

# Stock

## Briefing Note



### Company Name & Ticker

OVERSEAS REALTY (CEYLON) PLC | OSEA.N

### Industry

CSE | REAL ESTATE MANAGEMENT & DEVELOPMENT

### Date Published

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**AMBEON**  
SECURITIES

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## 1. Executive Summary

### 1.1. Company Overview

Overseas Realty (Ceylon) PLC (OSEA), established in 1980 and listed on the Colombo Stock Exchange (CSE) in 1982, stands as a prominent figure in Sri Lanka's real estate sector. Recognized as a Board of Investment of Sri Lanka-approved flagship company, OSEA has been instrumental in shaping Colombo's skyline with landmark developments such as the World Trade Center, Colombo, and Havelock City—an integrated mixed-use development.

The company recently launched Mireka Seascape, its newest luxury real estate venture. Located in the coastal town of Dodanduwa, this exclusive development offers 168 luxurious apartments and villas and is expected to boost its property trading segment. Additionally, every facet of Mireka Seascape will be expertly managed by Realty Management Services (RMS), a wholly-owned subsidiary of OSEA that operates within its Property Services segment.

As of March 31, 2025, the company reported a robust asset base totaling LKR 79.44 Bn, reflecting its significant presence in the industry. In the fiscal year 2024, OSEA achieved a remarkable financial performance, recording a total revenue of LKR 8.02Bn, marking a 58% increase from the previous year. This growth was driven by its diversified operations across three primary segments: property leasing, property trading, and property services. Notably, the company reported a profit after tax of LKR 6.21Bn, a substantial rise from LKR 3.85Bn in 2023.

Reflecting its commitment to shareholder value, OSEA declared a dividend of LKR 1.35 per share for 2024, achieving a payout ratio of 27%. The company's market capitalization stood at LKR 34.06 Bn as of July 02, 2025. With a dedicated workforce of 213 employees, OSEA continues to drive growth and innovation in Sri Lanka's real estate landscape.

### 1.2. Valuation Summary

We have estimated the weighted average fair values of OSEA.N at LKR 39.37. Based on the current market prices, OSEA.N offers an upside potential of 43.70%. The weighted average intrinsic value of OSEA shares has been calculated using different valuation methods: the PE-based valuation is LKR 26.51, the PBV-based valuation is LKR 41.24, EV/EBITDA-based valuation is LKR 43.11, and the adjusted Net Asset Value (NAV) as of the 31<sup>st</sup> of March 2025 stands at LKR 46.64 per share.

### 1.3. Key Financials

LKR Mn	2022	2023	2024	1Q 2025
Revenue	15,046	5,076	8,024	2,438
Gross profit	6,843	3,319	5,441	1,646
Operating Profit	6,211	2,661	5,807	1,360
PAT attributable to equity holders of the parent	6,079	3,853	6,210	974
Investment Property	66,026	67,706	69,566	69,566
Total assets	78,392	78,234	79,346	79,444
EPS (LKR)	4.89	3.10	5.00	0.78
NAVPS (LKR)	41.66	43.54	47.32	48.10
ROE (%)	12%	7%	11%	7%*
ROA (%)	8%	5%	8%	5%*

\*Annualized

## 2. Dashboard

Company Name	Overseas Realty (Ceylon) PLC
Ticker	OESA.N
Market Price (LKR)	27.40
Exchange Listed	Colombo Stock Exchange
GICS Sector	Real Estate Management & Development
Board Listed	Diri Savi Board
Listed Date	1/1/1982
No. of Shares (Mn)	1.24
MCAP (LKR Bn)	34.06
Public Holding (as of 31st March 2025)	7.50%
Financial Year Ends	31st December

### Top 05 shareholders

Name	Percentage
Shing Kwan Investment Company Limited	38.43%
Unity Builder Limited	18.66%
Orthopaedic Clinic (Pte.) Ltd	13.12%
Peeli Limited	12.21%
Shing Kwan Investment (Singapore) Pte Ltd	3.08%

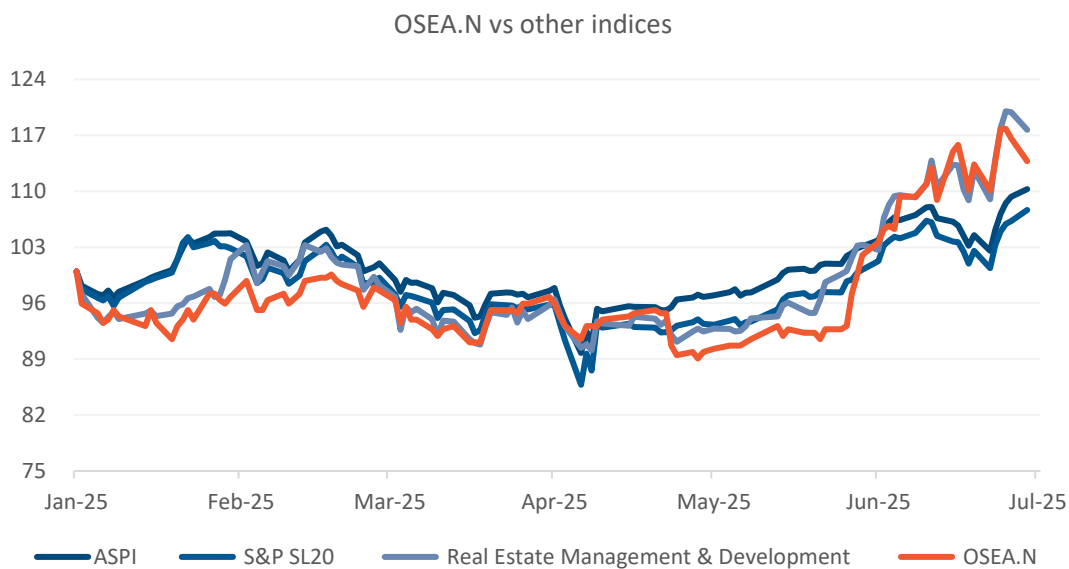
The float-adjusted market capitalization as of 31<sup>st</sup> March 2025 was LKR 3.2 Bn.

