,666,349	1,481,519,620
Bank overdrafts	2,634,815	-	-	-	-	-	2,634,815
Total	1,572,899,575	100,000,000	100,000,000	100,000,000	100,000,000	47,666,349	2,020,565,924

14.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. These market prices encompass four types of risk: interest rate risk, foreign currency risk, commodity price risk, and other price risks, such as equity price risk. The Group's financial instruments affected by market risk include FVTPL investments, which primarily consist of equity securities.

The Group is exposed to foreign currency risk on revenue and cash that are denominated in currencies other than the Company's functional currency. The primary currencies contributing to this risk are US Dollars and Sterling Pounds.

The goal of market risk management is to control and manage market risk exposures within acceptable boundaries while maximizing returns.

14.3.1 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will vary due to changes in market interest rates. The Group's exposure to this risk is mainly associated with the Company's long-term debt obligations, which have floating interest rates.

In LKR	Group		Company	
For the year ended 31 March	Increase/ (decrease) in basis points	Effect on profit before tax (LKR)	Increase/ (decrease) in basis points	Effect on profit before tax (LKR)
2025	+800	(306,311,552)	+800	(40,538,744)
	-800	286,140,348	-800	40,538,744
2024	+800	(292,376,297)	+800	(42,861,892)
	-800	279,748,431	-800	42,861,892

14.3.2 Equity price risk

The company's equity securities, both listed and unlisted, are exposed to market price risk due to uncertainties regarding their future values.

14.3.3 Financial assets or loss investments

All investments in quoted and unquoted equity are made only after receiving approval from the Board of Directors.

14.4 Capital management

The Group's main goal in capital management is to maintain a strong financial position and healthy capital ratios to support its business and maximize shareholder value.

The Group adjusts its capital structure in response to changes in economic conditions. To maintain or modify its capital structure, the Group may issue new shares, conduct a rights issue, or buy back shares.

In LKR	Group		Company	
As at 31 March	2025	2024	2025	2024
Interest bearing borrowings	4,543,297,652	4,310,519,979	506,734,300	535,773,645
Trade and other payables	344,687,844	357,595,196	1,360,194	637,844
Less: Cash in hand, at bank and short-term investments	(261,321,324)	(371,745,572)	(58,863,463)	(1,355,257)
Net debt	4,626,664,172	4,296,369,602	449,231,031	535,056,232
Equity	8,142,958,394	8,113,562,673	7,550,772,879	7,327,246,550
Total capital	8,142,958,394	8,113,562,673	7,550,772,879	7,327,246,550
Capital and net debt	12,769,622,565	12,409,932,275	8,000,003,911	7,862,302,782
Gearing ratio	36%	35%	6%	7%

Notes to the Financial Statements

15 PROPERTY, PLANT AND EQUIPMENT

15.1 Group

As at 31 March In LKR	Land & building	Plant & machinery	Cutlery, Cookery & Linen	Furniture & fittings, tools & office equipment	Motor vehicles	Capital work in progress	Total 2025	Total 2024
Cost								
Freehold assets								
At the beginning of the year	1,834,752,698	150,203,616	8,041,793	74,032,537	9,276,554	-	2,076,307,198	2,551,830,743
Additions	-	128,202	524,475	1,926,537	-	-	2,579,214	5,323,587
Gain on revaluation	172,470,208	-	-	-	-	-	172,470,208	114,874,047
Disposal	-	-	-	-	-	-	-	(595,721,179)
At the end of the year	2,007,222,906	150,331,817	8,566,268	75,959,074	9,276,554	-	2,251,356,619	2,076,307,198
Right-of-use assets, except for investment property								
At the beginning of the year	368,899,174	-	-	-	-	60,496,718	429,395,892	421,995,761
Additions	-	-		-	-	7,013,108	7,013,108	7,400,131
Gain on revaluation	-	-		-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-
At the end of the year	368,899,174	-	-	-	-	67,509,827	436,409,000	429,395,892
Total value of assets	2,376,122,080	150,331,817	8,566,268	75,959,074	9,276,554	67,509,827	2,687,765,620	2,505,703,090
Depreciation and impairment								
Freehold assets								
At the beginning of the year	5,852,698	129,197,630	6,960,633	67,557,706	9,276,554	-	218,845,222	224,483,654
Acquisition through business combinations		-		-		-	-	-
Charge for the year	4,377,122	4,478,147	649,874	6,812,923	-	-	16,318,066	15,936,956
Disposal		-	-	-		-		(21,575,388)
At the end of the year	10,229,820	133,675,777	7,610,507	74,370,630	9,276,554	-	235,163,287	218,845,222
Leasehold assets								
At the beginning of the year	-	-		-	-	-	-	-
Charge for the year	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
At the end of the year	-	-		-	-	-	-	-
Total depreciation and impairment	10,229,820	133,675,777	7,610,507	74,370,630	9,276,554	-	235,163,287	218,845,222
Carrying value								
As at 31 March 2025	2,365,892,260	16,656,040	955,761	1,588,445	-	67,509,827	2,452,602,333	
As at 31 March 2024	2,197,799,174	21,005,985	1,081,160	6,474,831	-	60,496,718		2,286,857,868

15.1.1 Land & buildings

Revaluation of land and buildings

Fair value of the land and buildings was determined using the market comparable techniques. The valuations have been performed by the valuer and are based on prices of transactions for properties of similar nature, location and condition. As at the date of revaluation on 31 March 2025, the land and building's valuations performed by Mr. G.W.G. Abeygunawardene Chartered Valuation Surveyor, an accredited external valuer who has valuation experience for similar properties since 1996. A net gain from the revaluation of the land and building LKR 172.4 Mn in 2025 was recognized in Other Comprehensive Income (OCI).

Company	Location	Building area (Sq Ft)	Extent (in perch)	No. of Buildings at each location	Value of building LKR	Value of land LKR	Total Value 2025 LKR	Total Value 2024 LKR
Amtrad Ltd	Mirigama	51490	748.59	1	208,900,000	295,700,000	504,600,000	495,400,000
Almond Trees (Pvt) Ltd	Palhena, Weligama	8,034	86.40	1	335,100,000	635,900,000	971,000,000	873,400,000
Ilook Villa (Pvt) Ltd	Mahavohara Road, Ahangama	7,322	105.2	1	142,600,000	253,500,000	396,100,000	335,600,000
On'nally Holdings PLC	Galle Road, Colombo 04	2,833	-	1	109,500,000	-	109,500,000	109,500,000
					796,100,000	1,185,100,000	1,981,200,000	1,813,900,000

Company	Category	District	Valuation Technique	Significant unobservable input	2025	2024
Amtrad Ltd	Land and Building	Gampaha	Comparison and DRC Methods	Per perch price in LKR	285,000 to 500,000	260,000 to 475,000
				Per Sq. ft price in LKR	2,720 to 4,450	2,850 to 4,650
Almond Trees (Pvt) Ltd	Land and Building	Matara	Income approach	Rent Yield	8.00%	8.00%
				Room rate per day in LKR	70,000	70,000
				Occupancy ratio	85%	88%
Ilook Villa (Pvt) Ltd	Land and Building	Galle	Income approach	Rent Yield	8	8
				Room rate per day in LKR	55,000	48,000
				Occupancy ratio	70%	70%
On'ally Holdings PLC	Buildings	Colombo	Income approach	Market rent per Sq. ft (Rs.)	255	250
				Rate growth in future rentals	6.0%	6.0%
				Anticipated Maintenance Cost	2,080,555.20	2,075,760

Significant increases/ (decreases) in estimated price per perch/ sq. ft in isolation would result in a significantly higher (lower) fair value on a linear basis. Significant increases/ (decreases) in market rent, rent growth and anticipated maintenance cost per annum in isolation would result in a significantly higher (lower) fair value of the properties. Significant increases/ (decreases) in rent yield, room rate per day and occupancy ratio in isolation would result in a significantly lower (higher) fair value.

Notes to the Financial Statements

15.1.2 Right of use assets

'Property, plant and equipment' comprise owned and leased assets that do not meet the definition of investment property.

15.1.3 Details of right of use asset

Lanka Realty Ambalangoda (Pvt) Ltd and Lanka Realty Leisure (Pvt) Ltd holds right of use properties situated in commercial and mix development zone in Ambalangoda and tourism development zone ,Tissamaharama respectively.

The area of right of use asset of Lanka Realty Leisure (Pvt) Ltd is considered as a tourism development zone close to yala national park and surrounded by number of hotels, villas and spas. The property enjoys a beach frontage and proposed for a hotel development.

Similarly, the area of Lanka Realty Ambalangoda (Pvt) Ltd is situated bordering to the sea shore and contains of a single storied more than 100 years old Dutch building protected by the Archaeology Department of Sri Lanka.

As at 31 March 2025, the fair value for Lanka Realty Ambalangoda (Pvt) Ltd's land has been assessed by Messers G.W.G.Abeygunawardane FRICS (Chartered Valuation Surveyor) accredited specialist in valuing these types of investment property. Investment property was appraised in accordance with SLFRS 13 and LKAS 16.

15.1.4 Description of valuation techniques used and key inputs to valuation of right of use assets:

Lanka Realty Ambalangoda (Pvt) Ltd

Specialist has assumed a 53 room proposed development to value the residual value of the property and used assumptions relevant for a hotel operation. Construction period has been assumed as 2 years and applied a capitalisation rate of 8% and 1.5% sinking fund rate.

Property	Location	Extent of land	Valuation technique	lease period	Significant Unobservable Inputs	
					2025	2024
Leasehold long-term land use right	Ambalangoda	269.8 perch	Income approach	50 years starting from 12th December 2014	No. of rooms 53	No. of rooms 53
					Room rate per day 27,500	Room rate per day 27,500
					Capitalization rate 8%	Capitalization rate 8%

Significant increases/ (decreases) in estimated room rate per annum capitalization rate per annum in isolation would result in a (and exit yield) in isolation would result in a significantly lower (higher) fair value.

15.1.5 Fully depreciated assets

Property, plant and equipment includes fully depreciated assets amounting to LKR 79,913,591 (2024: LKR 70,637,037) and continue to be in use by the Group.

15.2 Company

In LKR As at 31 March	Furniture, fitting & office equipment	Motor vehicles	Total 2025	Total 2024
Cost				
At the beginning of the year	6,923,532	5,300,000	12,223,532	12,223,532
Additions	-	-	-	-
Disposals	-	-	-	-
At the end of the year	6,923,532	5,300,000	12,223,532	12,223,532
Depreciation				
At the beginning of the year	6,923,532	5,300,000	12,223,532	12,223,532
Charge for the year	-	-	-	-
Disposals	-	-	-	-
At the end of the year	6,923,532	5,300,000	12,223,532	12,223,532
Carrying value				
As at 31 March 2025	-	-	-	-
As at 31 March 2024	-	-	-	-

15.2.1 Fully depreciated assets

Property, plant and equipment includes fully depreciated assets amounting to LKR 21,500,086 (2024: LKR 12,223,532) and continue to be in use by the Company.

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16 INTANGIBLE ASSETS

16.1 Group

In LKR As at 31 March	Goodwill	Web development costs	Total 2025	Total 2024
Cost				
At the beginning of the year	335,059,083	13,881,371	348,940,453	349,614,956
Disposal	(720,062)	-	(720,062)	(674,503)
Additions	-	-	-	-
At the end of the year	334,339,021	13,881,371	348,220,392	348,940,453
Accumulated amortisation and impairment				
At the beginning of the year	-	5,057,699	5,057,699	2,616,673
Disposal	-	-	-	(349,692)
Charge for the year	-	2,784,285	2,784,285	2,790,717
At the end of the year	-	7,841,984	7,841,984	5,057,699
Carrying value				
As at 31 March 2025	334,339,021	6,039,386	340,378,408	-
As at 31 March 2024	-		-	343,882,755

16.2 Company

In LKR As at 31 March	Web Development Costs	Total 2025	Total 2024
Cost			
At the beginning of the year	2,495,380	2,495,380	2,495,380
Additions	-	-	-
At the end of the year	2,495,380	2,495,380	2,495,380
Accumulated amortisation and impairment			
At the beginning of the year	1,045,936	1,045,936	796,398
Charge for the year	249,538	249,538	249,538
At the end of the year	1,295,474	1,295,474	1,045,936
Carrying value			
As at 31 March 2025	1,199,906	1,199,906	-
As at 31 March 2024		-	1,449,444

16.3 Goodwill

The aggregate provisional carrying amount of goodwill allocated to each unit is as follows:

As at 31 March In LKR	2025	2024
Alexandra Holdings (Pvt) Ltd	-	720,062
Almond Trees (Pvt) Ltd Group	54,845,644	54,845,644
On'ally Holdings PLC	279,493,377	279,493,377
	335,059,083	335,059,083

16.4 Web development costs

Web developments costs includes costs incurred in-relation to the development of Group's/ Company's website and it's amortised over a period of 10 years.

