

Sri Lanka's 1st
Residential Apartment



LEED
GOLD
2017

to win US Green Building
LEED Certification



DYNASTY
RESIDENCE - KANDY



Planned
Highway Exit



**GUARANTEED RETURN ON INVESTMENT
ON SERVICED APARTMENTS.**

Ver.13

Luxury without limits in the ancient hill capital of Kandy, Sri Lanka

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THE FIRST AND LAST LUXURY APARTMENT BUILDING TO BE DEVELOPED ON THE BANKS OF THE MAHAWELI RIVER

The iconic Dynasty Residencies situated in the ancient city of Kandy, the hill capital of Sri Lanka, is the first Luxury Residential Mixed Development Project on the banks of the Mahaweli River.

One of its most prized features is that this super structure with 19 stories of luxury apartments carries an unobstructed eagle eye view of the Mahaweli River, Hantana, Hunasgiriya and Knuckles mountain ranges. The environmentally friendly design also incorporates the cool Kandyan climate in its architecture.

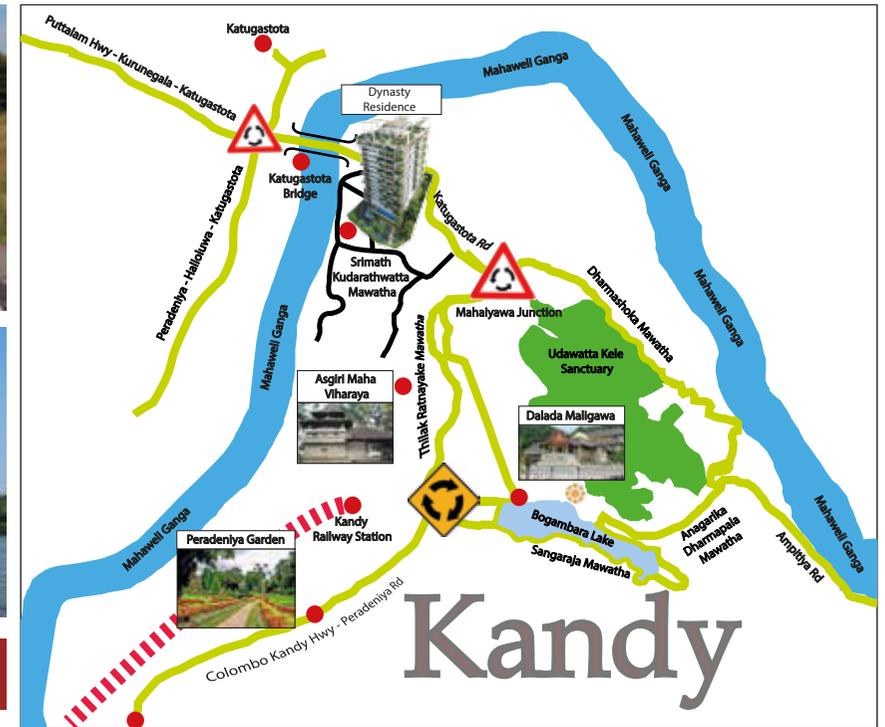
Unique Design Features

1. First and last residential apartment complex to be built within 30 metres from the Mahaweli river. All future developments would be allowed only beyond 100 meters from the river under new laws.
2. Sri Lanka's first residential apartment to win LEED Gold certification from the US Green Building Council under LEED rating system for construction standards.
3. Designed to ensure fresh air and natural lighting permeate throughout the building.
4. Breath-taking views from each apartment .
5. Convenient location and easy access to expressway, public transport, railway and sea plane.
6. Multiple design options (17 different layouts).
 - 2 types of one bedroom apartments.
 - 2 types of two bedroom apartments.
 - 8 types of three bedroom apartments.
 - 5 unique Sky Villas designed with double height ceilings as a duplex to further enjoy the views.
 - 4 penthouses exclusively designed with a personal "sky garden", golf putting course and customized entertainment facilities.
7. High quality construction team and materials.
 - Design & Build Contractor: Sanken Construction (Pvt) Ltd
 - Architects: RDC Architects Pvt. Ltd. Singapore in association with KWA architects.
 - QS & Project Management Consultants: AECOM Lanka (Pvt) Ltd
 - Green Building Consultants: Green Technologies FZCO, Dubai