Key Data	
<b>Historical Returns (July 2024 – July 2025)</b>	
1-year capital gain	55.68%
1-year dividend yield	4.56%
1-year total return	60.24%
Beta	0.90
1-year high (LKR)	29.90
1-year low (LKR)	16.30
<b>Valuation Multiples</b>	
PE Ratio	6.28
PB Ratio	0.57
<b>Per Share Data (LKR)</b>	
EPS (TTM)	4.36
NAVPS (March 2025)	48.10
DPS (2024)	1.35
Dividend Payout	27.00%

Sources: CSE, Company reports



Source: CSE



Note: The chart is indexed (from 2<sup>nd</sup> Jan 2025 up to date)

Source: CSE

### 3. Valuation Summary

We have estimated the average weighted fair value of OSEA.N at LKR 39.37. Based on the current market prices, OSEA.N offers an upside potential of 43.70%. The historical 1-year dividend yields were 4.56% for OSEA.N.

Weighted average intrinsic value	LKR
PE-based valuation*	26.51
PBV-based valuation*	41.24
EV/EBITDA-based valuation	43.11
NAV (31 <sup>st</sup> March 2025)*	46.64
<b>Weighted average fair value per share (LKR)</b>	<b>39.37</b>

\*Adjusted for fair value gain on investment property.

#### 3.1. PE-Based Valuation

Average PER of peers	9.15
TTM EPS of OSEA (LKR)	4.36
Adjusted TTM EPS of OSEA (LKR)*	2.90
<b>Value per share (LKR)</b>	<b>26.51</b>

\*Adjusted for fair value gain on investment property.



Source: Bloomberg

Over the last 12 months, OSEA has traded at an average PE multiple of 5.02, with the current trailing PE at 6.28. Based on the current TTM EPS, the fair value of OSEA implies a PE multiple of 9.02.

### 3.3. PBV-Based Valuation

Average PBV of peers	0.88
NAVPS of OSEA (LKR)	48.10
Adjusted NAVPS of OSEA (LKR)*	46.64
<b>Value per share (LKR)</b>	<b>41.24</b>

\*Adjusted for fair value gain on investment property.



Source: Bloomberg

Over the past 12 months, OSEA traded at an average PBV multiple of 0.45, while the current PBV stands at 0.57.

### 3.4. EV/EBITDA-Based Valuation

TTM EBITDA of OSEA	6,500,228
Average EV/EBITDA of peers	7.53
Enterprise Value (EV)	48,914,214
Less: debt	64,500
Add: cash & cash equivalent	4,740,560
Equity value	53,590,274
No of shares	1,243,030
<b>Value per share (LKR)</b>	<b>43.11</b>

The peers of OSEA are listed below. The valuation process incorporates PER, PBV, and EV/EBITDA multiples.

Peer valuation multiples		PER	PBV	EV/EBITDA
Colombo City Holdings PLC	PHAR.N	6.56	0.60	9.73
Commercial Development Company PLC	COMD.N	3.56	0.50	1.32
Prime Land Residencies PLC	PLR.N	12.18	1.51	7.14
R I L Property PLC	RIL.N	14.29	0.93	11.91
<b>Peer average</b>		<b>9.15</b>	<b>0.88</b>	<b>7.53</b>

## 4. Return Analysis

### 4.1. Historical Dividends

	2020	2021	2022	2023	2024
Dividend Per Share (DPS)(LKR)	-	1.25	1.25	1.25	1.35
Dividend payout ratio	0.00%	62.19%	25.56%	40.32%	27.00%
Dividend yield*	0.00%	6.51%	8.39%	8.33%	5.51%

\*Dividend yield is calculated based on the share's closing price at the year-end.

Year	Type	Dividend per share (LKR)	Payment date
2024	First and Final dividend	1.35	14-May-25
2023	First and Final dividend	1.25	14-May-24
2022	First and Final dividend	1.25	18-May-23
2021	First and Final dividend	1.25	18-May-22

No dividend payment for 2020.

### 4.2. Historical Price Movements

Annual price movement (Jan-Dec)	(%)
2025 (YTD)	11.84%
2024	63.33%
2023	0.67%
2022	-22.40%
2021	33.33%
2020	-10.00%

Note: Closing prices as of July 02, 2025, were considered for calculating YTD.

From the start of 2020 to date, OSEA.N has posted a total price gain of 71.25%.

Sources: CSE, Company reports

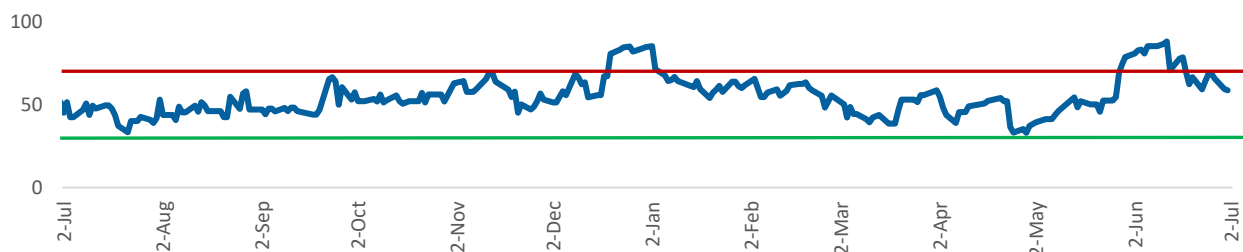
## 5. Technical Indicators

### 5.1. OSEA price movement over 12 months



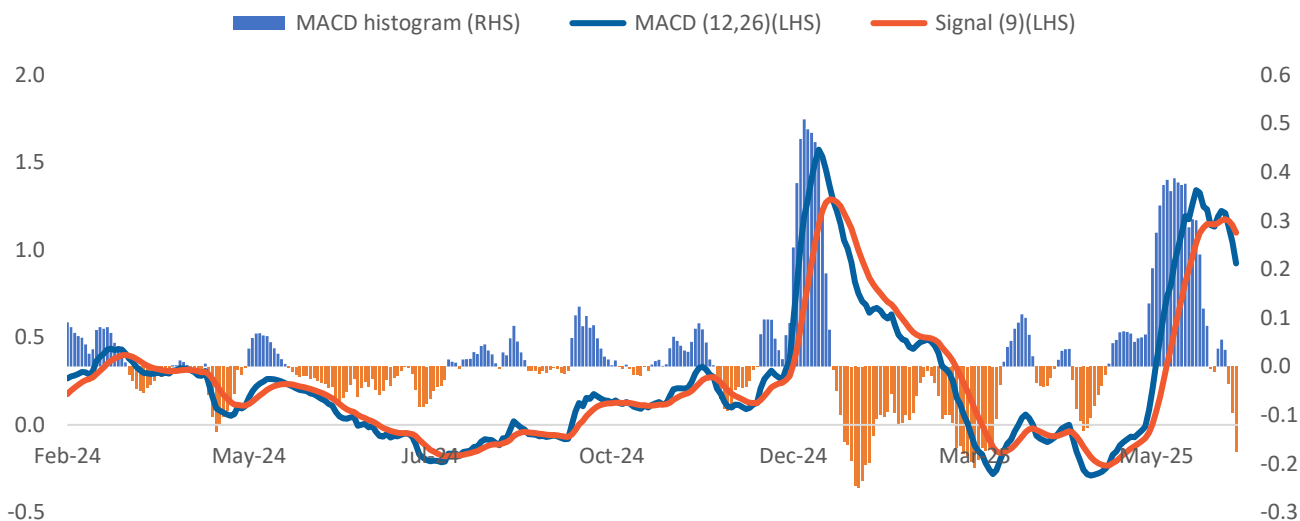
OSEA shows a significant upward trend in its price, particularly noticeable from late May 2025 into July 2025. Before this surge, the stock experienced a relatively stable, though at times volatile, movement from August 2024 through May 2025, with prices generally ranging between LKR 16.30 and LKR 25.00. However, starting in late May and accelerating through June, OSEA saw a sharp increase, reaching LKR 29.90 before a slight pullback to its current level of LKR 27.40. This recent price movement is accompanied by notable spikes in trading volume, suggesting increased investor interest and activity during the strong rally.