16.5 Annual impairment testing

The recoverable values of the above CGU's were subjected to an impairment test based on value in use. The value in use was determined by discounting the future cash flows generated from the continuing use of the unit and key assumptions used are given below:

Business Growth- Based on historical growth rate and business plan (15%- 20%)

Inflation- Based on the current inflation rate and the percentage of the total cost subjected to the inflation

Discount Rate- Average market borrowing rate adjusted for risk premium (10%- 12%)

Margin- Based on current margin and business plan

17 INVESTMENT PROPERTIES

As at 31 March In LKR	2025	2024
At the beginning of the year	14,622,664,445	13,485,364,445
Additions/transfers	173,401,126	416,948,299
Change in fair value during the year	457,198,875	720,351,702
At the end of the year	15,253,264,445	14,622,664,445

17.1 The details of investment properties of the group are disclosed below:

The Group's investment property includes:

Company	Location	Total Value 2025 LKR	Total Value 2024 LKR
Lanka Realty Development (Pvt) Ltd	T.B Jayah Mawatha, Colombo 10.	3,500,000,000	3,523,000,000
Oak Streets (Pvt) Ltd	T. B. Jayah Mawatha, Colombo 10.	4,306,892,523	4,220,992,523
Baseline Holdings (Pvt) Ltd	Danister De Silva Mawatha, Colombo 09.	1,992,319,440	1,960,419,440
Crown Resorts (Private) Limited	Century Park, Delathura, Ja-ela.	683,852,483	678,252,483
On'nally Holdings PLC	Galle Road, Colombo 04	4,770,200,000	4,240,000,000
		15,253,264,445	14,622,664,445

As at 31 March 2025 the fair values of the properties are based on valuation performed by Mr. G W G Abeygunawardene (chartered valuation surveyors), an accredited independent valuer. Mr Abeygunawardene is a specialist in valuing these types of investment properties. Investment Property was appraised in accordance with SLFRS 13 and LKAS 40.

In determining the fair value, a reasonable rent that the property could fetch in its existing use is estimated on the basis of rents paid to comparable properties and the net income derivable thereby is worked out taking away the usual "outgoings" that have to be met from such gross income.

Notes to the Financial Statements

17.2 Description of valuation techniques used and key inputs to valuation on investment properties:

As at 31 March Company Name	Address	Land Extent	Building area (Sq.ft.)	Type of Investment Properties	No. of Buildings at each location	Method of Valuation	Significant Unobservable Inputs	2025	2024
Lanka Realty Developments (Pvt) Ltd	464/A, TB Jayah Mawatha, Colombo 10	41.24 perches	114,900	Land & Building	1	Comparison and DRC Methods	Per perch price	LKR 20,500,000	LKR 19,550,000
							Per Sq. ft price	LKR 19,000 to 24,750	LKR 19,500 to 25,500
Oak Streets (Pvt) Ltd	285, T B Jayah Mawatha, Colombo 10	214.65 perches	-	Land		Comparison Method	Per perch price	LKR 20,000,000	LKR 19,600,000
Baseline Holdings (Pvt) Ltd	270/42, Danister De Silva Mawatha, Colombo 09	229.5 perches	-	Land	-	Comparison Method	Per perch price	LKR 8,420,000 to LKR 8,750,000	LKR 8,300,000 to LKR 8,600,000
Crowns Resorts (Pvt) Ltd	206/01 A, Century Park, Delathura, Ja-ela.	780.49 perches	-	Land	-	Comparison Method	Per perch price	LKR 882,000	LKR 875,000
On'ally Holdings PLC	No. 02, Galle Road, Colombo 4	86.25 perches	77,600	Land & Building	1	Investment method	Estimated rental value per sq. ft for retail shop units	LKR 872.18	LKR 835.57
							Estimated rental value per sq. ft for office premises	LKR 216.93	LKR 226.98
							Discount Rate	12.8%	13.5%
							Capitalisation rate for office	5%	5.5%
							Capitalisation rate for retail	5%	5.5%
							Growth rate for office	7.5%	8.45%
							Growth rate for retail	6.5%	7.45%
							Cost escalation rate	6%	6.95%

Significant increases/ (decreases) in estimated price per perch/ sq. ft in isolation would result in a significantly higher (lower) fair value on a linear basis. Significant increases/ (decreases) in Estimated rental value per sq. ft, Discount Rate, Capitalisation rate, growth rate and cost escalation per annum in isolation would result in a significantly higher (lower) fair value of the properties.

17.3 The Group as a lessor has entered into operating leases on its investment property consisting of office building located in T. B. Jayah Mawatha, Colombo 10 and Galle Road, Colombo 04. These leases have terms of between one and five years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. The lessee is also required to provide a residual value guarantee on the properties.

Rental income derived from investment property by the group amount to LKR 578.1 Mn (2024: LKR 468.4 Mn).

Direct operating expenses on investment property for the year LKR 173.4 Mn (2024: LKR 148.3 Mn).

Future minimum rentals receivable under non-cancellable operating leases as at 31 March are as follows:

As at 31 March	Group	
In LKR	2025	2024
Within one year	239,631,587	420,714,263
After one year but not more than five years	133,910,265	1,871,702,979
More than five years	-	544,390,372
	373,541,852	2,836,807,614

17.4 Lands and buildings with carrying amount of 2,452.6 Mn (2024: LKR 7,872.5 Mn) are subject to a first charge to secure two of the group's bank loans/overdraft. The details are shown in Note 28.3 to the financial statements.

18 INVESTMENTS

18.1 Company Investment in Subsidiaries

In LKR As at 31 March	Effective holding % 2025	Effective holding % 2024	Number of shares 2025	Number of shares 2024	2025	2024
Group unquoted investments						
L & A Quarries (Pvt) Ltd	100.00%	100.00%	9,437,292	9,437,292	94,372,928	94,372,928
Amtrad Ltd	80.00%	80.00%	8,624,000	8,624,000	86,327,225	86,327,225
Lanka Realty Developments (Pvt) Ltd	100.00%	100.00%	57,204,262	57,204,262	900,350,003	900,350,003
Lanka Realty Leisure (Pvt) Ltd	100.00%	100.00%	3,546,941	3,546,941	50,468,410	50,468,410
Ascot Yala (Pvt) Ltd	100.00%	100.00%	100	100	42,000	42,000
Lanka Realty Ambalangoda (Pvt) Ltd	100.00%	100.00%	998,160	998,160	9,981,600	9,981,600
Alexandra Holdings (Pvt) Ltd	100.00%	100.00%	605,838	605,838	478,049,000	478,049,000
Mulberry Holdings (Pvt) Ltd	100.00%	100.00%	17,980,820	17,980,820	789,930,000	789,930,000
Baseline Holdings (Pvt) Ltd	100.00%	100.00%	666,300	666,300	1,103,387,637	1,103,387,637
285 Darley Road (Pvt) Ltd	100.00%	100.00%	5,756,200	5,756,200	2,392,260,000	2,392,260,000
Almond Trees (Pvt) Ltd	100.00%	100.00%	8,566,944	8,566,944	567,557,000	567,557,000
Thudella Holdings (Pvt) Ltd	100.00%	100.00%	1,121,730	1,121,730	298,851,620	298,851,620
On'ally Holdings PLC*	50.89%	50.89%	47,325,368	47,325,368	1,461,776,888	1,461,776,888
					8,233,354,311	8,233,354,311
Provision for fall in value of investment made by the Company						
L & A Quarries (Pvt) Ltd***					(94,372,928)	(94,372,928)
Mulberry Holdings (Pvt) Ltd****					(333,063,804)	(333,063,804)
Alexandra Holdings (Pvt) Ltd*****					(196,589,918)	(196,589,918)
Company investment in subsidiary					7,609,327,660	7,609,327,660

*** In 2025, the impairment provision of LKR 94,372,928 represent the total impairment of investment in L&A Quarries (Pvt) Ltd. The investment does not generate cash flow or economic benefits to the company. The recoverable amount of LKR Nil as at 31 March 2025 is its fair value less cost to sell.

**** In 2025, the impairment provision of LKR 333,063,804 represent the impairment of investment in Mulberry Holdings (Pvt) Ltd. During the year impairment amounted to LKR 333,063,804 was recognised in the income statement base on the discounted future cash flow of the company. The investment's fair value less cost of disposal is lower than its carrying value. The recoverable amount of LKR 456,866,196 as at 31 March 2025.

***** In 2025, the impairment provision of LKR 196,589,918 represent the impairment of investment in the Alexandra Holdings (Pvt) Ltd. During the year impairment amounted to LKR 196,589,918 was recognised in the income statement (Refer Note No 38). The investment's fair value less cost of disposal is lower than its carrying value. The recoverable amount of LKR 281,459,082 as at 31 March 2025.

19 OTHER NON-CURRENT ASSETS

In LKR	Group	
As at 31 March	2025	2024
Deposit made to Ceylon Electricity Board- Lanka Realty Developments (Pvt) Ltd, Lanka Realty Leisure (Pvt) Ltd & Baseline Holdings (Pvt) Ltd	5,937,231	5,937,231
Deposit made to Urban Council Ambalangoda on 50 year lease period- Lanka Realty Ambalangoda (Pvt) Ltd	2,100,000	2,100,000
	8,037,231	8,037,231

Notes to the Financial Statements

20 INVENTORIES

In LKR		Group	
As at 31 March	Note	2025	2024
Raw materials and consumables		9,099,462	3,663,728
Finished goods		3,046,224	2,133,908
Mechanical spare parts		-	-
Stationeries		-	-
Inventory property	20.1	401,508,411	438,241,622
Food & beverages		5,903,905	11,237,178
		419,558,002	455,276,436

20.1 The Group has a subsidiary that develops residential property, which it sells in the ordinary course of business and has entered into contracts to sell certain of these properties on completion.

The group has a division that develops residential property, which it sells in the ordinary course of business and had entered into contracts to sell certain of these properties.

In LKR	Group	
As at 31 March	2025	2024
At the beginning of the year	438,241,622	578,505,761
Development cost incurred	326,627,139	200,355,698
Interest capitalised*	109,320,124	137,111,637
Disposals (recognised in cost of sales)	(472,680,475)	(477,731,474)
At the end of the year	401,508,411	438,241,622

*The rate used to determine the amount of borrowing costs eligible for capitalisation was 20% (2024-20%) which is the EIR of the specific borrowing.

The amounts recognised in cost of sales for the year are as follows:

In LKR	Group	
As at 31 March	2024	2023
In respect of sale of property under development	472,680,475	477,731,474

21 TRADE & OTHER RECEIVABLES

In LKR		Group		Company	
As at 31 March		2025	2024	2025	2024
Trade receivables	21.1	255,393,064	267,415,395	-	-
Refundable deposit		71,500	71,500	71,500	71,500
Other debtor-miscellaneous		775,196	712,405	712,405	712,405
Receivable from subcontractors		1,701,496	1,764,287	-	-
Other receivables		81,341,057	57,102,906	-	-
		339,282,313	327,066,493	783,905	783,905

21.1 Trade receivables

In LKR		Group		Company	
As at 31 March	Note	2025	2024	2025	2024
Trade receivables		263,013,554	275,035,884	-	-
Impairment of trade receivables*		(7,620,489)	(7,620,489)	-	-
		255,393,064	267,415,395	-	-

* See note 14.1.1.1 to the financial statements on credit risk of trade receivables and the aging of trade receivables, which explains how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired.