Common Facilities

01. Covered drop off area / Grand entrance lobby
02. Reception area with a lobby and guest check-in facility
03. Concierge Services
04. In-house doctor facility with nurse station
05. Covered car park for each unit
06. Penthouses and Sky Villas - 2 car parks each
07. Visitors parking lots
08. Bicycle parking lots
09. Handicap access to all units/facilities
10. Handicap car parking and handicap toilets
11. Function room overlooking the river – 2nd Floor
12. BBQ pavilion with water feature
13. Mini Market and Restaurant
14. Children's play area
15. Kids' pool
16. Infinity pool overlooking the river
17. Large gymnasium overlooking the river-4th floor
18. 170 meter long Rooftop jogging track with viewing decks
19. Roof top Meditation garden
20. Roof top Reading garden
21. Roof top Open Gymnasium
22. Private roof garden for Penthouses with Golf putting and entertainment area
23. Standby electricity generator
24. CCTV security camera system
25. Driver's quarters with shower and eating facilities

KANDY POISED TO BE ONE OF THE MOST SOUGHT AFTER INVESTMENT DESTINATIONS OF SRI LANKA



85% of all tourists coming to Sri Lanka visit Kandy

Declared by UNESCO as a World Heritage Site in 1988, Kandy – the second largest city in Sri Lanka – is a graceful blend of old world charm with contemporary elegance. The city draws hundreds and thousands of tourists every year, and hosts the country's most magnificent pageant showcasing an epitome of cultural splendour. The rapidly evolving city is redefining its scope from a tourist hotspot to one of the most sought after destinations for residential and commercial venues in the country.

One of the most anticipated developments to Kandy is the Colombo-Kandy expressway which is to be completed in 2020. This will reduce travel time between the two cities to less than 90 minutes, thus positively changing the dynamics and significance of the destination and enhancing the property value of Dynasty Residences, which is situated 5 minutes away from the entrance to the Colombo-Kandy expressway.

Further, under the Megapolis scheme the government aims to position Sri Lanka among rising Asian economies by creating highly developed cities to power large-scale growth. With an investment of USD 2 Billion, the scheme is geared to creating rapid growth and change the face of several cities including Kandy. To this end, urbanization of Kandy plays a key role in developing the megapolis concept through the implementation of the 'Kandy City Urban Upgrading Project'.

The World Bank also has funded Kandy with USD 94 Million, under the "Strategic Cities Development Project" to develop a more competitive, environmentally sustainable and well linked city.

"Kandy is the hidden Jewel awaiting to be uncovered".

*Mr. Geoff Q.M. Doidge – South African
ambassador to Thailand/ former South African high commissioner to
Sri Lanka & Dean of the Diplomatic Corp.*



GUARANTEED RETURN ON INVESTMENT ON SERVICED APARTMENTS

Also known as "buy-to-lease" properties, serviced apartments serve as an ideal investment opportunity for foreigners and expats looking to take advantage of the relaxed government regulations encouraging foreigners to invest in the real estate sector in Sri Lanka. Buyers can enjoy a guaranteed return in United States Dollar terms remitted to their account every six months.

Investors are encouraged to purchase units in foreign currency. However, Sri Lankan investors also have the opportunity to invest in the condominiums upon the terms and conditions as specified.

- As a step to attract global investors, Dynasty Residencies is guaranteeing a **5%* return on investment, for three years to the unit buyers who purchase the condominiums in USD.**
- In the event unit buyers opt for the "buy-to-lease" scheme and purchase the condominiums in LKR, the published price will be paid upon the value according to the dollar rate as per the prevailing exchange rate.

Whether you are a local or a foreign investor, GVR Lanka is geared to offer you a maximum return on your investment. You can now reap the benefits of this rare opportunity of a guaranteed 5.5%* ROI from the initial listed USD selling price of the apartment. Whether you are a local or a foreign investor your returns will be paid to you in equivalent LKR for USD according to the prevailing exchange rate.

- For local investors: this is an ideal opportunity to benefit from the rupee depreciation.
- For foreign buyers: your rental gains will be securely deposited to your SIA (Securities Investment Account) allowing you to repatriate your funds with no restrictions.

* Conditions apply

Currency of Purchase	ROI in USD terms	Expected Capital Appreciation P.A	Effective Expected Rate of Return
USD/LKR	5%*	15 %	20 %

The guarantee is being offered on only 35 of the 93 apartments of the project. The operation of these serviced apartments is anticipated to begin by January 2018.