### 5.2. Relative Strength Index (RSI)



RSI is currently at 53.69, below the overbought threshold of 70. This indicates that the market has lost some of its recent momentum and is no longer in overbought territory. The RSI's Simple Moving Average (SMA) stands at 66.05, which is higher than the current RSI value. This decline in the RSI relative to its SMA suggests a recent downward trend. The divergence between the RSI and its SMA could signal a potential shift in market sentiment, increasing the likelihood of a pullback as buying pressure continues to weaken.

5.3. MACD



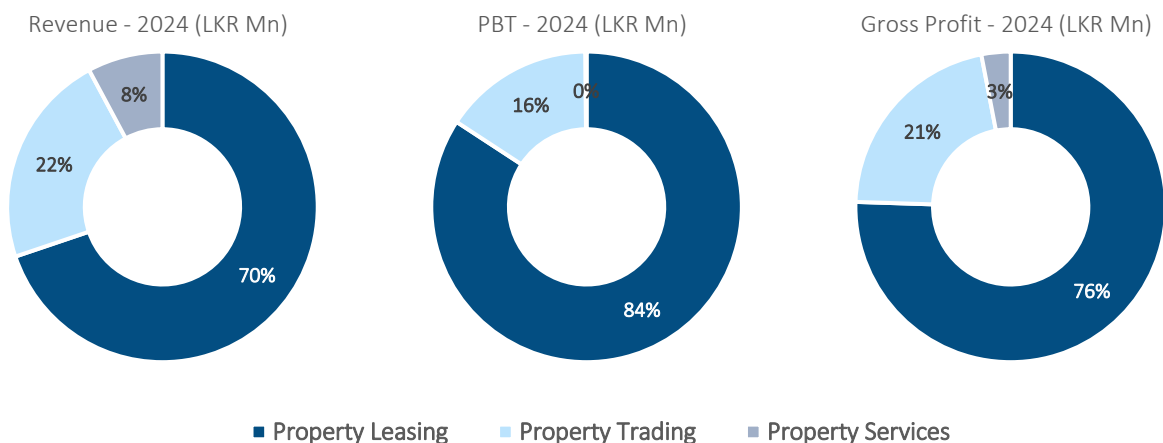
The MACD currently stands at 0.92, slightly below the signal line at 1.10, with both indicators showing a downward trajectory after an earlier upward trend. A recent bearish crossover has emerged, signaling potential downside pressure. This is further confirmed by the MACD histogram, which has recently turned negative at -0.18.

5.4. Support and Resistance Level

The current market price of OSEA sits near the pivot point of 27.43, suggesting a neutral bias in the short term. This level often acts as an important reference, and a decisive move above it could indicate potential strength toward the immediate resistance at 29.87, followed by higher targets at 32.33 and 34.77. On the downside, 24.97 serves as the first line of support, with further cushioning seen at 22.53 and 20.07 if selling pressure intensifies.

## 6. Segmental Analysis

OSEA operates primarily in three segments: property leasing, property trading and property services.



Source: Company reports

### 6.1. Property Leasing

The Property Leasing segment of OSEA demonstrated robust performance in 2024, significantly increasing its contributions to the group's financial metrics.

The Property Leasing segment was a significant driver of the group's financial success in 2024, contributing 70% of group revenue, 75% of group gross profit, and 84% of the group's net profit before tax. This segment recorded impressive YoY growth compared to 2023, with revenue increasing by 62%, gross profit by 71%, and net profit before tax by 64%.

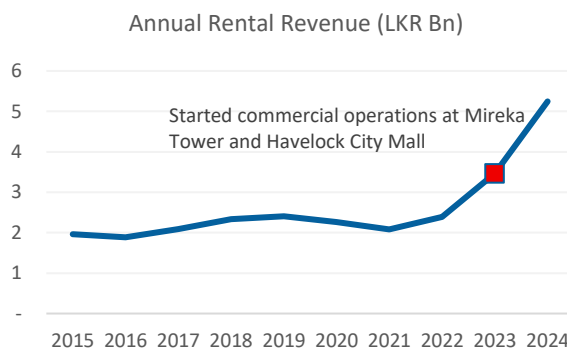
A key factor in this stellar performance was the commencement of full commercial operations at Mireka Tower and Havelock City Mall. Mireka Tower achieved a leased occupancy of 42% by December 2024, up from 30% at the end of 2023. The Havelock City Mall, having experienced a full year of commercial operations with all key anchor tenants opening by August 2024, reached a high leased occupancy level of 94% by the end of 2024, significantly up from 58% at the end of 2023. The World Trade Center, Colombo also saw its leased occupancy increase by 7% to 85% by December 2024, with average rental rates rising to Rs. 484 per sqft.

Underpinned by stable rental agreements, this segment consistently generates a reliable inflow of revenue, thereby ensuring the company's financial stability even amidst economic downturns.

### 6.2. Property Trading

Property Trading segment is poised for higher revenue and profit, driven by strategic developments. In 2024, this segment recorded a Revenue of KLR 1.79 Bn and a Gross Profit of LKR 1.15 Bn, marking an increase of 54% and 48% respectively compared to 2023.