21.1.1 Movement in impairment of trade receivables

	Group	
In LKR	Individually impaired	Total
As at 1 April 2023	(10,457,082)	(10,457,082)
Charge for the year	2,836,593	2,836,593
As at 31 March 2024	(7,620,489)	(7,620,489)
Charge for the year	-	-
As at 31 March 2025	(7,620,489)	(7,620,489)

22 FINANCIAL ASSETS- FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

In LKR	No. of shares 2025	No. of shares 2024	2025	2024
As at 31 March				
Group/ Company				
Quoted investments				
Ceylon Investment PLC	908	908	65,013	33,780
Pan Asia Banking Corporation PLC	5,000	5,000	177,500	62,500
	5,908	5,908	242,513	96,280

23 OTHER CURRENT ASSETS

In LKR		Group		Company	
As at 31 March		2025	2024	2025	2024
Advances & prepayments		67,697,887	66,113,328	-	-
Tax recoverable		13,111,702	32,553,242	622,647	16,901,806
Other assets		3,961,846	1,291,404	187,550	187,550
Loans*		10,000,000	-	10,000,000	-
		94,771,435	99,957,974	10,810,197	17,089,356

*Loan

During the year, Lanka Realty Investment PLC extended a borrowing facility amounting to LKR 10 million to Mulberry Holdings (Private) Limited on 28 March 2025. The facility was provided to support the investee's financial requirements. It has been granted on interest-free basis, and accordingly, no finance income is recognised in respect of this facility.

Notes to the Financial Statements

24 STATED CAPITAL

As at 31 March	2025		2024	
In LKR	No. of shares	Value of shares	No. of shares	Value of shares
Fully paid ordinary shares				
At the beginning of the year	211,370,428	7,048,662,671	211,370,428	7,048,662,671
Share swap/Rights issue	-	-	-	-
Direct costs on rights issue	-	-	-	-
At the end of the year	211,370,428	7,048,662,671	211,370,428	7,048,662,671

25 RESERVES

25.1 Group

As at 31 March	2025			2024		
In LKR	Retained earnings	Other components of equity*	Total	Retained earnings	Other components of equity*	Total
At the beginning of the year	803,011,399	23,100,000	826,111,399	1,064,995,359	23,100,000	1,088,095,359
Profit/(loss) for the year	(94,519,780)	-	(94,519,780)	(257,433,157)	-	(257,433,157)
Other comprehensive income	4,410,955	-	4,410,955	(4,550,803)	-	(4,550,803)
Change in non-controlling interest without change in control	-	-	-	-	-	-
At the end of the year	712,902,574	23,100,000	736,002,574	803,011,399	23,100,000	826,111,399

25.2 Company

As at 31 March	2025			2024		
In LKR	Retained earnings	Other components of equity*	Total	Retained earnings	Other components of equity*	Total
At the beginning of the year	255,483,879	23,100,000	278,583,879	44,452,178	23,100,000	67,552,178
Profit/(loss) for the year	223,482,459	-	223,482,459	211,031,702	-	211,031,702
Other comprehensive income	-	-	-	-	-	-
At the end of the year	478,966,338	23,100,000	502,066,338	255,483,879	23,100,000	278,583,879

*Other component of equity represent the capital redemption reserve fund. This reserve represent profit transferred from income statement on the redemption of preference shares issued by the Company.

26 DEFERRED TAX LIABILITY/(ASSETS)

In LKR	Group		Company	
As at 31 March	2025	2024	2025	2024
At the beginning of the year	2,847,111,560	2,712,415,380	(1,028,946)	(997,064)
Charge /(release)	(48,903,168)	132,615,525	893,168	(31,882)
At the end of the year	2,798,208,393	2,847,111,560	(135,778)	(1,028,946)

The closing deferred tax asset and liability balances relate to the following;

26.1 Deferred tax liability/(assets)

In LKR	Group		Company	
As at 31 March	2025	2024	2025	2024
Deferred tax on revaluation on land & building	968,874,022	602,983,460	-	-
Deferred tax on revaluation on investment properties	1,415,028,259	2,454,040,893	-	-
Deferred tax on fair value gain on right-of-use asset	62,973,936	101,671,761	-	-
Accelerated depreciation for tax purposes	647,832,861	3,838,337	-	-
Employee benefit liabilities	(8,634,818)	(1,644,248)	-	-
Loses available off setting against future taxable income	(287,730,087)	(312,749,696)	-	-
	2,798,344,173	2,848,140,507	-	-

26.2 Deferred tax assets/(liability)

In LKR	Group		Company	
As at 31 March	2025	2024	2025	2024
Employee benefit liabilities	-	720,000	-	720,000
Accelerated depreciation for tax purposes	135,778	308,946	135,778	308,946
	135,778	1,028,946	135,778	1,028,946

26.3 The deferred tax liabilities amounted to LKR 2,798,344,173/- (2024; LKR 2,848,140,507/-), and related to capital gains from the realization of bare lands located at T B Jayah Mawatha, Colombo 10, Century Park, Delathura, Ja-ela and Danister De Silva Mawatha, Colombo 09, are recognized base on the definition of an "Investment Assets" as define in the Inland Revenue Act no 24 of 2017.

27 EMPLOYEE BENEFIT LIABILITIES

In LKR	Group		Company	
As at 31 March	2025	2024	2025	2024
At the beginning of the year	22,549,435	14,727,680	-	
Current service cost	3,177,042	2,909,167	-	
Interest cost on employee benefit liabilities	2,501,793	1,526,928	-	-
Payments/Payable	(580,097)	(2,634,198)	-	-
Transfer	(766,807)	-	-	-
Re-measurement (gain)/losses on employee benefit liabilities	(3,278,381)	6,019,858	-	-
At the end of the year	23,602,985	22,549,435	-	-

27.1 The principal assumptions used in determining the cost of employee benefits were:

	Group		Company	
As at 31 March	2025	2024	2025	2024
Discount rate	15%-16.3%	36%	-	-
Future salary increment rate	12%-13%	12%	-	-

Notes to the Financial Statements

27.2 Sensitivity of assumptions used

If one percentage (1%) point change in the assumed rate would have the following effects:

In LKR	Group		Company	
	Discount rate	Salary increment rate	Discount rate	Salary increment rate
2025				
Effect on the employee benefit liability				
Increase by one percentage point	(339,176)	375,687	-	-
Decrease by one percentage point	368,874	(350,879)	-	-
2024				
Effect on the employee benefit liability				
Increase by one percentage point	(17,817,320)	17,722,119	-	-
Decrease by one percentage point	16,497,176	(16,339,844)	-	-

The demographic assumption underlying the valuation is the retirement age of 60 years (2024- 60) and average duration of the defined benefit obligation as at the end of reporting period is 24 years (2024- 23 years).

27.3 Distribution of Employee Benefit obligation over future working lifetime

In LKR	Group		Company	
As at 31 March	2025	2024	2025	2024
Less than or equal 1 year 1	-	752,142	-	-
Over 1 year and less than or equal 5 years	164,359	6,062,772	-	-
Over 5 year and less than or equal 10 years	272,857	9,124,601	-	-
Over 10 years	2,005,524	6,609,920	-	-
	2,442,740	22,549,435	-	-

28 INTEREST BEARING BORROWINGS

In LKR	Group		Company	
As at 31 March	2025	2024	2025	2024
Non current				
Bank borrowings	1,600,320,414	2,914,657,764	400,000,000	400,000,000
Finance lease liability	27,543,591	26,557,172	-	-
	1,627,864,005	2,941,214,936	400,000,000	400,000,000
Current				
Bank borrowings	2,912,143,342	1,366,014,738	106,734,300	135,773,645
Finance lease liability	3,290,304	3,290,304	-	-
	2,915,433,646	1,369,305,042	106,734,300	135,773,645
Repayable within one year	2,915,433,646	1,369,305,042	106,734,300	135,773,645
Repayable after one year				
Repayable between one and five years	1,528,461,545	1,237,762,194	400,000,000	400,000,000
Repayable after five years	99,402,460	1,703,452,742	-	-
	4,543,297,652	4,310,519,978	506,734,300	535,773,645

28.1 Group

In LKR	Bank borrowings	Lease liabilities: Right of use assets (ROU asset)	Lease liabilities: Plant & Machineries (ROU asset)	Total
At the beginning of the year	4,280,672,502	29,847,476	-	4,310,519,978
Accrued interest/ finance lease charge un-amortised/ accretion of interest	501,500,530	4,267,669	-	505,768,199
Obtained during the period	-	-	-	-
Repayments	(264,148,084)	(3,281,250)	-	(267,429,334)
Exchange Gain adjustments	(5,561,192)	-	-	(5,561,192)
At the end of the year	4,512,463,756	30,833,895	-	4,543,297,651

28.1.1 Maturity analysis - contractual undiscounted cash flows

As at 31 March	2025			2024		
		Lease liabilities			Lease liabilities	
In LKR	Bank borrowings	Right of use assets (ROU asset)	Plant & Machineries (ROU asset)	Bank borrowings	Right of use assets (ROU asset)	Plant & Machineries (ROU asset)
Less than one year	2,912,143,342	3,290,304	-	1,230,241,092	3,290,304	-
One to five year	1,528,461,545	-	-	824,446,814	13,315,380	-
More than five year	71,858,869	27,543,591	-	1,690,210,950	13,241,792	-
Total	4,512,463,756	30,833,895	-	3,744,898,856	29,847,476	-
Interest bearing borrowings included in the statement of financial position at 31 March	4,512,463,756	30,833,895	-	3,744,898,856	29,847,476	-
Current	2,912,143,342	3,290,304	-	1,230,241,092	3,290,304	-
Non current	1,600,320,414	27,543,591	-	2,514,657,764	26,557,172	-

Amounts recognised in profit or loss

In LKR As at 31 March	2025	2024
Interest on lease liabilities	4,267,669	4,147,565

28.2 Company

In LKR As at 31 March	2024 Bank borrowings	2023 Bank borrowings
At the beginning of the year	535,773,645	558,930,931
Obtained during the period	-	-
Repayments	(64,812,990)	(58,930,931)
Finance lease charge un amortized/accretion of Interest	35,773,645	35,773,645
At the end of the year	506,734,300	535,773,645

Notes to the Financial Statements

28.2.1 Maturity analysis - contractual undiscounted cash flows

In LKR As at 31 March	2025 Bank borrowings	2024 Bank borrowings
Less than one year	106,734,300	135,773,645
One to five year	400,000,000	400,000,000
More than five year	-	-
Total	506,734,300	535,773,645
Interest bearing borrowings included in the statement of financial position at 31 March	506,734,300	535,773,645
Current	106,734,300	135,773,645
Non current	400,000,000	400,000,000