Under such a scheme, owners who purchase an apartment will have the option to lease the unit back to the property developer, GVR Lanka (Private) Limited. In exchange, the owners will get an assured return of 5.5%* per year (in USD terms), for a minimum period of three consecutive years.

Since its inception, Dynasty Residencies has employed a sales policy of doing business in US Dollars. Investors are therefore encouraged to purchase units in USD.

A STEP BY STEP GUIDE TO SERVICED APARTMENTS

- 1 Upon purchasing and furnishing the apartment (furnishing cost is approx. 8% -10% of apartment value), the buyer would enter into an agreement with the Developer and handover the apartment to rent such apartment as a "Serviced Apartment" for a period of 03 years or as agreeable thereon - most likely with Operator of the adjacent hotel ; that is planned to be in operation by 2019.
- 2 GVR Lanka would operate the Serviced Apartments by engaging its team of experts backed by GVR board members with decades of experience in the leisure sector and supported by local and international tour operators to generate the minimum guaranteed returns to its owners.
- 3 With the planned development in Kandy, including the Colombo-Kandy Expressway and the 'Kandy City Urban Upgrading Project' buyers would also benefit from an average capital appreciation of 15% per annum. Together, owners would enjoy an Internal Rate of Return of approx. - 20%.

* Conditions apply

COMMITMENTS

Buyer's Commitments

- To furnish the apartment (hard & soft) to the standard required by the Developer/Operator.
- To have adequate cutlery, crockery, glassware and linen as suitably required.
- To comprehensively insure the apartment unit against fire, natural perils etc.
- To make timely settlement of dues to the Management Corporation for the maintenance of common areas/facilities.
- To bear cost of major equipment breakdown – ex: Kitchen Equipment / Air-conditioning.

Developer / Operator's Commitments

- To clean and maintain apartment unit in immaculate condition.
- To facilitate the restoration of equipment breakdowns.
- To pay the sum equivalent to 5.5%* of value of apartment (excluding taxes), to buyer. Payment would be made every six months .
- To provide a 21 day stay for owners each year-terms & conditions apply.

* Conditions apply



GALLERY



Penthouse



Penthouse



SKY Villa



Infinity Pool



View from the Master Bedroom Bathroom



Penthouse Bedroom View

GUIDE

TO BUYING PROPERTY IN SRI LANKA FOR FOREIGNERS AND EXPATS

The Dynasty Residencies is an ideal investment for foreigners and expats, and serves as an oasis for retirement.

GUIDE TO BUYING PROPERTY IN SRI LANKA FOR FOREIGNERS AND EXPATS BASED ON THE BUDGET PROPOSALS OF 2017

RELAXATION OF LAWS RELATING TO THE PURCHASE OF PROPERTY BY FOREIGNERS

Paying heed to the fact that the condominium industry is a growing sector in the country with significant potential for foreign investment, even the Government has shown its support by relaxing property ownership restrictions imposed on foreigners.

The Finance Minister in Budget 2017 announced that foreigners can purchase land and property from ground up thereby removing previous restrictions imposed on foreigners that land could only be leased up to 99 years and apartments could be purchased from 4th floor and above only.

FURTHER OPPORTUNITIES FOR HIGH NET-WORTH EXPATRIATES AS WELL AS DUAL CITIZENS TO INVEST IN THE SRI LANKAN REAL-ESTATE MARKET.

The Central Bank of Sri Lanka (CBS) has issued a new direction under Exchange Control Regulations Act No 01 of 2017 on 07.03.2017. This amendment will allow all local banks in Sri Lanka to grant financial facilities to Sri Lankans residing outside the country on Permanent Residency Visa (PR) and Sri Lankans who have obtained dual citizenship.

Such loans can be obtained to acquire, construct, develop or to renovate a residential property in Sri Lanka and this facility could be obtained in foreign currency or Sri Lankan rupees. This new amendment will create avenues and further opportunities for high net-worth expatriates as well as dual citizens to invest in the Sri Lankan real-estate market.