The recently launched Mireka Seascape coastal luxury real estate venture is a key component of this segment. This development comprises 1,087 luxury apartments across eight residential towers, completed in 2021. The



Source: Company reports

#### Future rental receivables under operating leases as of 31st December 2024 (LKR Bn)

	2024	2023
No later than 1 year	4.55	4.25
Later than 1 year and no later than 2 years	3.80	3.43
Later than 2 years and no later than 3 years	2.28	2.53
Later than 3 years and no later than 4 years	1.36	1.25
Later than 4 years and no later than 5 years	0.94	0.66
Over 5 Years	3.39	1.67
<b>Total</b>	<b>16.32</b>	<b>13.79</b>

Source: Company reports

Mireka Seascape offers a diverse mix of residences, including one, two, and three-bedroom apartments, two-bedroom suites, four-bedroom penthouses, and two and three-bedroom luxury villas. Each residence has been thoughtfully designed to maximize oceanfront living.

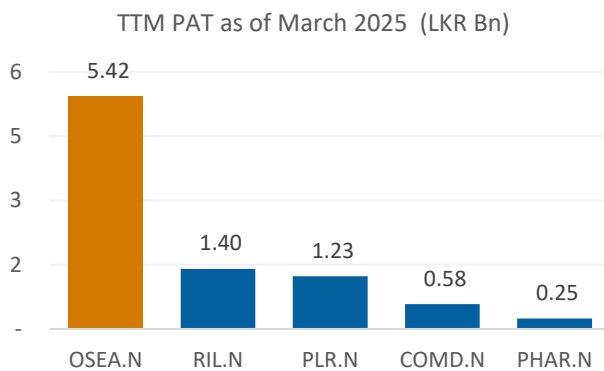
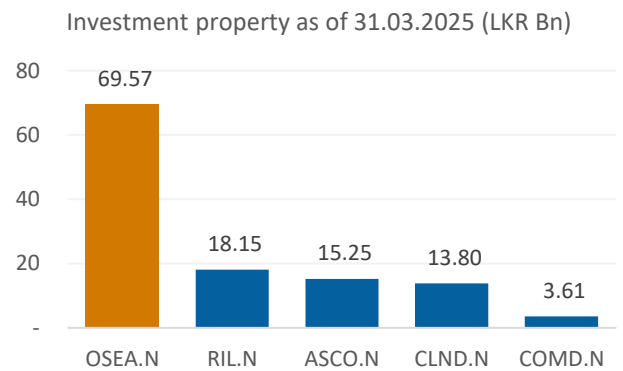
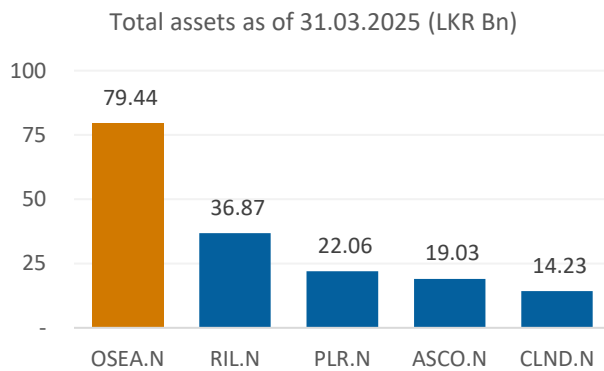
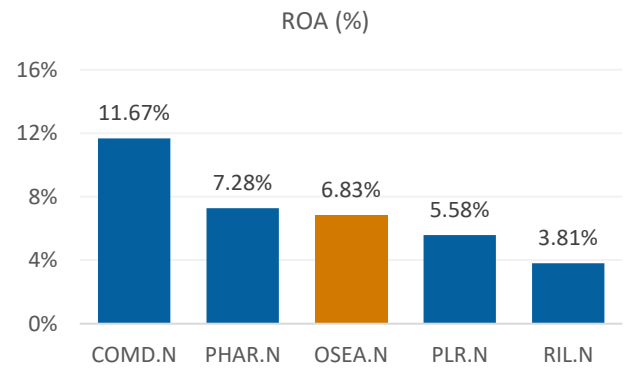
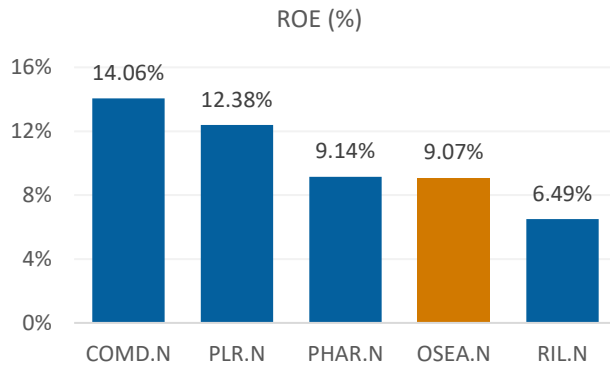
Despite a sluggish market demand for apartment sales in 2024 due to economic conditions and competition, increased inquiries were noted following a reduction in interest rates. As of the end of 2024, Havelock City had an unsold stock of 46 move-in-ready apartments. The gradual recovery of the economy and political stability are expected to improve market demand and sales in 2025.

### **6.3. Property Services**

OSEA's Property Services segment encompasses Facility Management, Real Estate Agency, and Trading. Facility Management revenue jumped by 39% to LKR 430 Mn. Real Estate Agency held steady at LKR 35 Mn despite market challenges. Trading Division saw a 57% revenue increase to LKR 164 Mn and doubled its gross profit to LKR 62 Mn; this division is set to expand its offerings into lighting & controls and LV systems in 2025, anticipating an economic and construction industry rebound.

Every aspect of Mireka Seascape will be managed by Realty Management Services (RMS), Sri Lanka's leading integrated property management company and a wholly-owned subsidiary of OSEA. RMS ensures residents enjoy a seamless lifestyle with professional facilities management, hospitality services, rental management and absentee landlord support.

7. Peer Comparison



Source: Company reports

## 9. Financial Review

### 9.1. Major Changes Compared with the Previous Year (2024 vs 2023):

#### Favorable Changes

- Gross profit rose by 64% YoY (LKR 2.12 Bn), driven by a 58% YoY (LKR 2.95 Bn) increase in revenue and a 42% YoY (LKR 3.44 Bn) decline in direct operating expenses.
- Operating profit rose by 118% YoY, accounting for LKR 3.15 Bn.
- Finance cost declined by 22%YoY (LKR 391.2Mn).
- Profit after tax increased by 61% YoY, amounting a LKR 2.36 Bn.

#### Unfavorable Changes

- Exchange gain saw a 29%YoY decline accounting for LKR 696.20Mn.
- Finance income saw a decline of 60%YoY, by LKR 557.87Mn.