28.3 Details of the long term loans - Group

Lender	Nature of facility	Interest rate and security	Repayment terms	2025 LKR	2024 LKR
Lanka Realty Investments PLC					
Nations Trust Bank PLC	Term loan	3.5% per annum above the Monthly AWPLR . Loan agreement for LKR 600,000,000/- and Mortgage over 50.80% shares of On'ally Holdings PLC	06 annual equal capital installments of LKR 100,000,000/-	506,734,300	535,773,645
Baseline Holdings (Pvt) Ltd					
Sampath Bank PLC	Term loan	2.5% per annum above the AWPLR. Loan agreement for LKR 101,550,000/- and Primary Mortgage Bond for Rs.137,000,000/- and Secondary Mortgage Bond for Rs.38,000,000/- Over the property situated at No.270/42, Dr. Danister De Silva Mawatha, Colombo 08, depicted as Lot No. 1A in Plan No.015024 dated 11.03.2015 made by K D Water D Perera (Licensed Surveyor).	To be repaid in 12 equal monthly installments of LKR 500,000/- in 35 equal monthly installments of LKR 2,500,000/- and final installment payment LKR 8,050,000/- together with monthly interest	85,550,000	85,550,000
Sampath Bank PLC	Term loan	2.5% per annum above the AWPLR. Loan agreement for LKR 35,498,390/37 and Primary Mortgage Bond for Rs.137,000,000/- and Secondary Mortgage Bond for Rs.38,000,000/- Over the property situated at No.270/42, Dr. Danister De Silva Mawatha, Colombo 08, depicted as Lot No. 1A in Plan No.015024 dated 11.03.2015 made by K D Water D Perera (Licensed Surveyor).	To be repaid in 23 equal monthly installments of LKR 1,500,000/- and final installments of LKR 998,390/37 with monthly interest	33,829,642	42,816,284
285 Darley Road (Pvt) Ltd					
People's Bank	Term loan	AWPLR+ 3% per annum. (Floor Rate of 9.5% p.a) Mortgage over property at 285, T. B. Jayah Mawatha, Colombo 10.	To be repaid in 6 equal monthly instalment of LKR 1,000,000, in 12 equal monthly instalment of LKR 5,000,000, in 12 equal monthly instalment of LKR 10,000,000, in 12 equal monthly instalment of LKR 13,000,000 and in 12 equal monthly instalment of LKR 18,000,000, and in 12 equal monthly instalment of LKR 30,583,333.37 with a 06 month grace period	1,460,158,163	1,319,562,894

Lender	Nature of facility	Interest rate and security	Repayment terms	2025 LKR	2024 LKR
Mulberry Holdings (Pvt) Ltd					
Sampath Bank PLC	Term loan	20% p.a. Payable monthly together with applicable statutory taxes at prevailing rates. Loan agreement for LKR 211,900,000/- and Primary Mortgage for LKR. 510,000,000/- over the land & buildings to be constructed in land & marked "Lot 1" in survey plan no: 40/2014 dated 15/09/2014 made by T R De Zoysa (Licensed Surveyor), in extent of 02 R 26.34P bearing assessment No. 144,Sri Vajiraganana Mawatha, Colombo 09.	To be repaid in 04 equal monthly instalment of LKR. 52,975,000/- each month commencing from 26.08.2023 after allowing capital grace period of 08 months.	211,900,000	211,900,000
Sampath Bank PLC	Term loan	220% p.a. Payable monthly together with applicable statutory taxes at prevailing rates. Loan agreement for LKR 244,000,000/-	To be repaid in 05 equal monthly instalment of LKR. 48,800,000/- each month commencing from 26.08.2023 after allowing capital grace period of 08 months.	244,000,000	244,000,000
Sampath Bank PLC	Term loan	20% p.a. Payable monthly together with applicable statutory taxes at prevailing rates. Loan agreement for LKR 50,098,532/30-	To be repaid in a single payment of LKR. 50,098,532/40 together with interest payable on 26.07.2023.	50,098,532	118,349,232
Almond Trees (Pvt) Ltd					
Sampath Bank PLC	Term loan	2.5% per annum above the AWPLR. Loan agreement for LKR 46,800,000/-, Primary Mortgage for Rs.60,000,000/- and Additional Mortgage Bond for Rs.12,090,000/- over property depicted as Lot No. B in Plan No.202/11 dated 14/05/201l made by BH B Nihal Silva (Licensed Surveyor), located at Maha Vihara Road, Ahangama, owned by Ilook Villa (Pvt) Ltd.	To be repaid in 21 equal monthly instalment of LKR 100,000, in 36 equal monthly instalment of LKR 600,000, in 24 equal monthly instalment of LKR 800,000, and in 03 equal monthly instalment of LKR 1,300,000 each month commencing from 26.07.2023.	46,800,000	46,800,000
Sampath Bank PLC	Term loan	2.5% per annum above the AWPR. Loan agreement for LKR 14,300,000/- And Primary Mortgage over plant, machinery, furniture and other movable assets of W15 for Rs.27,500,000- at No.506, New Galle Road, Pelana, Weligama owned by Almond Trees (Pvt) Ltd.	To be repaid in 21 equal monthly instalment of LKR 100,000, in 12 equal monthly instalment of LKR 750,000, in 02 equal monthly instalment of LKR 950,000, and in final instalment of LKR 1,300,000 each month commencing from 26.07.2023.	14,300,000	14,300,000
Sampath Bank PLC	Term loan	2.5% per annum above the AWPLR. Loan agreement for LKR 21,181,653/39/-, Primary Mortgage for Rs.60,000,000/- and Additional Mortgage Bond for Rs.12,090,000/- over property depicted as Lot No. B in Plan No.202/11 dated 14/05/201l made by BH B Nihal Silva (Licensed Surveyor), located at Maha Vihara Road, Ahangama, owned by Ilook Villa (Pvt) Ltd.	To be repaid in 09 equal monthly instalment of LKR 250,000, in 12 equal monthly instalment of LKR 350,000, in 12 equal monthly instalment of LKR 950,000, in 02 equal monthly instalment of LKR 1,250,000, and in final instalment of LKR 831,653.39 each month commencing from 26.07.2023.	21,181,653	21,181,653
Sampath Bank PLC	Term loan	2.5% per annum above the AWPR. Loan agreement for LKR 14,300,000/- And Primary Mortgage over plant, machinery, furniture and other movable assets of W15 for Rs.27,500,000- at No.506, New Galle Road, Pelana, Weligama owned by Almond Trees (Pvt) Ltd.	To be repaid in 21 equal monthly instalment of LKR 50,000, in 12 equal monthly instalment of LKR 100,000, in 02 equal monthly instalment of LKR 130,000, and in final instalment of LKR 381,542.29 each month commencing from 26.07.2023.	2,891,542	2,891,542

Notes to the Financial Statements

Lender	Nature of facility	Interest rate and security	Repayment terms	2025 LKR	2024 LKR
Sampath Bank PLC	Term loan	15.5% per annum. Loan agreement for LKR 10,310,000/- And Primary Mortgage over plant, machinery, furniture and other movable assets of W15 for Rs.27,500,000- at No.506, New Galle Road, Pelana, Weligama owned by Almond Trees (Pvt) Ltd.	To be repaid in 09 equal monthly instalment of LKR 85,000, in 12 equal monthly instalment of LKR 150,000, in 08 equal monthly instalment of LKR 850,000, and in final instalment of LKR 945,000 each month commencing from 26.07.2023.	9,086,487	9,086,487
Sampath Bank PLC	Term loan-USD	LIBOR+4.5% & floor rate 12%. 4 Loan agreement for USD 172,453/61. and Primary Mortgage for USD 1,065,000/ over property depicted as Lot No. F in Plan No. 1187,2010 certified by NCA Indraratna (Licensed Surveyor), located at No.506, New Galle Road, Pelana, Weligama, owned by Almond Trees (Pvt) Ltd.	24 equal monthly installments of LKR100000 /- and final installment of LKR 600000 & 800000/- after a grace period of 06 months.	287,994,462	287,994,462
Sampath Bank PLC	Term loan-USD	Loan agreement for USD 150,771/31. and Primary Mortgage for USD 1,065,000/ over property depicted as Lot No. F in Plan No. 1187,2010 certified by NCA Indraratna (Licensed Surveyor), located at No.506, New Galle Road, Pelana, Weligama, owned by Almond Trees (Pvt) Ltd.	To be repaid in 21 equal monthly instalment of USD 4,100, in 08 equal monthly instalment of USD 7,000,and in final instalment of USD 8,671.31 each month commencing from 26.07.2024.	57,946,534	57,946,534
Sampath Bank PLC	Term loan-USD	10.0% per annum. Loan agreement for USD 150,771/31. and Primary Mortgage for USD 1,065,000/ over property depicted as Lot No. F in Plan No. 1187,2010 certified by NCA Indraratna (Licensed Surveyor), located at No.506, New Galle Road, Pelana, Weligama, owned by Almond Trees (Pvt) Ltd.	To be repaid in 21 equal monthly instalment of USD 4,100, in 08 equal monthly instalment of USD 7,000,and in final instalment of USD 8,671.31 each month commencing from 26.07.2024.	29,421,912	29,421,912
Sampath Bank PLC	Term loan-USD	Interest per annum 4%. Loan agreement for LKR 4,100,000/- Primary Mortgage for Rs.60,000,000/- and Additional Mortgage Bond for Rs.12,090,000/- over property depicted as Lot No. B in Plan No.202/11 dated 14/05/201l made by BH B Nihal Silva (Licensed Surveyor), located at Maha Vihara Road, Ahangama, owned by Ilook Villa (Pvt) Ltd.	To be repaid in 11 equal monthly installment of LKR. 340,000 and final installment of LKR. 360,000.	4,100,000	4,100,000

Lender	Nature of facility	Interest rate and security	Repayment terms	2025 LKR	2024 LKR
Lanka Realty Developments (Pvt) Ltd					
Seylan Bank PLC	Term Loan	Interest per annum 18.0% p.a. and Primary Mortgage Bond No.2891 dated 27.09.2021 for LKR. 900,000,000.0 attested by Mrs. M G R P Kuamri Np over commercial property @ No.464,T B Jaya Mawatha,Colombo 10,The land depicted as Lot No. X in Plan No. 3579/9000 dated 30.08.2005 prepared by S Wickramasinghe Licensed Surveyor & Leveller, being a re- survey of amalgamated Land depicted as Lot. 1B1 & 1B2 in Plan No. 2055 dated 03.12.1990 prepared by S M Jalaludecn, Licensed Surveyor,for the extent of 0A-1R-24P (0.1043Ha), & Loan Agreement Form for LKR. 891,000,000/-.	81 monthly installments of LKR, 11,000,000,00 together with monthly interest commencing from 27.01.2024 together with interest.	891,000,000	891,000,000
Seylan Bank PLC	Term Loan	Interest per annum 18.0% p.a. and Primary Mortgage Bond No.2891 dated 27.09.2021 for LKR. 900,000,000.0 attested by Mrs. M G R P Kuamri Np over commercial property @ No.464,T B Jaya Mawatha,Colombo 10,The land depicted as Lot No. X in Plan No. 3579/9000 dated 30.08.2005 prepared by S Wickramasinghe Licensed Surveyor & Leveller, being a re- survey of amalgamated Land depicted as Lot. 1B1 & 1B2 in Plan No. 2055 dated 03.12.1990 prepared by S M Jalaludecn, Licensed Surveyor,for the extent of 0A-1R-24P (0.1043Ha), & Loan Agreement Form for LKR. 55,035,061/12.	Bullet repayment of maximum 6 months	55,035,061	55,035,061
Seylan Bank PLC	Term Loan	Interest per annum 18.0% p.a. & Loan Agreement Form for LKR. LKR.42,000,000/-	to be repaid prior to 30.06.2023	105,001,714	105,001,714
Thudella Holdings (Pvt) Ltd					
Pan Asia Banking Corporation PLC	Term loan	01M AWPLR + 5.5% p.a with a rebate of 2% p.a (With a floor rate of 14% p.a with a rebate of 2% p.a) . Mortgage over property at 357/9/P, Thudella Road Left, Dewaraddirikotuwa, Pamunugama Road, Delatura, Ja Ela depicted as lot Nos X, Y and Z in Survey Plan No.210/2013 dated 21.11.2013 made by U Hettiarachchi(LS), belonging to fully owned subsidiary Crown Resort (Pvt)Ltd. Corporate Guarantees from M/S Lanka Realty Investments PLC and M/S Crown Resorts (Pvt) Ltd for LKR200Mn	Capital to be repaid within a maximum period of 18 months	256,066,177	234,468,480

Notes to the Financial Statements

29 OTHER NON-CURRENT LIABILITIES

In LKR	Group		Company	
As at 31 March	2025	2024	2025	2024
Tenant Rent and Service Charge refundable deposit	154,468,360	179,953,031	-	-
Tenant Electricity Charge refundable deposit	11,829,331	1,400,000	-	-
	166,297,691	181,353,031	-	-