RELAXATION OF REGULATIONS PERTAINING TO REPATRIATION OF SALES PROCEEDS INCLUDING GAINS

Further, the Government has now implemented certain regulatory provisions favourable to repatriation of foreign investment gains. In the event a foreign resident wants to purchase a property, then the money will need to be channeled in to the country via a special SIA (Securities Investment Account), held at a local bank. Likewise, once the property has been sold, the money can be taken out including any gains via the same account in the currency by which the initial deposit was made.

RESIDENT VISAS FOR FOREIGN INVESTORS

With a view to making Sri Lanka an 'Investment Destination', the Government has decided to give resident visas for foreigners investing a minimum of 300,000 USD in Sri Lanka. According to the Finance Ministry, 2-5 year resident visas will be offered to the investors.

SECURE BANKING PARTNERS

GVR has partnered with 7 licensed commercial banks to offer financing for unit buyers up to 70% - 75% of the purchase price. Additionally the banks offer a tripartite agreement whereby the due diligence relating to the title of the property has already been done by the banks.

For foreign or local parties investing in the project irrespective of obtaining funding, no title searches are required as the bank guarantees good and sellable title to the condominiums. This eliminates any involvement of attorneys to verify good title of the property, thereby saving any fees payable to attorneys to carry out due diligence on the title to the condominiums.





DYNASTY RESIDENCE AND HIGH-END LIFESTYLE HOTEL ADJACENT TO EACH OTHER

GVR Lanka is currently in negotiation with reputed global hoteliers to bring an international brand for the second phase of the mixed development project in Kandy. A high end lifestyle hotel brand with 120 rooms will be built next to the iconic residential tower, Dynasty Residence. This will no doubt complement both developments in terms of added value and convenience.

The hotel will also utilize 40% of the apartments in the residential tower which will be marketed as fully Serviced Apartments – this is a brand new concept for Sri Lanka. This creates the opportunity for those who invest in an apartment in Dynasty Residence to have a regular income stream; managing partners will share the profit with the apartment owners. Thus making this unique project that much more investor friendly. More demand is created for Serviced Apartment with the influx of new tourist from the Middle East and China with families, who prefer to keep the family together in one large apartment.

Dynasty Residence together with high end branded hotel will offer an integrated life style that blends the regal grandeur of an ancient kingdom with modern contemporary city living on the banks of the majestic Mahaweli River.

Dynasty Residence

Allocations for Serviced Apartments

One Bedroom Apartments

S/N	Level	Apartment Type	Sq.ft.
1	7	A1-1	757
2	7	A1-2	757
3	8	A2-1	757
4	9	A1-1	757
5	9	A1-2	757
6	10	A2-2	757
7	11	A1-1	757
8	11	A1-2	757
9	12	A2-1	757
10	12	A2-2	757

Two Bedroom Apartments

S/N	Level	Apartment Type	Sq.ft.
11	7	B1	1167
12	8	B2	1167
13	7	B3	1288
14	8	B4	1291
15	9	B3	1288
16	10	B4	1291
17	11	B3	1288
18	12	B4	1291

Three Bedroom Apartments

S/N	Level	Apartment Type	Sq.ft.
19	8	C1	1908
20	9	C2	2029
21	11	C2	2029
22	12	C1	1908
23	5	C3	1443
24	6	C4	1615
25	5	C5	1665
26	8	C6	1690
27	9	C6	1690
28	11	C6	1690
29	12	C6	1690
30	7	C7	1916
31	8	C8	2027
32	9	C7	1916
33	10	C8	2027
34	11	C7	1916
35	12	C8	2027

* C1 & C7 - includes an additional dry kitchen in the living/dining area

* A booking fee of 10% of apartment value should be made to reserve the unit.

* 80% of the apartment value to be paid within 30 days at signing the Sales & Purchase Agreement.
Balance 10% to be paid at handover of the unit.

* Prices are subject to change. Please contact us for latest quotation.

Board of Directors & Advisors GVR Lanka (Pvt) Ltd.

Mahasen Samaravijaya
Chairman / CEO – GVR Lanka (Pvt.) Ltd.



Mr. Mahasen Samaravijaya, is a visionary leader and the Founder and Chairman / CEO of GVR Lanka (Pvt.) Ltd., GVR Technologies Inc., a provider of Asian electronic outsourcing solutions to US manufacturers. GVR Lanka (Pvt) Ltd. was established in Sri Lanka to support the investment goals of developing real estate projects in the country for Serendip Investment Group LLC, an Arizona based company also founded and managed by Mr. Samaravijaya.