### 9.2. Major Changes Compared with the Previous Quarter (1Q 2025 vs 4Q 2024):

#### Favorable Changes

- Finance cost saw a 43% QoQ decline, which is a LKR 173.00 Mn.
- Marketing and promotional expenses saw a 47% QoQ decline, which is a LKR 72.69 Mn.

#### Unfavorable Changes

- Group's revenue and gross profit saw a decline of 3% QoQ (LKR 87.58 Mn) and 9% QoQ (LKR 155.43 Mn), respectively.
- Operating profit also reported a decline of LKR 581.91 Mn (-30% QoQ).
- Finance income also saw a decline of 44% QoQ, which is a LKR 52.29 Mn.

### 9.3. Revenue Increased Primarily Driven by Higher Rental Rates and Higher Occupancy Rates.

Revenue recorded a significant increase of 58% YoY, rising from LKR 5.08 Bn in 2023 to LKR 8.02 Bn in 2024. This growth was mainly driven by higher rental income.

Revenue from residential sales at Havelock City grew by 54%, reaching LKR 1.8 Bn compared to 2023. Additionally, the Mireka Tower and Havelock City Mall, which became fully operational in 2024, achieved leased occupancy levels of 42% and 94% respectively, by December 2024. These properties generated revenue of LKR 2.83 Bn, marking an impressive 188% YoY increase.

Despite challenging economic conditions, leased occupancy at the WTC rose by 7% to reach 85% by December 2024. Average rental rates increased to LKR 484 per square foot, with revenue from leasing space rising by 12% YoY to LKR 2.69 Bn, mainly due to higher rental rates and improved occupancy.

### 9.4. Finance Cost Reduction and Deleveraging Drive Improved Financial Efficiency

OSEA demonstrated a notable improvement in its financial efficiency, with finance costs declining significantly. Finance costs decreased by 22% YoY, representing a reduction of LKR 391.2 Mn. This positive trend continued with a 43% QoQ decline amounting to LKR 173.00 Mn. This reduction in finance costs can be attributed to a combination of factors, including the company's effective debt management strategies and potentially favorable movements in interest rates and exchange rates, particularly the appreciation of the Sri Lankan Rupee in certain periods, which reduced the local currency equivalent of foreign currency-denominated loans.

Parallel to the decline in finance costs, OSEA has also successfully managed its leverage, as evidenced by a consistent downward trend in its Debt-to-Equity ratio. This ratio decreased from 43% in 2022 to a healthier 26% by the end of 2024, further improving to 24% by the end of March 2025. This continuous reduction indicates the company's commitment to strengthening its balance sheet and reducing financial risk, reflecting a more robust capital structure.

## 10. Environment, Social and Governance

### 10.1. Environmental Stewardship

OSEA prioritizes environmental sustainability in its operations and strategy. Its flagship projects—WTC Colombo and Havelock City—showcase energy-efficient systems, green building standards, and responsible waste management. WTC Colombo is the first Sri Lankan commercial property certified under ISO 50001:2018 and holds Gold certification from the Green Building Council of Sri Lanka. Mireka Tower and Havelock City Mall have also earned LEED Gold certification from the U.S. Green Building Council.

Energy management uses advanced systems like real-time Building Management Systems, centralized sub-metering, and efficient HVAC and lighting upgrades. Havelock City tracks energy with 400+ sub-meters and features LED lighting and energy-saving glass, cutting chilled water system energy use by 32%. Tenant incentive programs promote further energy savings.

Waste management includes recycling over 20,000 kg of materials in 2024, such as plastic bottles and cardboard, with waste directed to energy recovery, piggeries, or certified disposal partners. Water conservation is supported through rainwater harvesting and water-saving fixtures. Moving forward, Overseas Realty plans to expand rooftop solar, enhance tenant involvement, and improve carbon footprint monitoring to strengthen its leadership in sustainable real estate in Sri Lanka.

### 10.2. Strengthening Communities Through Stakeholder Engagement and Social Responsibility

A key pillar of OSEA's social responsibility is its comprehensive stakeholder engagement process. The company actively seeks feedback from customers through regular meetings and surveys to identify expectations and address any service gaps. For its employees, OSEA cultivates a supportive work environment, offering opportunities for skill and career progression, fair remuneration, and promoting health and safety initiatives.

Beyond customer and employee engagement, OSEA is dedicated to the broader community's well-being. Initiatives like "Santa Cares" provide platforms for senior citizens and children from underprivileged backgrounds to sell their crafts, fostering integration and income generation. The company also actively participates in public awareness campaigns, such as partnering with the National Cancer Control Unit for the Breast Cancer Awareness Walk. These efforts underscore OSEA's commitment to supporting local communities and contributing to societal progress, reinforcing its role as a responsible corporate citizen.

### 10.3. Governance Practices

#### Board of Directors

Name	Directorship status	Skills and expertise
Mr. A.M. De S. Jayaratne	Chairman/ Independent Non-Executive Director	Expertise in economics, finance, and corporate governance, having held key leadership roles including Chairman of Forbes & Walker, Colombo Stock Exchange, Finance Commission, and the Ceylon Chamber of Commerce, as well as serving as Sri Lanka's High Commissioner to Singapore.
Dr. (Mrs) Mildred Tao Ong	Non-Executive Director	Extensive experience in real estate investment and development across residential, commercial, and retail sectors, actively managing the Shing Kwan Group's property portfolio and overseeing its international real estate investments.
Mr. En Ping Ong	Non-Executive Director	Background in investment banking and entrepreneurship, cofounder of Barghest Building Performance, a leading energy efficiency solutions company in Singapore.
Mr. Leslie Ralph de Lanerolle	Non-Executive Director	Chartered Engineer with over 50 years' experience in project finance and management across financial services, real estate, tourism, and transportation sectors, holding senior roles in both public and private sectors and serving as a consultant on project advisory services.
Dr. Ranee Jayamaha	Independent Non-Executive Director	Chartered Engineer with over 50 years' experience in project finance and management across financial services, real estate, tourism, and