30 TRADE AND OTHER PAYABLES

In LKR	Group		Company	
As at 31 March	2025	2024	2025	2024
Trade payables	106,316,148	56,116,026	-	-
Accrued expenses	79,558,716	62,396,720	255,855	33,505
Payable to contractor	-	178,506,245	-	-
Unclaimed dividend	604,339	604,339	604,339	604,339
Other payables	158,208,641	59,971,866	500,000	-
	344,687,844	357,595,196	1,360,194	637,844

31 INCOME TAX LIABILITIES

In LKR		Group		Company	
As at 31 March		2025	2024	2025	2024
At the beginning of the year		21,324,402	52,899,322	12,462,599	12,462,599
Charge for the year	11.1	105,748,693	12,462,599	56,080,658	-
Under/(over) provision in respect of previous years	11.1	-	-	-	-
Payments and set off against refunds		-	(44,037,519)	-	-
At the end of the year		127,073,095	21,324,402	68,543,257	12,462,599

32 OTHER CURRENT LIABILITIES

In LKR	Group		Company	
As at 31 March	2025	2024	2025	2024
Staff cost payable	10,520,414	12,760,850	3,900,000	3,900,000
Taxes payables	161,453,306	104,447,037	-	-
Provision for breakages	3,194,626	2,866,251	-	-
Accrued expenses & other liabilities	75,830,227	49,885,243	21,310,298	12,393,781
Payable to Contractors	63,550,149	64,928,154		
Advance received- customers	135,187,869	113,482,377	-	-
	449,736,591	348,369,912	25,210,298	16,293,781

33 CASH AND CASH EQUIVALENTS

In LKR	Group		Company	
As at 31 March	2025	2024	2025	2024
Cash in hand & cash at bank	240,845,747	351,252,259	58,863,463	1,355,257
Short term investments	20,475,577	20,493,313	-	-
Bank overdraft	(340,659,595)	(306,891,351)	(15,336,034)	(2,634,815)
Reported for cash flows	(79,338,271)	64,854,221	43,527,429	(1,279,558)

34 RELATED PARTY TRANSACTIONS

34.1 Parent and Ultimate Controlling Party

Company does not have an identifiable parent of its own.

34.2 Transactions with key management personnel

34.2.1 Loans to directors

No loans have been given to the Directors of the Company.

34.2.2 Key management personnel compensation

Key management personnel comprises the Directors of the company and details of compensation are given in Note 34.3.4 to the financial statements.

34.3 Transactions with subsidiaries and other related companies

Relationships with subsidiaries are explained.

(i) Companies within the Group engage in trading transactions under relevant commercial terms and condition.

(ii) Lanka Realty Investments PLC, provides financial services to its subsidiary and charges interest.

(iii) The list of directors at each of the subsidiary companies have been disclosed in Group directory 2024/25.

Notes to the Financial Statements

34.3.1 Transactions with related parties

In LKR	Group		Company	
As at 31 March	2025	2024	2025	2024
Rendering of services (Granting of loans and others)				
Subsidiaries				
Lanka Realty Developments (Pvt) Ltd	-	-		93,703,048
L & A Quarries (Pvt) Ltd	-	-		-
Amtrad Ltd	-	-		10,506,088
Lanka Realty Ambalangoda (Pvt) Ltd	-	-		6,752,059
Lanka Realty Leisure (Pvt) Ltd	-	-		6,027,751
Alexandra Holdings (Pvt) Ltd	-	-	2,337,595	62,764,951
Mulberry Holdings (Pvt) Ltd	-	-		240,451,671
Baseline Holdings (Pvt) Ltd	-	-	85,023,502	62,993,113
285 Darley Road (Pvt) Ltd	-	-	80,445,442	2,104,500
Almond Trees (Pvt) Ltd	-	-		30,316,028
Thudella Holdings (Pvt) Ltd	-	-	11,415,795	26,520,000
Crown Resorts (Pvt) Ltd	-	-	22,308,488	12,818,569
Oak Streets (Pvt) Ltd	-	-	116,772,258	48,933,221
Ilook Villa (Pvt) Ltd	-	-		2,463,085
Bravo Holdings Lanka (Pvt) Ltd	(4,063,799)	1,688,662		-
Hardy James (Pvt) Ltd	-	50,000	-	-
HQ Colombo (Pvt) Ltd	1,054,767	2,033,337	-	-
Core Holdings Lanka (Pvt) Ltd	(286,025)	-	-	-
	(3,295,056)	3,771,999	318,303,081	606,354,084
Receiving of services (Settlement of loans)				
Subsidiaries				
Lanka Realty Developments (Pvt) Ltd	-	-	95,713,629	107,756,497
Amtrad Limited	-	-	80,600,424	7,050,000
Mulberry Holdings (Pvt) Ltd			63,166,814	231,506,000
Alexandra Holdings (Pvt) Ltd	-	-	1,515,863	255,392,500
Almond Trees (Pvt) Ltd	-	-	16,977,446	38,383,171
Bravo Holdings Lanka (Pvt) Ltd	261,805	261,805	-	-
	261,805	261,805	257,974,176	640,088,169
Receiving of services (Legal services and Secretarial Services)				
Other related parties				
Sarravanan Neelakandan Law Associates	3,000,012	3,000,012	-	-
Technical fees allocation				
L & A Quarries (Pvt) Ltd	-	-	-	-
Lanka Realty Ambalangoda (Pvt) Ltd	2,085,613	2,689,345	-	-
Lanka Realty Developments (Pvt) Ltd	60,927,826	72,996,063	-	-
Lanka Realty Leisure (Pvt) Ltd	1,662,569	2,431,167	-	-
Amtrad Ltd	3,761,361	5,628,348	-	-
Alexandra Holdings (Pvt) Ltd	-	3,513,486	-	-
Mulberry Holdings (Pvt) Ltd	1,936,650	5,456,688	-	-
Baseline Holdings (Pvt) Ltd	27,951,647	34,742,118	-	-
Almond Trees (Pvt) Ltd	9,209,134	5,452,185	-	-
Crown Resorts (Pvt) Ltd	10,386,906	14,150,975	-	-
Oak Streets (Pvt) Ltd	80,490,485	57,444,822	-	-
Ilook Villa (Pvt) Ltd	4,426,877	3,256,468	-	-
	202,839,068	207,761,665	-	-

In LKR	Group		Company	
As at 31 March	2025	2024	2025	2024
Expenses Sharing				
Amtrad Ltd	-	-	-	-
Baseline Holdings (Pvt) Ltd	-	-	-	-
Almond Trees (Pvt) Ltd	-	134,283	-	-
	-	134,283	-	-
Transactions with related parties				
Interest charge to subsidiaries				
Lanka Realty Developments (Pvt) Ltd	-	-	-	`
Amtrad Ltd	-	-	24,130,604	-
Lanka Realty Leisure (Pvt) Ltd	-	-	8,756,740	26,116,772
Lanka Realty Ambalangoda (Pvt) Ltd	-	-	12,132,483	9,379,210
Alexandra Holdings (Pvt) Ltd	-	-	-	13,137,067
Mulberry Holdings (Pvt) Ltd	-	-	-	7,242,023
Baseline Holdings (Pvt) Ltd	-	-	55,203,128	-
285 Darley Road (Pvt) Ltd	-	-	73,334,727	56,344,395
Almond Trees (Pvt) Ltd	-	-	-	84,378,013
Thudella Holdings (Pvt) Ltd	-	-	-	38,678
Crown Resorts (Pvt) Ltd	-	-	10,008,299	-
Oak Streets (Pvt) Ltd	-	-	46,492,433	9,334,457
Ilook Villa (Pvt) Ltd	-	-	4,377,523	43,211,524
				4,410,991
	-	-	234,435,936	253,593,129
Settlements of amount due to other related parties				
Steradian Capital Investments (Pvt) Ltd	325,305,902	-	9,484,840	-
	325,305,902	-	9,484,840	-
Borrowing from other related parties				
Steradian Capital Investments (Pvt) Ltd	8,580	-	-	-
	8,580	-	-	-
Interest of amount due to other related parties				
Eighth Wonder	7,425,946	3,756,272	7,425,946	3,756,272
Ian McVeigh	7,569,144	3,910,077	7,569,144	3,910,077
	14,995,090	7,666,349	14,995,090	7,666,349

* Technical service fee is computed based on the technical service agreement [TSA] between Lanka Realty Investments PLC [LRI] and Steradian Capital Investments (Pvt) Ltd [SCI]

Services provided by SCI:

The agreement includes services related to general technical services including development activities, project management services, acquisitions and disposals.

Fees to be paid to SCI:

- Asset management fee of 2.5% of net asset value of Lanka Realty Investments PLC Group as of 31 March 2025.
- Acquisition fee of 2.5% of the purchase price.
- Disposal fee of 3% of the sale price.

Notes to the Financial Statements

34.4 Amounts due from related parties

In LKR	Group		Company	
As at 31 March	2025	2024	2025	2024
Subsidiaries				
Lanka Realty Developments (Pvt) Ltd	-	-	-	-
L & A Quarries (Pvt) Ltd	-	-	-	-
Amtrad Limited	-	-	215,887,492	175,992,151
Lanka Realty Leisure (Pvt) Ltd	-	-	77,243,077	66,811,397
Ascot Yala (Pvt) Ltd	-	-	45,761	45,761
Lanka Realty Ambalangoda (Pvt) Ltd	-	-	109,245,875	91,517,025
Alexandra Holdings (Pvt) Ltd	-	-	-	-
Mulberry Holdings (Pvt) Ltd	-	-	-	-
Baseline Holdings (Pvt) Ltd	-	-	494,347,670	410,670,708
285 Darley Road (Pvt) Ltd	-	-	641,180,780	562,594,553
Almond Trees (Pvt) Ltd	-	-	-	-
Thudella Holdings (Pvt) Ltd	-	-	-	-
Crown Resorts (Pvt) Ltd	-	-	93,774,907	71,815,461
Oak Streets (Pvt) Ltd	-	-	439,238,821	323,561,327
Ilook Villa (Pvt) Ltd	-	-	40,199,147	31,097,523
	-	-	2,111,163,530	1,734,105,906
Other related parties				
Ascot Holding PLC (Hide this row)				
Steradian Capital Investments (Pvt) Ltd	8,580	11,332,100	-	11,332,100
Efficient Facility Management (Pvt) Ltd	15,000	-	-	-
Hardy James (Pvt) Ltd	138,783	138,783	-	-
Bravo Holdings Lanka (Pvt) Ltd	2,787,601	6,851,400	-	-
Core Holdings Lanka (Pvt) Ltd	-	286,025	-	-
HQ Colombo (Pvt) Ltd	3,122,104	2,067,337	-	-
	6,226,070	20,675,645	2,111,163,530	1,745,438,007

34.5 Amounts due to related parties

In LKR	Group		Company	
As at 31 March	2025	2024	2025	2024
Non-current				
Loans from directors/shareholders**	104,995,090	47,666,349	104,995,090	47,666,349
	104,995,090	47,666,349	104,995,090	47,666,349
Current				
Subsidiaries				
Almond Trees (Pvt) Ltd	-	-	4,075,343	2,516,403
Alexandra Holdings (Pvt) Ltd			110,201,379	112,538,974
Thudella Holdings (Pvt) Ltd	-	-	77,778,781	89,194,576
L & A Quarries (Pvt) Ltd	-	-	4,369,158	4,568,196
Lanka Realty Developments (Pvt) Ltd	-	-	762,713,873	774,048,619
Mulberry Holdings (Pvt) Ltd	-	-	550,995,395	450,986,504
	-	-	1,510,133,928	1,433,853,271
Other related parties				
Steradian Capital Investments (Pvt) Ltd	325,305,902	277,201,453	9,484,840	-
Efficient Facility Management (Pvt) Ltd	412,000	-	-	-
Realty Bussiness	500,000	1,500,000	-	-
HQ Colombo Pvt Ltd	1,650,000	252,924	-	-
Bravo Holdings Lanka (Pvt) Ltd	1,127,163	-	-	-
W15 Lakeside	26,653,338	2,172,500	-	-
Core Holdings Lanka Pvt Ltd	514,722	-	-	-
W15 Nuwaraeliya Pvt Ltd	24,167	-	-	-
M H Jamaldeen	75,000	75,000	-	-
A J B Warman	1,000,000	1,000,000	-	-
				-
	357,262,291	282,201,877	1,519,618,768	1,433,853,271
	462,257,382	329,868,226	1,624,613,858	1,481,519,620

**Two of the significant shareholders of the Company have granted LKR 20Mn loan with interest at rate of 15% per annum compounding annually shall be repaid by the Company to the Directors/Shareholders in one instalment at the end of the tenure of three years or such other extended period mutually agreed by both parties.