He is the founder of Interface Data Systems (IDS) and served as the company's Chairman and CEO from 1991 to 2003, which was consistently ranked in Arizona's 50 Fastest Growing High Tech Companies.

During the Clinton Administration, Mr. Samaravijaya represented Arizona at both the White House Corporate Citizenship Forum and the One America Program in Washington, D.C. He was the former member of the City of Phoenix Economic Development Advisory Council and served on the Board of the Enterprise Network, a leading Arizona entrepreneurial organization. As a financial supporter and Board Member of an international not-for-profit organization, the One Sri Lanka Foundation, he contributes towards the development and implementation of humanitarian projects in Sri Lankan communities.

Mr Samaravijaya is a patron member of the Ceylon Chamber of Commerce; Sri Lanka.

Mohan Chandramohan
Board Member – GVR Lanka (Pvt.) Ltd.



Mr. Mohan Chandramohan was the former Chairman and Chief Executive Officer of American Reprographics Company (ARC), a publicly traded entity listed on the New York Stock Exchange. He also served as the COO and CFO of U-Save Auto Parts Stores Inc., an automotive aftermarket retail chain headquartered in Los Angeles, California.

In Sri Lanka, Mr. Chandramohan was with the Overseas Trust Bank Ltd., where he specialized in International Banking. Currently he serves on the boards of a number of organizations – in both non-profit and for-profit entities – most notably, Pitzer College (Claremont Colleges), Greater Los Angeles Zoo Association (GLAZA), Flintridge Preparatory School, and the Pasadena Independent Schools Foundation (PISF). He holds a Master of Science degree in Management from Hautes Etudes Commerciales (HEC). He has also completed post-graduate programs in Management at the University of California in Los Angeles and the University of Oxford in England.

Prema Cooray
Board Member – GVR Lanka (Pvt.) Ltd.



Mr. Prema Cooray, immediate Past Chairman of Aitken Spence PLC counts well over 40 years in the Travel and Tourism Industry, most of which he spent at Aitken Spence developing the conglomerate's hotels and resorts in Sri Lanka and Maldives. He is acknowledged for the pivotal role played in the development of sustainable tourism and especially for his leadership in developing the renowned Kandalama Hotel which has won many global accolades.

Currently Mr. Cooray serves as Chairman of Sri Lanka Convention Bureau, Citrus Hotel Group, and Rainforest Ecolodge, Deniyaya, an unique pioneering Ecotorium initiative which received the highest award of "LEEDS - Platinum" rating for Sustainable Tourism in 2012. He is a Member of the Grants Board of ICTA. He also sits on the Board of Lighthouse Hotel Plc.

In the past, Mr. Cooray served as the Secretary-General/CEO of the Ceylon Chamber of Commerce from 2003 to 2008. He is also the Past President of the Tourist Hotels Association of Sri Lanka (1998-2000) and was Chairman of the Sri Lanka Convention Bureau (2007-2009). Mr. Cooray was accorded the national honour as a "Legend" by Sri Lanka Tourism in 2011.

Mr. Cooray has a MBA from the University of Sri Jayawardenapura, is a Certified Management Accountant and is also a Member of the Institute of Hospitality.

Deshabandu Tilak De Zoysa
Board Member – GVR Lanka (Pvt.) Ltd.



A well-known figure in the Sri Lankan business community, Tilak de Zoysa, FCMI (UK) FPRI (SL), Honorary Consul for Croatia and Global Ambassador for HelpAge International was conferred the title of “Deshabandu” by His Excellency the President of Sri Lanka in recognition of his services to the country and was the recipient of “The Order of the Rising Sun. Gold Rays with Neck Ribbon” conferred by His Majesty the Emperor of Japan.

In addition to being the Chairman of the Supervisory Board and Advisor to the Al-Futtaim Group of Companies in Sri Lanka, he Chairs Carsons Cumberbatch PLC, Associated CEAT (Pvt) Ltd., Amaya Hotels and Resorts USA (Radisson), Jetwing Zinc Journey Lanka (Pvt) Ltd. and HelpAge Sri Lanka, Trinity Steel (Pvt) Ltd. CG Corp Global Sri Lanka and Dutch Lanka Trailer Manufacturers (TATA Group).