		transportation sectors, holding senior roles in both public and private sectors and serving as a consultant on project advisory services.
Mr. Pravir Dhanoush Samarasinghe	Director /Chief Executive Officer	38 years' experience spanning real estate, industrial, service, retail, and export sectors, with extensive leadership roles including CEO of Overseas Realty, past Chairman of multiple industry associations, and board member of several public companies.
Mr. Ben Nien Benny Tao	Non-Executive Director	Entrepreneur and director with experience in music production and real estate, founder of Chalice Recording Studio, director and chairman of multiple companies in China, and representative of the Jiangsu Tao Shing Pee Education Foundation supporting university education for underprivileged students.
Mr. Brian Tao	Non-Executive Director	Experience in private equity real estate and primary market equity investment, currently at Loyal Valley Capital, and director roles at Shing Kwan Investment and Peeli Ltd.
Dr. Arittha Rahula Wikramanayake	Independent Non-Executive Director	Veteran corporate and M&A lawyer, former Director General of the Securities and Exchange Commission of Sri Lanka, founder of leading law firms Nithya Partners and Heritage Partners, and advisor to key regulatory and policy bodies on corporate governance and legal reform.
Mr. Carl Noel Shamil Mendis	Independent Non-Executive Director	Chairman and Managing Director of Spear Global Holdings, overseeing exports to over 33 countries; former Deputy Chairman of Delmege Forsyth Group with extensive experience in imports, exports, shipping, and logistics; active leader in multiple international business councils promoting trade and investment.
Mr. P. Yohan S. Perera	Independent Non-Executive Director	Chartered Accountant with over 40 years of audit and leadership experience, former Managing Partner of KPMG Sri Lanka and Maldives, past President of CA Sri Lanka, and board member of various key financial and regulatory institutions; currently serves as an Independent Non-Executive Director for multiple listed companies.
Mr. Indrajit Asela Wickramasinghe	Independent Non-Executive Director	Over 35 years of management experience in financial services and FMCG sectors, former CEO of Union Bank, ex-COO of NDB Bank, with strong expertise in retail, corporate, SME banking, and project finance; holds an MBA and fellowships in marketing; has served on multiple boards including as Chairman of the Financial Ombudsman Sri Lanka.

### Board sub-committees

Sub-committees	Members
Nominations and Governance Committee	<ul style="list-style-type: none"> <li>▪ Mr. Arittha R Wickramanayake (Chairman)</li> <li>▪ Mr. Shamil Mendis</li> <li>▪ Mr. Ajit M De S Jayaratne</li> <li>▪ Dr. (Mrs) Raneer Jayamaha</li> <li>▪ Mr. En-Ping Ong</li> </ul>
Audit Committee	<ul style="list-style-type: none"> <li>▪ Mr. Yohan Perera (Chairman)</li> <li>▪ Mr. Indrajit Wickramasinghe</li> <li>▪ Mr. Ajith M De S Jayaratne</li> </ul>
Remuneration Committee	<ul style="list-style-type: none"> <li>▪ Mr. Shamil Mendis (Chairman)</li> <li>▪ Mr. Indrajit Wickramasinghe</li> <li>▪ Mr. Arittha R Wickramanayake</li> <li>▪ Mr. Ajith M De S Jayaratne</li> <li>▪ Mr. En-Ping Ong</li> </ul>
Related Party Transactions Review Committee	<ul style="list-style-type: none"> <li>▪ Mr. Indrajit Wickramasinghe (Chairman)</li> <li>▪ Mr. Yohan Perera</li> <li>▪ Mr. Ajith M De S Jayaratne</li> <li>▪ Dr. (Mrs.) Raneer Jayamaha</li> </ul>

92% of the board of directors comprises non-executive directors, with 55% of them classified as independent directors.

## 11. Industry & Macroeconomic Analysis

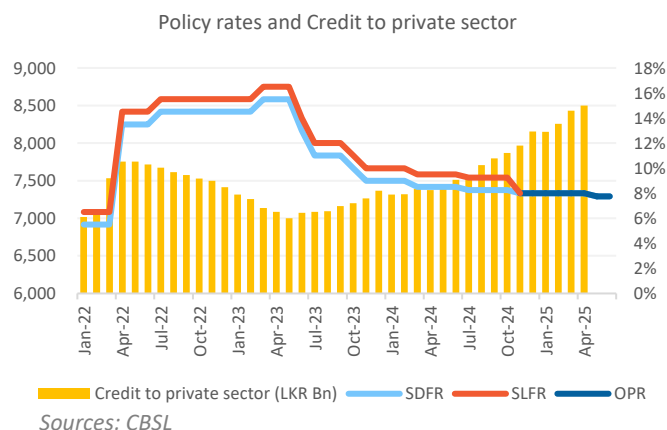
### 11.1. Declining Interest Rate Environment Supports Real Estate Demand

The recent decline in interest rates is expected to boost growth in the real estate sector. CBSL has implemented a series of monetary easing measures, including a 25-basis point reduction in the Overnight Policy Rate (OPR) to 7.75%. These actions have led to a continued decline in market interest rates, improving access to credit for industry participants and encouraging further investment and expansion.

Lower borrowing costs are particularly beneficial for developers like OSEA, as they enhance profit margins on future developments such as Mireka Seascape.

The expansionary monetary environment is expected to drive increased investment into the real estate sector.

The private sector plays a vital role in driving construction activities, as the economy begins to recover, private sector credit rebounded, increasing by 16% (LKR 1,180 Bn) over the past 15 months, signaling renewed momentum for the construction and real estate sectors.



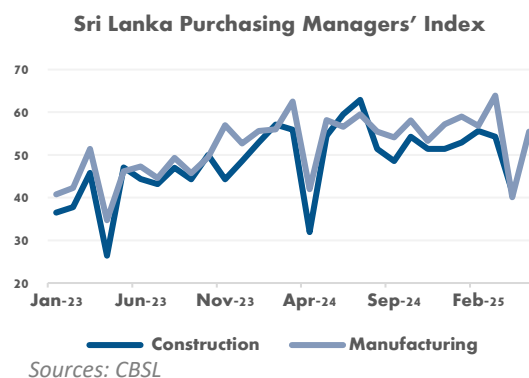
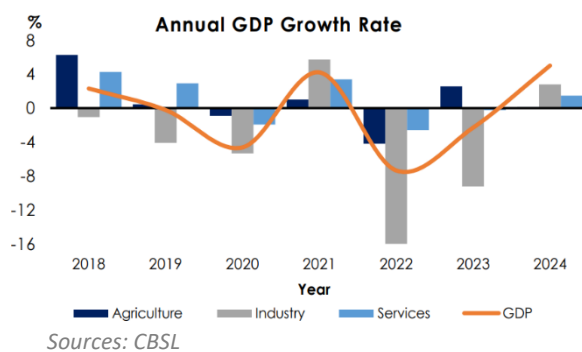
### 11.2. Rising Tourist Arrivals May Boost Retail and Mixed-Use Developments

In 2024, tourist arrivals reached 2 Mn, reflecting a 38% increase YoY, although this figure remains below the levels recorded in 2018. The recovery in tourism is boosting foot traffic in retail and hospitality-focused real estate. OSEA's mixed-use developments, such as the Havelock City mall, benefit from rising demand by global brands, F&B outlets, and entertainment venues. This increase in visitor traffic enhances the overall vibrancy and attractiveness of these developments, potentially leading to higher occupancy rates and premium valuations for OSEA's commercial spaces.