34.6 Compensation of key management personnel

In LKR	Group		Company	
As at 31 March	2025	2024	2025	2024
Directors' Fee	5,400,000	5,400,000	5,400,000	5,400,000
	5,400,000	5,400,000	5,400,000	5,400,000

34.7 No provision was made in respect of amounts due from related parties.

34.8 No security has been obtained for related party receivables and all related party dues are payable on demand.

34.9 Interest on loans to related parties are decided based on the inter banking rates, associated risks and purpose for which funds are used.

Notes to the Financial Statements

35 PRINCIPAL SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Summarised financial information in respect of Lanka Reality Investments PLC's subsidiary Amtrad Ltd and On'nally Holdings PLC that have material non-controlling interest, reflecting amounts before inter-company eliminations, is set out below.

In LKR As at 31 March	Amtrad Limited	On'ally Holdings PLC	Total 2025	Total 2024
Non-current assets	513,089,703	4,887,638,403	5,400,728,106	4,870,940,390
Current assets	15,940,262	283,900,299	299,840,561	428,470,652
Total assets	529,029,965	5,171,538,701	5,700,568,666	5,299,411,042
Non-current liabilities	114,755,972	1,452,044,514	1,566,800,486	1,413,486,455
Current liabilities	264,177,905	162,887,566	427,065,470	318,742,582
Total liabilities	378,933,876	1,614,932,080	1,993,865,956	1,732,229,038
Equity attributable to equity holders of the parent	120,076,871	1,809,807,853	1,929,884,724	1,870,067,071
Non-controlling interests	30,019,218	1,746,798,769	1,776,817,986	1,697,114,933
Non-controlling interests %	20.00%	49%	-	-
Revenue	17,624,726	339,984,690	357,609,416	333,703,750
Profit/(loss) for the year	(47,802,288)	511,791,684	463,989,395	545,787,311
Profit attributable to equity holders of the parent	(38,241,830)	260,429,310	222,187,480	270,564,518
Profit attributable to non-controlling interests	(9,560,458)	251,362,373	241,801,915	275,222,793
Total comprehensive income for the year, net of tax	(38,830,806)	513,202,543	474,371,738	591,117,934
Dividend paid	-		-	-
Net cash outflow from operating activities	2,982,206	222,682,461	225,664,667	420,207,804
Net cash inflow from investing activities	-	(42,946,115)	(42,946,115)	34,586,206
Net cash inflow from financing activities	-	(334,811,113)	(334,811,113)	(213,907,100)
Total net cash (outflow)/inflow	2,982,206	(155,074,767)	(152,092,561)	105,359,823

36 COMMITMENT AND CONTINGENCIES

The Group does not have significant commitments and contingencies as at the reporting date.

37 LITIGATION

37.1 Lanka Realty Investments PLC

The Urban Development Authority (UDA) has instituted High Court Civil Case No. 11/2021/CO alleging oppression and mismanagement in relation to On'ally Holdings PLC and challenging the Company's acquisition of a 50.8% shareholding. The UDA also sought interim orders restricting the Company's voting rights and actions involving retained earnings. By Order dated 15 February 2024, the High Court granted the reliefs sought by the UDA, including a declaration that the Company's acquisition resulted in control being exercised in a manner prejudicial to the interests of On'ally Holdings PLC.

The Company has filed C.A./RH Application No. 34/2024 in the Court of Appeal seeking revision/restitutio in integrum of the High Court's order. The application seeks, among other reliefs, notice on Respondents, a declaration that the High Court lacked jurisdiction, an order setting aside the High Court's decision, and interim relief suspending the operation of the impugned order pending final determination.

Management is contesting the matter vigorously. As these proceedings are ongoing, the likelihood of an adverse outcome and any associated financial impact cannot be assessed until the Court of Appeal concludes the matter.

37.2 Lanka Realty Leisure (Pvt) Ltd

The Company is engaged in several legal proceedings arising from the attempted cancellation of its Lease Agreement by the Sri Lanka Tourism Development Authority (SLTDA). District Court Case No. DSP/00084/2020 remains pending, with interim injunctions granted in favour of the Company. Related Leave to Appeal Applications filed by both the Company and SLTDA (WP/H.C.C.A/Col Nos. 86/2020 and 87/2020) are listed for Support on 4 September 2025. The Company has also instituted Writ Application No. 453/2020 before the Court of Appeal challenging the SLTDA decision, which is fixed for Support on 16 May 2025. Further appeals relating to contempt proceedings and a revision application (CA/RH/25/2024) are pending before appellate courts.

Management is contesting all matters vigorously. As proceedings remain ongoing, the likelihood of an adverse outcome and any potential financial impact cannot be reliably estimated at this stage.

37.3 285 Darley Road

The People's Bank has instituted High Court Civil Case No. 127/2023/MR against the Company and Lanka Realty Investments PLC in relation to a loan facility, seeking recovery of Rs. 925,000,000 together with accrued interest of Rs. 238,842,348.67 as at 15 May 2023 and further interest at AWPLR + 5% from 16 May 2023 until settlement. The Company has filed its Answer, and the matter is fixed to be called on 21 July 2025.

38 EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting date, the Company completed two significant transactions:
The sale of Baseline Holdings (Private) Limited on 18 July 2025 for LKR 1.1 billion; and
A capital infusion of approximately LKR 1.21 billion into HQ Colombo, as disclosed on 15 May 2025.
These transactions are expected to reduce total borrowings by approximately LKR 1.7 billion (35%) and strengthen the Group's capital position.

Notes to the Financial Statements

39 SEGMENT ANALYSIS

The segment information is based on one segmental format. The business segment is considered as the primary format and based on the management structure of the group.

The management is of the view that the Executive Directors are considered the decision makers and resources are allocated and performance assessed based on the following sectors.

In LKR ('000)	Investment and services		Manufacturing	
For the year ended 31st March,	2025	2024	2025	2024
Total revenue	404,807	350,499	17,625	47,390
Intra group revenue	(404,807)	(350,499)	-	-
External revenue	-	-	17,625	47,390
Segment results				
Results from operating activities	390,812	339,138	(8,198)	(13,085)
Net finance income/ (cost)	(68,473)	(115,676)	(26,520)	(26,821)
Profit/ (loss) before tax	322,339	223,462	(34,718)	(39,906)
Tax	(98,813)	(12,431)	(13,090)	15,080
Depreciation on property, plant & equipment	-	-	4,164	4,406
Impairment on property, plant & equipment	-	-	-	-
Impairment on investment in subsidiary	-	-	-	-
Increase in fair value of investment properties	-	-	-	-
Total assets	9,792,527	9,376,569	533,432	528,065
Additions to property, plant & equipment	-	-	-	53
Non interest bearing liabilities				
Deferred tax liability	-	-	113,347	99,988
Employee benefit obligations	-	-	1,409	1,214
Trade and other payables	1,360	638	22,862	27,208
Cash flows				
Segment cash flows from operating activities	(96,525)	(116,255)	2,982	3,433
Segment cash flows from investment activities	170,371	108,848	-	(53)
Segment cash flows from financing activities	(29,039)	(58,931)	-	-

	Commercial /residential development		Leisure/ Hoteliering		Adjustments and eliminations		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	962,603	850,215	224,852	226,861	-	-	1,609,886	1,474,965
	-	-	-	-	-	-	(404,807)	(350,499)
	962,603	850,215	224,852	226,861	-	-	1,205,079	1,124,465
	170,645	43,433	19,874	(43,678)	(405,527)	(350,499)	167,606	(24,691)
	(475,401)	(528,084)	(92,242)	(134,761)	234,436	241,652	(428,200)	(563,690)
	152,443	235,700	(72,368)	(178,439)	(171,091)	250	196,605	131,970
	(72,544)	(193,990)	135,168	77,160	-	-	(49,279)	(101,468)
	8,387	7,366	3,767	4,164	-	-	16,318	15,937
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	457,199	720,352	-	-	-	-	457,199	720,352
	19,459,650	18,944,256	2,188,998	2,026,554	(12,799,053)	(12,338,158)	19,175,554	18,528,449
	161	544	9,431	12,127	-	-	9,592	12,724
	2,362,052	2,338,572	322,945	409,581	-	-	2,798,344	2,848,141
	23,581	17,708	3,936	3,627	-	-	28,926	22,549
	241,279	376,494	78,934	62,997	-	-	344,435	467,336
	74,827	384,285	36,070	(264,305)	(283,228)	(680,243)	(265,874)	(673,084)
	(173,579)	(60,543)	(9,431)	566,357	(99,383)	(99,383)	(112,022)	515,226
	(69,633)	31,877	(49,854)	(300,677)	99,383	99,383	(49,143)	(228,348)

10 Year Summary

LKR '000 31st March	2016	2017- restated	2018	2019	2020 -restated	2021	2022	2023	2024	2025
Operating Results										
Turnover	171,400	182,688	146,123	149,335	203,902	431,877	1,240,450	1,796,016	1,124,465	1,205,079
Profit before Tax	46,784	42,587	269,663	15,540	762,328	(151,952)	1,706,302	4,723	131,970	196,605
Income Tax	(15,061)	(9,315)	(34,176)	(11,901)	(152,443)	(49,072)	(428,171)	(893,338)	(114,180)	(49,323)
Profit After Tax	31,723	33,272	235,487	3,639	609,885	(201,024)	1,278,131	(888,615)	17,790	147,282
Non-Controlling Interest	7,381	5,559	4,370	(330)	(5,568)	11,003	317,792	163,009	275,223	241,802
Profit/(Loss) Attributable to the Group	24,342	27,713	231,117	3,969	615,454	(212,027)	960,339	(1,051,624)	(257,433)	(94,520)
Capital Employed										
Stated Capital	156,716	156,716	156,716	785,425	6,380,094	7,048,663	7,048,663	7,048,663	7,048,663	7,048,663
Reserves	464,431	517,410	856,249	859,315	1,542,500	1,400,223	2,638,574	1,238,704	1,041,800	1,071,152
Other components of equity	23,100	23,100	23,100	23,100	23,100	23,100	23,100	23,100	23,100	23,100
Shareholders' Funds	644,247	697,226	1,036,065	1,667,840	7,945,694	8,471,986	9,710,337	8,310,467	8,113,563	8,142,915
Non-Controlling Interest	87,829	100,691	131,862	32,483	33,273	1,200,550	1,436,796	1,511,640	1,697,115	1,776,948
Total Liabilities	539,590	499,199	583,084	358,207	3,504,298	5,602,844	6,840,402	8,395,201	8,726,612	9,255,957
Total Equity & Liabilities	1,271,666	1,297,116	1,751,011	2,058,530	11,483,266	15,275,381	17,987,535	18,217,308	18,537,290	19,175,820
Assets Employed										
Non-Current Assets	1,215,735	1,273,273	1,734,810	1,919,078	9,882,352	12,873,472	15,393,780	16,590,740	17,262,471	18,054,418
Current Assets	55,931	23,844	16,201	139,452	1,600,914	2,401,909	2,593,754	1,626,568	1,274,818	1,121,402
Total Assets	1,271,666	1,297,116	1,751,011	2,058,530	11,483,266	15,275,381	17,987,535	18,217,308	18,537,290	19,175,820
LKR										
Share Price	24.00	23.00	32.50	23.90	33.50	38.90	14.30	13.00	10.40	12.00
Earnings/(loss) per Share	2.01	2.19	18.26	0.15	4.48	(1.02)	4.54	(4.98)	(1.22)	(0.45)
Dividend per Share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Book Value per Share	51.00	55.08	81.85	37.65	41.07	40.08	45.94	39.32	38.39	38.52

Investor Information

SHARE DISTRIBUTION

Shareholding as at 31st March 2025

	Resident			Non-Resident			Total		
Shareholding	No. of Shareholders	Shareholding	%	No. of Shareholders	Shareholding	%	No. of Shareholders	Total Shareholding	%
01- 1,000	1,947	523,311	0.25	19	5,919	0.00	1,966	529,230	0.25
1,001- 10,000	788	3,212,780	1.52	2	8,500	0.00	790	3,221,280	1.52
10,001- 100,000	395	11,870,416	5.62	2	107,800	0.05	397	11,978,216	5.67
100,001- 1,000,000	65	15,943,626	7.54	8	4,258,581	2.01	73	20,202,207	9.56
Over 1,000,000	8	45,033,674	21.31	9	130,405,821	61.70	17	175,439,495	83.00
	3,203	76,583,807	36.23	40	134,786,621	63.77	3,243	211,370,428	100.00

CATEGORIES OF SHAREHOLDERS

	No. of Shareholders	%	No. of Shares	%
Individual	3,040	93.7404	132,674,663	62.7688
Institutional	203	6.2596	78,695,765	37.2312
	3,243	100.0000	211,370,428	100.0000

TWENTY MAJOR SHAREHOLDERS OF THE COMPANY

	Name		31st March 2025		31st March 2024	
			No . of Shares	(%)	No . of Shares	(%)
1	MR. I.J. MCVEIGH		44,991,126	21.29	44,991,126	21.29
2	SEYLAN BANK PLC/MOHAMED HISHAM JAMALDEEN (COLLATERAL)	31,717,133	32,639,994	15.44	32,639,994	15.44
	MR. M.H. JAMALDEEN	922,861				
3	MR. P. MORGAN		28,729,496	13.59	28,729,496	13.59
4	EIGHTH WONDER		23,912,684	11.31	23,912,684	11.31
5	MR. A.J.B. WARMAN		10,665,000	5.05	10,817,235	5.12
6	MR. S.G. RODEN		8,622,680	4.08	8,622,680	4.08
7	MR. J.D. MARKLAND		8,148,828	3.86	8,148,828	3.86
8	PRIMA LAND (PRIVATE) LIMITED		5,013,333	2.37	5,013,333	2.37
9	ANIMAL MAGIC PRODUCTION LTD		2,520,000	1.19	2,520,000	1.19
10	SEYLAN BANK PLC/PHANTOM INVESTMENTS (PVT) LTD		2,316,730	1.10	2,492,730	1.18
11	MRS. E.S. KALBIAN		1,597,860	0.76	1,597,860	0.76
12	PEOPLE S LEASING AND FINANCE PLC/L.P.HAPANGAMA		1,335,964	0.63	721,273	0.34
13	MR. M.F. FAROOK		1,325,000	0.63	1,325,000	0.63
14	MR. T.C. SMITH		1,218,147	0.58	1,218,147	0.58
15	MR. S.N.C.W.M.B.C. KANDEGEDARA		1,213,086	0.57	321,706	0.15
16	STERADIAN CAPITAL INVESTMENTS PRIVATE LIMITED		1,102,563	0.52	1,102,563	0.52
17	MSS INVESTMENTS (PRIVATE) LIMITED		1,009,865	0.48	709,865	0.34
18	MRS. R.M.N. WIJESEKARA		959,780	0.45	959,833	0.45
19	MR. R.J. MCMULLEN		871,500	0.41	871,500	0.41
20	DIALOG FINANCE PLC/S.A.DE SILVA AND D.R.DE SILVA		822,738	0.39	822,738	0.39
			178,193,636	84.30	177,538,591	83.99
	OTHERS		33,176,792	15.70	33,831,837	16.01
	TOTAL		211,370,428	100.000	211,370,428	100.000

Investor Information

DIRECTORS' SHAREHOLDING AS AT 31ST MARCH 2025

	No. of Shares	%
Sarravanan NEELAKANDAN	-	-
Mohamed Hisham JAMALDEEN Shares held in the following manner		
Seylan Bank PLC / Mohamed Hisham JAMALDEEN	31,717,133	15.01%
Mohamed Hisham JAMALDEEN	922,861	
Archie James Buckland WARMAN	10,665,000	5.05%
Mohamed Firdouse FAROOK	1,325,000	0.63%
Piers MORGAN	28,729,496	13.59%
Brian Vinod SELVANAYAGAM	-	-

SHARE PRICES FOR THE YEAR

Market price per share

	31st March 2025	31st March 2024
Highest during the year (LKR)	16.20 (03.02.2025)	14.70 (18.07.2023)
Lowest during the year (LKR)	9.70 (09.09.2024)	9.50 (05.03.2024)
As at end of the year (LKR)	12.00 (28.03.2025)	10.40 (28.03.2024)

Share trading information

	31st March 2025	31st March 2024
Number of transactions during the year	10,321	6,031
Number of shares traded during the year	30,001,704	14,608,223
Value of shares traded during the year	384,476,188.30	184,713,124.50

PUBLIC HOLDING

1 The Public Holding Percentage as at 31st March 2025- 63.5796%

2 Total number of shareholders who hold the Public Holding as at 31st March 2025- 3,236

3 The float adjusted market capitalization as at 31st March 2025- LKR 1,612,660,500.00

4 The Float adjusted market capitalization of the Company falls under Option 5 of Rule 7.13.1 (i) (a) of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said option.

Corporate Information

LEGAL FORM

A Public Limited Liability Company incorporate in Sri Lanka under the Companies Ordinance No. 51 of 1938 (Cap 1245), (Registered under the Companies Act No.07 of 2007) and listed on the Colombo Stock Exchange.

COMPANY REGISTRATION NUMBER

PQ 139

REGISTERED OFFICE

HQ Colombo 1st Floor
464A, T B Jayah Mawatha
Colombo 10
Sri Lanka

Tel : 011 2331556
Fax : 011 2331555
Email : info@Lriplc.com

DIRECTORS

Mr S Neelakandan
Mr P Morgan
Mr M H Jamaldeen
Mr A J B Warman
Mr M F Farook
Mr B V Selvanayagam

AUDIT COMMITTEE

Mr B V Selvanayagam
Mr S Neelakandan
Mr M F Farook

REATED PARTY TRANSACTIONS REVIEW COMMITTEE

Mr B V Selvanayagam
Mr S Neelakandan
Mr M F Farook

REMUNERATION COMMITTEE

Mr M F Farook
Mr S Neelakandan
Mr P Morgan

NOMINATIONS AND GOVERNANCE COMMITTEE

Mr B V Selvanayagam
Mr S Neelakandan
Mr P Morgan

AUDITORS

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

LAWYERS

Neelakandan & Neelakandan
Attorneys-at-Law & Notaries Public
M & N Building (Level 05)
02 Deal Place
Colombo 3

SECRETARIES

P W Corporate Secretarial (Pvt) Ltd
3/17, Kynsey Road
Colombo 08

Tel : 011-4640360
Email : pwcs@pwcs.lk

REGISTRARS

Corporate Solutions Unit
Central Depository Systems (Pvt) Ltd
Ground Floor, M&M Centre
No.341/5, Kotte Road
Rajagiriya

Tel : 011-2356444
Fax : 011-2440396
Email : registrars@cse.lk

BANKERS

Sampath Bank PLC
Pan Asia Banking Corporation PLC
Bank of Ceylon
National Development Bank PLC
Commercial Bank of Ceylon PLC
Hatton National Bank PLC

Group Directory

Company Name	Company Registration Number	% Ownership	Nature of Business	Date of Incorporation
Amtrad Limited	PB 1317	80%	Manufacturing & selling of cement concrete building blocs and paving blocks	March 28, 1980
285 Darley Road (Private) Limited	PV 109954	100%	Residential Property Development	November 23, 2015
Alexandra Holdings (Private) Limited	PV 97631	100%	Real Estate Development	March 18, 2014
Almond Trees (Private) Limited	PV 80159	100%	Operators of Leisure Property	" July 20, 2011 "
Baseline Holdings (Private) Limited	PV 104087	100%	Real Estate Development	February 25, 2015
Crown Resorts (Private) Limited	PV 73541	100%	Real Estate Development	August 02, 2010
Ilook Villa (Private) Limited	PV 78938	100%	Operators of hotels	May 20, 2011
L & A Quarries (Private) Limited	PV 79275	100%	Operators of Crusher Plants	June 07, 2011
Lanka Realty Ambalangoda (Private) Limited	PV 91199	100%	Development of Hotels	February 22, 2013
Lanka Realty Developments (Private) Limited	PV 12802	100%	Commercial Property Development	October 04, 2006
Lanka Realty Leisure (Private) Limited	PV 84290	100%	Development of Hotels	February 15, 2012

	Registered Address	Telephone Number	Directors	Stated Capital LKR
	HQ Colombo 1st Floor No. 464A, T.B. Jayah Mawatha Colombo 10	011 2331556	A J B Warman (Chairman) M H Jamaldeen M F Farook	87,800,000.00
	HQ Colombo 1st Floor No. 464A, T.B. Jayah Mawatha Colombo 10	011 2331556	M H Jamaldeen A J B Warman R G D Kasun	1,048,935,225.52
	HQ Colombo 1st Floor No. 464A, T.B. Jayah Mawatha Colombo 10	011 2331556	M H Jamaldeen A J B Warman R G D Kasun	231,657,537.34
	HQ Colombo 1st Floor No. 464A, T.B. Jayah Mawatha Colombo 10	011 2331556	M H Jamaldeen A J B Warman R G D Kasun	93,350,900.95
	HQ Colombo 1st Floor No. 464A, T.B. Jayah Mawatha Colombo 10	011 2331556	M H Jamaldeen A J B Warman R G D Kasun	358,344,297.64
	HQ Colombo 1st Floor No. 464A, T.B. Jayah Mawatha Colombo 10	011 2331556	M H Jamaldeen A J B Warman R G D Kasun	50,717,090.00
	HQ Colombo 1st Floor No. 464A, T.B. Jayah Mawatha Colombo 10	011 2331556	M H Jamaldeen A J B Warman R G D Kasun	19,985,960.00
	HQ Colombo 1st Floor No. 464A, T.B. Jayah Mawatha Colombo 10	011 2331556	M H Jamaldeen A J B Warman R G D Kasun	94,372,920.00
	HQ Colombo 1st Floor No. 464A, T.B. Jayah Mawatha Colombo 10	011 2331556	M H Jamaldeen A J B Warman R G D Kasun	9,981,600.00
	HQ Colombo 1st Floor No. 464A, T.B. Jayah Mawatha Colombo 10	011 2331556	M H Jamaldeen A J B Warman M F Farook R G D Kasun	830,000,006.00
	HQ Colombo 1st Floor No. 464A, T.B. Jayah Mawatha Colombo 10	011 2331556	M H Jamaldeen A J B Warman R G D Kasun	35,469,410.00

Group Directory

Company Name	Company Registration Number	% Ownership	Nature of Business	Date of Incorporation
Mulberry Holdings (Private) Limited	PV 100666	100%	Real Estate Development	September 03, 2014
Oak Street (Private) Limited	PV 12729	100%	Real Estate Development	April 06, 2009
Thudella Holdings (Private) Limited	PV 95031	100%	Real Estate Development	October 14, 2013
On'ally Holdings PLC	PQ 107	50.89%	Property Developers, Letting of Shop & Office Space	June 25, 1982

	Registered Address	Telephone Number	Directors	Stated Capital LKR
	HQ Colombo 1st Floor No. 464A, T.B. Jayah Mawatha Colombo 10	011 2331556	M H Jamaldeen A J B Warman R G D Kasun	456,866,195.60
	HQ Colombo 1st Floor No. 464A, T.B. Jayah Mawatha Colombo 10	011 2331556	M H Jamaldeen A J B Warman R G D Kasun	2,255,641,870.00
	HQ Colombo 1st Floor No. 464A, T.B. Jayah Mawatha Colombo 10	011 2331556	M H Jamaldeen A J B Warman R G D Kasun	99,037,348.42
	Unit 603, 4th Floor, Unity Plaza Building, No 2, Galle Road, Colombo 04	011 2501622	A J B Warman M H Jamaldeen T Sarveshwaran E A C Piyashantha H R S C Gunathilake S Neelakandan A A Marikar N L S Joseph K D Chithrapala L B Kumudulal J A Ratwatte (Alternate Director to Mr. A J B Warman)	279,493,203.00

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Fifty Fifth (55th) Annual General Meeting of Lanka Realty Investments PLC will be held at the Sri Lanka Foundation, No. 100, Padanam Mawatha, Independence Square, Colombo 07 on Monday, 22nd December 2025 at 4.00 p.m. for the following purposes:

1. Ordinary Business

1.1 To receive and consider the Annual Report of the Board of Directors on the affairs of the Company and its subsidiaries and the Financial Statements for the year ended 31st March 2025 together with the Report of the Auditors thereon.