### 11.3. Real Estate Outlook Strengthens Amid Economic Recovery

Sri Lanka's economy is showing signs of recovery, with the ADB projecting GDP growth of 3.9% in 2025 and 3.4% in 2026. Concurrently, the Purchasing Managers' Index (PMI) for Manufacturing indicates expansion, with PMI at 55.5 in May 2025, signaling improving business sentiment and activity. These positive trends are likely to boost demand and investment in real estate, supporting OSEA's income streams and asset values. The company's strategic decision to explore new property development opportunities, primarily for trading purposes, positions favorably to capitalize on this improving economic climate and potential market appreciation for capital gains. For OSEA's commercial assets, such as the WTC Colombo and Mireka Tower at Havelock City, sustained GDP growth is expected to lead to higher occupancy rates and increased rental yields. In the residential segment, particularly for Havelock City's luxury apartments, rising per capita GDP and improved consumer sentiment are crucial.

There's optimism regarding stabilizing interest rates, exchange rates, and tax policies, which is creating a more predictable environment.

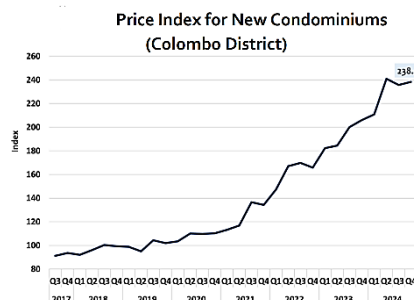


11.4. Recovery in the Condominium Market Aids Property Sales

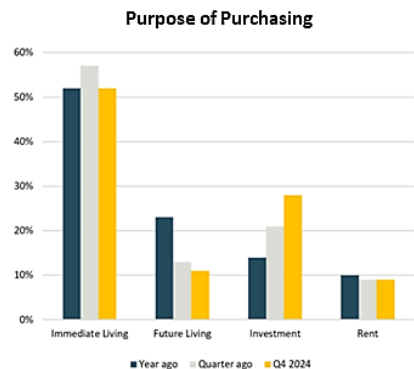
In Q4 2024, the Price Index for New Condominiums within the Colombo district recorded a QoQ increase of 1.1%, and more significantly, a robust YoY increase of 15.8%. This substantial annual appreciation of new condominium values reflects a resurgence in market confidence, indicating that new developments are commanding higher prices.

In Q4 2024, condominium funding remained balanced with pre-sales deposits (36%), bank loans (35%), and equity (29%), showing a balanced funding mix. The high share of pre-sale deposits as the primary funding source indicates that developers are reducing financial risk by securing buyer commitments early in the development phase.

In Q4 2024, purchases for immediate occupancy declined from Q3 2024 but remained unchanged YoY. While purchases intended for investment showed an increase, marking a notable shift from both Q3 2024 and Q4 2023, where such purchases declined. As economic stability improves and confidence builds, investors re-enter the market, seeking capital gains or rental income, which points to a deeper, more robust belief in the market's future performance and profitability, moving beyond basic housing requirements.



Sources: CBSL



Sources: CBSL

## 12. Financial Snapshot

## 12.1. Summary of Income Statement – Annual

LKR Mn	2020	2021	2022	2023	2024
Revenue	4,797	7,708	15,046	5,076	8,024
Direct Operating Expenses	(757)	(974)	(839)	(1,421)	(2,014)
Cost of Sales of Apartments	(1,610)	(3,000)	(7,364)	(336)	(568)
Gross Profit	2,429	3,734	6,843	3,319	5,441
Fair Value Gain/(Loss)on Investment Property	(281)	(432)	317	499	1,822
Administration Expenses	(438)	(463)	(649)	(937)	(1,147)
Marketing and Promotional Expenses	(103)	(160)	(301)	(220)	(309)
Operating Profit	1,607	2,679	6,211	2,661	5,807
Finance Cost	(125)	(14)	(62)	(1,790)	(1,399)
Finance Income	335	127	648	934	376
Other Income	20	23	39	78	99
Exchange Gain	9	18	189	2,429	1,733
Profit Before Tax	1,847	2,833	7,025	4,311	6,616
Income Tax	(113)	(334)	(945)	(458)	(405)
Profit after Tax for the Year	1,734	2,499	6,079	3,853	6,210

Source: Company reports

## 12.2. Summary of Income Statement – Quarterly

LKR Mn	1Q FY24	2Q 2024	3Q 2024	4Q 2024	1Q 2025
Revenue	1,681	1,924	1,893	2,525	2,438
Direct Operating Expenses	(508)	(432)	(499)	(576)	(612)
Cost of Sales of Apartments	(157)	(140)	(123)	(148)	(180)
Gross Profit	1,017	1,352	1,271	1,801	1,646
Fair Value Gain/(Loss)on Investment Property	-	1,160	-	662	-
Administration Expenses	(238)	(279)	(263)	(367)	(204)
Marketing and Promotional Expenses	(34)	(46)	(75)	(154)	(81)
Operating Profit	745	2,187	932	1,942	1,360
Finance Cost	(349)	(335)	(314)	(402)	(229)
Finance Income	121	81	55	120	68
Other Income	(4)	(3)	(0)	106	(3)
Exchange Gain	1,313	(237)	387	270	(136)
Profit Before Tax	1,825	1,694	1,060	2,036	1,060
Income Tax	(65)	(79)	(64)	(197)	(86)
Profit after Tax for the Year	1,761	1,614	996	1,839	974

Source: Company reports

## 12.3. Summary of Statement of Financial Position – Annual

LKR Mn	2020	2021	2022	2023	2024
Investment Property Completed	27,570	27,447	27,764	67,706	69,566
Investment Property Under Development	18,981	25,637	38,262	-	-
Property, Plant and Equipment	1,234	1,218	1,407	1,449	1,500
Inventories	9,785	7,568	2,192	1,869	1,338
Trade and Other Receivables	2,929	5,395	4,321	2,859	2,735
Cash and Short-Term Deposits	1,307	1,696	4,300	4,319	4,188
<b>Total Assets</b>	<b>65,906</b>	<b>71,258</b>	<b>78,392</b>	<b>78,234</b>	<b>79,346</b>
Stated Capital	18,443	18,443	18,443	18,443	18,443
Retained Earnings	25,727	28,240	32,771	35,071	39,726
<b>Total Equity</b>	<b>44,582</b>	<b>47,121</b>	<b>51,790</b>	<b>54,119</b>	<b>58,819</b>