1.2 To re-elect as a Director, Mr. Mohamed Firdouse Farook who retires by rotation in terms of Articles 83 and 84 of the Articles of Association of the Company.

1.3 To re-elect as a Director, Mr. Brian Vinod Selvanayagam who was appointed during the year in terms of Article 90 of the Articles of Association of the Company.

1.4 To re-appoint as a Director, Mr. Piers Morgan who is 78 years of age by passing the following resolution:

"IT IS HEREBY RESOLVED THAT Mr. Piers Morgan who is 78 years of age be and is hereby re-appointed as a Director of the Company and it is hereby declared as provided for in Section 211(1) of the Companies Act No. 07 of 2007 that the age limit of 70 years referred to in Section 210 of the Companies Act shall not apply to Mr. Piers Morgan."

1.5 To re-appoint Messrs Ernst & Young, Chartered Accountants, as the Company's Auditors and authorize the Directors to determine their remuneration.

1.6 To authorize the Directors to determine donations for the year ending 31st March 2026 and up to the date of the next Annual General Meeting.

2. Special Business

2.1 To consider and if thought fit, to pass the following resolution as a Special Resolution:

'IT IS HEREBY RESOLVED THAT the Articles of Association of the Company be amended:

(1) by the deletion of Article 51 in its entirety and the substitution therefor of the following new Article 51 under the heading "Methods of Holding General Meetings ;";

"METHODS OF HOLDING GENERAL MEETINGS

51. (1) A General Meeting of shareholders may be held-

(i) by a number of shareholders who constitute a quorum, being assembled together at the place, date, and time appointed for the meeting; (hereinafter sometimes referred to as the Physical General Meeting); or

(ii) by means of audio, or audio and visual communication by which all shareholders participating and constituting a quorum can simultaneously hear each other throughout the meeting (hereinafter sometimes referred to as Electronic General Meeting); or

(iii) by a meeting held both physically and electronically (called Hybrid General Meeting); or

(iv) by means of a resolution in writing signed by not less than Eighty-Five per centum (85%) of the Shareholders who would be entitled to vote on a resolution at a meeting of Shareholders, who together hold not less than Eighty-Five per centum (85%) of the votes entitled to be cast on that resolution.

(2) The Board shall determine whether a General Meeting is to be held as a Physical General Meeting as referred to in 51(1)(i) or held as an Electronic General Meeting as referred to in 51(1)(ii) or held as a Hybrid General Meeting, both physically and electronically, as referred to in 51(1)(iii) or by a Resolution in writing as referred to in 51(1)(iv).

(3) The Board shall specify in the notice calling the General Meeting whether the meeting will be physical or electronic or hybrid or by a Resolution in writing. Such notice shall also specify (as applicable) the time, date, and place and/or electronic platform(s) of the General Meeting, as it is determined.

(4) (i) When conducting an Electronic General Meeting, the Board shall enable persons to simultaneously attend by electronic means, with no shareholder necessarily in physical attendance at the Electronic General Meeting. The shareholders or their proxies present shall be counted in the quorum for, and entitled to vote at, the General Meeting in question.

(ii) If it appears to the Chairman of the General Meeting that the electronic platform(s), facilities, or security at the Electronic General Meeting have become inadequate for the purposes referred to herein then the Chairman may, without the consent of the meeting, interrupt to resolve such inadequacy where possible or adjourn the General Meeting. All business conducted at that General Meeting up to the time of that adjournment shall be valid and the provisions of Article 55 shall apply to that adjournment.

(iii) In relation to an Electronic General Meeting, the right of a shareholder to participate in the business of any General Meeting shall include, without limitation, the right to speak, vote on a poll, be represented by a proxy, and have access (including electronic access) to all documents which are required by the Act or these Articles to be made available for at the meeting."

(5) By the deletion of the words "(please provide)" in lines 1 and 2 of Article 72(1).

(6) By the substitution of the word "Special" in place of "Ordinary" in line 3 of Article 72(1)

(7) By the deletion of Article 102 under the existing heading, 'Alternate Directors' in its entirety and the substitution therefor of the following new Article 102;

"ALTERNATE DIRECTORS

102(i) (a) Subject to the Statutes and other laws applicable in respect of the composition of the Board, a Director may, due to exceptional circumstances, by notice in writing under his hand delivered to the Secretary, nominate an individual to be appointed as an Alternate Director of the Company for a maximum period of one (1) year from the date of appointment to attend to the duties of the Director in his absence.

(b) Such Alternate Director shall be entitled to receive notices of all meetings of Directors and to attend and vote as Director at any such meeting at which the Director appointing him is not personally present and to exercise the rights of the appointer at meetings of the Board.

(c) The attendance of any Alternate Director at any meeting, including a Board committee meeting, at which the appointer is absent, shall be counted for the purpose of quorum at such meeting.

(ii) The appointment of an Alternate Director shall be subject to the approval of the Board.

(iii) An Alternate Director shall not in respect of such appointment be entitled to receive any remuneration from the Company, nor be required to hold any Share qualification. However, the Board may reimburse an Alternate Director such reasonable expenses as he may incur in attending and returning from meetings of the Board which he is entitled to attend, or as he may otherwise properly incur in or about the business of the Company. Alternatively, the Board may pay such allowances as it considers proper in respect of such expenses.

(iv) An Alternate Director shall (on his giving an address for such notice to be served on him) be entitled to receive notices of all meetings of the Board and to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present, and generally to perform all the functions of his appointer as a Director in the absence of such appointer, due to the reasons stated in Article 102(i) hereof, including the signing of resolutions in writing to be passed by circulation under Article 98 hereof.

(v) Subject to Article 102(i) hereof, an Alternate Director shall ipso facto cease to be an Alternate Director on the occurrence of any of the following events:

(a) If his appointer ceases for any reason to be a Director. Provided that if any Director retires by rotation but is re-elected at the meeting at which such retirement took effect, any appointment made by him pursuant to this Article which was in force immediately prior to his retirement shall continue to operate after his re-election as if he had not so retired;

(b) If the appointment of the Alternate Director is revoked by his appointer by a notice in writing delivered to the Secretary;

(c) If the Board resolves that the appointment of the Alternate Director be terminated on a date determined by it prior to the completion of the period of one (1) year.

Notice of Annual General Meeting

(vi) A Director shall not vote on the question of the approval of an Alternate Director to act for him, or on the question of the termination of the appointment of such an Alternate under Article 102(v)(c). He shall also not be counted to determine the quorum at meetings when such matters are voted on.

(vii) If an Alternate Director is appointed for a Non-Executive Director, such Alternate Director shall not be an executive of the Company.

(viii) If an Alternate Director is appointed to represent an Independent Non-Executive Director, such Alternate Director shall meet the criteria for independence specified in the Listing Rules of the Colombo Stock Exchange."

(4) by the inclusion of following paragraph at the end of Article 143 ;

"The Company may serve notice by electronic mail to an electronic mail account notified by a shareholder in writing or any other acceptable means, to the Company or to the Central Depository Systems (Pvt) Ltd. Where electronic mail is used, the document or notice shall be deemed to have been received by the shareholder upon the dispatch of same by the Company through electronic mail."

(5) by the inclusion of the following paragraph immediately after the word "Newspapers" in Article 149;

"The Company may if so permitted by Statute, publish any notice required to be given to the shareholders on the official website of the Company and/or on the official website of the Colombo Stock Exchange (so long as the Company is listed on the Colombo Stock Exchange)."'

By Order of the Board

Lanka Realty Investments PLC

P W Corporate Secretarial (Pvt) Ltd
Secretaries

21st November 2025

Notes:

1. A shareholder is entitled to appoint a Proxy to attend and vote at the meeting on his/her behalf.
2. A Proxy need not be a shareholder of the Company.
3. A Form of Proxy accompanies this Notice.
4. The completed Form of Proxy should be deposited at the Registered Office of the Company, 1st Floor, HQ Colombo, 464A, T.B. Jayah Mawatha, Colombo 10 by 4.00 p.m. on 20th December 2025.

Form of Proxy

I/We* .....

(NIC/Passport/Co. Reg. No. .....) of .....

..... being a shareholder /

shareholders of LANKA REALTY INVESTMENTS PLC hereby appoint .....

..... (NIC/Passport No. ..... of .....

.....or .....

.....or failing him/her*

Mr. Sarravanan Neelakandan	or failing him *
Mr. Piers Morgan	or failing him*
Mr. Mohamed Hisham Jamaldeen	or failing him*
Mr. Archie James Buckland Warman	or failing him*
Mr. Mohamed Firdouse Farook	or failing him*
Mr. Brian Vinod Selvanayagam	

as my/our* proxy to represent me/us* and to vote as indicated hereunder for me/us* and on my/our* behalf at the Fifty Fifth (55th) Annual General Meeting of the Company to be held on 22nd December 2025 at 4.00 p.m. and at every poll which may be taken in consequence of the aforesaid meeting and at any adjournment thereof.

1. Ordinary Business

		For	Against
(1)	To re-elect as a Director, Mr. Mohamed Firdouse Farook who retires in terms of Articles 83 and 84 of the Articles of Association of the Company.	○	○
(2)	To re-elect as a Director, Mr. Brian Vinod Selvanayagam who was appointed during the year in terms of Article 90 of the Articles of Association of the Company.	○	○
(3)	To pass the ordinary resolution set out under item 4 of the Notice of Meeting for the re-appointment of Mr. Piers Morgan as a Director.	○	○
(4)	To re-appoint the retiring Auditors Messrs Ernst & Young, Chartered Accountants as the Company's Auditors and authorize the Directors to determine their remuneration.	○	○
(5)	To authorize the Directors to determine donations for the year ending 31st March 2026 up to the date of the next Annual General Meeting.	○	○

2. Special Business

		For	Against
(1)	To consider and if thought fit to pass the Special Resolution set out under item 2.1 of the Notice of Meeting for amending the Articles of Association.	○	○

In witness my/our* hands this ..... day of ..... Two Thousand and Twenty Five.

.....
Signature of Shareholder/s

*Please delete what is inapplicable.

Form of Proxy

Instructions for completion

1. The full name, National Identity Card number and the registered address of the shareholder appointing the Proxy and the relevant details of the Proxy should be legibly entered in the Form of Proxy which should be duly signed and dated.
2. The completed Proxy should be deposited at the Registered Office of the Company, 1st Floor, HQ Colombo, 464A, T.B. Jayah Mawatha, Colombo 10, by 4.00 p.m. on 20th December 2025.
3. The Proxy shall –
   (a) In the case of an individual be signed by the shareholder or by his/her attorney, and if signed by an Attorney, a notarial certificate copy of the Power of Attorney should be attached to the completed Proxy if it has not already been registered with the Company.
   (b) In the case of a company or corporate / statutory body either be under its Common Seal or signed by its Attorney or by an Officer on behalf of the company or corporate / statutory body in accordance with its Articles of Association or the Constitution or the Statute (as applicable).
4. Please indicate with a 'X' how the Proxy should vote on each resolution. If no indication is given, the Proxy in his/her discretion will vote as he/she thinks fit.

Notes

Notes


LANKA REALTY
INVESTMENTS PLC