LKR Mn	2020	2021	2022	2023	2024
Amounts due to Related Parties	9,149	10,054	19,602	18,661	15,037
Trade and Other Payables	2,425	3,066	1,398	1,075	1,633
Rental and Customer Deposits	1,212	1,690	1,247	2,060	2,348
Interest-Bearing Loans and Borrowings	7,471	8,102	2,686	992	125
<b>Total Liabilities</b>	<b>21,324</b>	<b>24,137</b>	<b>26,603</b>	<b>24,115</b>	<b>20,528</b>

Source: Company reports

#### 12.4. Summary of Statement of Financial Position – Quarterly

LKR Mn	1Q FY24	2Q 2024	3Q 2024	4Q 2024	1Q 2025
Investment Property Completed	67,758	68,927	68,945	69,566	69,566
Investment Property Under Development	-	-	-	-	-
Property, Plant and Equipment	1,447	1,478	1,481	1,500	1,496
Inventories	1,717	1,596	1,473	1,338	1,173
Trade and Other Receivables	2,981	2,807	2,345	2,735	2,451
Cash and Short-Term Deposits	4,486	3,019	2,994	4,188	4,741
<b>Total Assets</b>	<b>78,423</b>	<b>77,873</b>	<b>77,281</b>	<b>79,346</b>	<b>79,444</b>
Stated Capital	18,443	18,443	18,443	18,443	18,443
Retained Earnings	36,832	36,892	37,889	39,726	40,699
<b>Total Equity</b>	<b>55,880</b>	<b>55,962</b>	<b>56,958</b>	<b>58,819</b>	<b>59,792</b>
Amounts due to Related Parties	17,351	17,009	15,944	15,037	14,159
Trade and Other Payables	1,108	1,017	847	1,633	1,481
Rental and Customer Deposits	1,886	2,156	2,267	2,348	2,512
Interest-Bearing Loans and Borrowings	858	379	40	125	65
<b>Total Liabilities</b>	<b>22,543</b>	<b>21,912</b>	<b>20,324</b>	<b>20,528</b>	<b>19,651</b>

Source: Company reports

#### 12.5. Key Ratios – Annual

	2020	2021	2022	2023	2024
Gross Profit Margin %	51%	48%	45%	65%	68%
EBIT Margin %	34%	35%	41%	52%	72%
Net Profit Margin %	36%	32%	40%	76%	77%
Return on equity (%)	4%	5%	12%	7%	11%
Return on Assets (%)	3%	4%	8%	5%	8%
Asset Turnover (%)	8%	11%	20%	6%	10%
Debt Equity Ratio (%)	37%	39%	43%	36%	26%
Total Debt to Total Assets (%)	25%	25%	28%	25%	19%
Current Ratio (Times)	1.59	1.27	1.77	2.02	1.87
Interest coverage ratio (Times)	12.84	189.62	100.34	1.49	4.15
Earnings Per Share (EPS)(LKR)	1.40	2.01	4.89	3.10	5.00
Net Asset Value Per Share (NAVPS)(LKR)	35.87	37.91	41.66	43.54	47.32

Source: Company reports

#### 12.6. Key Ratios – Quarterly

	1Q FY24	2Q 2024	3Q 2024	4Q 2024	1Q 2025
Gross Profit Margin %	60%	70%	67%	71%	68%
EBIT Margin %	44%	114%	49%	77%	56%
Net Profit Margin %	105%	84%	53%	73%	40%
Return on equity (%) *	13%	12%	7%	13%	7%
Return on Assets (%) *	9%	8%	5%	9%	5%
Asset Turnover (%)	2%	2%	2%	3%	3%
Debt Equity Ratio (%)	33%	31%	28%	26%	24%
Total Debt to Total Assets (%)	23%	22%	21%	19%	18%

	1Q FY24	2Q 2024	3Q 2024	4Q 2024	1Q 2025
Current Ratio (times)	2.18	1.89	2.01	1.87	1.88
Interest coverage ratio (Times)	2.14	6.54	2.97	4.83	5.94
Earnings Per Share (EPS)(LKR)**	1.42	1.30	0.80	1.48	0.78
Net Asset Value Per Share (NAVPS)(LKR)	44.95	45.02	45.82	47.32	48.10

\*Annualized

\*\*For the quarter

Source: Company reports

### 13. News and Corporate Actions

13<sup>th</sup> June 2025

#### Overseas Realty unveils Mireka Seascape coastal luxury real estate venture

Overseas Realty (Ceylon) PLC officially launched its newest luxury real estate venture, Mireka Seascape. Located in the coastal town of Dodanduwa, just 20 minutes from Galle and 15 minutes from Hikkaduwa, Mireka Seascape offers an exclusive collection of 168 luxurious apartments and villas.

The development includes a mix of one, two and three-bedroom apartments, two-bedroom suites, four-bedroom penthouses and two and three-bedroom luxury villas.

The architectural vision for Mireka Seascape has been brought to life by the globally renowned P&T Group, a Singapore-based firm with over 150 years of design excellence. Every aspect of Mireka Seascape will be managed by Realty Management Services (RMS), Sri Lanka's leading integrated property management company and a wholly owned subsidiary of Overseas Realty.

10<sup>th</sup> April 2025

#### Mireka Tower at Havelock City signs up Unilever SL to host new Colombo Headquarters

Unilever Sri Lanka and Havelock City Pvt Ltd have entered into a lease agreement to relocate Unilever's Colombo Headquarters to Mireka Tower at the Havelock City. Unilever is one of the largest and most trusted multinationals in the country, that has served Sri Lankan households for more than 86 years.

Mireka Tower is a 50-storey Grade A office tower, and part of the Havelock City integrated mixed, use development by Overseas Realty (Ceylon) PLC. The tower houses leading corporations, including HSBC EDPL, Janashakthi PLC, OREL IT and Spa Ceylon.

14<sup>th</sup> June 2024

#### Mireka Tower and Havelock City Mall earn prestigious LEED Gold Certification

The US Green Building Council, in June 2024, conferred the LEED Gold Certification for Mireka Tower and Havelock City Mall, reflecting its commitment to energy efficiency and occupant well-being. The achievement of the Gold certification under the LEED 2009 Core and Shell Development rating system identifies Mireka Tower and Havelock City Mall as a showcase example of sustainability and demonstrates the group's leadership in transforming the building industry in Sri Lanka.

Source: Press Releases

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