He is also the Vice Chairman of Ceat Kelani Holdings (Pvt) Ltd., Orient Insurance Ltd. and serves on the boards of several listed and private companies which include TAL Lanka Hotels PLC (Taj), TAL Hotels and Resorts Ltd, Lanka Walltiles PLC, Nawaloka Hospitals PLC, Associated Electrical Corporation Ltd., Inoac Polymer Lanka (Pvt) Ltd., Cinnovation INC., GVR Lanka (Pvt) Ltd and Varun Beverages Lanka (Pvt) Ltd (Pepsi). Mr. Tilak de Zoysa is a past Chairman of the Ceylon Chamber of Commerce, the National Chamber of Commerce of Sri Lanka, HelpAge International (UK) and served as a Member of the Monetary Board of Sri Lanka (2003-2009).

Buddhi Athauda
Board Member – GVR Lanka (Pvt.) Ltd.



Ambassador Athauda hails from a purely Sri Lankan background with an unprecedented desire to represent his Motherland to the world, a feat successfully achieved during his tenure as Sri Lanka’s Ambassador Extraordinary & Plenipotentiary to the Netherlands.

While being the founding President of the Diplomatic Council, Ambassador Athauda, was unanimously elected to lead the Budget Committee as Chairman for the Permanent Court of Arbitration (PCA), as Chairperson for the year 2014 for the Common Fund for Commodities (CFC). In addition, among his many accolades, he was awarded Diplomat Magazine’s Certificate of Merit in recognition of his many contributions to the Diplomatic community in The Hague.

His strong academic foundation is backed by a Master of Business Administration (Finance M.B.A) and Bachelor of Business Administration (Finance B.B.A), both of which he obtained at the Radford University, USA.

Ambassador Athauda spent a considerable number of years in the commercial stratosphere bringing concepts and innovative ideas into fruition in several industries including investment banking, accounting and finance, hotel & real-estate, export import trading, telecommunication, mobile, satellite/ cable TV, whilst championing the overarching philosophy of people, planet and profit. His resounding success in the commercial world bears testimony to the fact that he is able to return to commercial aspects of conceptualizing transactions after a near decade of diplomacy.

Alex Lovell
Financial and Investment Advisor
GVR Lanka (Pvt.) Ltd.



Mr. Alex Lovell is a Chartered Management Accountant, UK and completed his Post Graduate Degree in Business Administration in Australia. He was awarded the MBE (Most Distinguished Order of the British Empire) by Her Majesty the Queen of England for his contribution to Investment banking.

Mr. Alex Lovell acquired a penthouse in this development and has been an advisor to the current owners of this project.

His comments on his acquiring a premium unit in this development was “never under estimate the potential of Kandy, the Hill Capital, the plans envisaged, the expressway and the Zonal planning makes Kandy an interesting investment proposition”.



Head Office Details:

**GVR Lanka (Pvt) Ltd.
3rd Floor, IBM Building
No:48, Nawam Mawatha,
Colombo 2, Sri Lanka.**

**Hotline : +94-77-788-4066
Mobile : +94-77-041-2784 / +94-77-206-6415
Office Tel : +94-11-2331207
Fax : +94-11-2331202
Web : www.dynastyresidence.com
E-mail : sales@dynastyresidence.com**



<https://www.facebook.com/DynastyResidence>

DYNASTY RESIDENCE – Luxury without Limits

Serviced Apartments with a Guaranteed Investment Return - Synopsis



"Kandy is the hidden Jewel awaiting to be uncovered".

-Mr. Geoff Q.M. Doidge – South African ambassador to Thailand/ former South African high commissioner to Sri Lanka & Dean of the Diplomatic Corp.

WHAT MAKES DYNASTY RESIDENCE UNIQUE ?

- The only high-end life style super luxury apartment in Kandy.
- The first and last apartment complex to be located by the banks of Mahaweli river which will make it the most prestigious address in Kandy in years to come.
- Eco friendly design promoting healthy lifestyle. (Built under the US green building LEED rating system)

WHY KANDY ?

- Property values are expected to increase by approximately 15% p.a. (lands by 22% & houses by 7%) in Kandy as per paper article published in Daily FT - 11th January 2018, due to the construction of Colombo-Kandy Expressway, development projects such as 'Kandy City Upgrading project', and lack of land in Kandy city for real estate developments.
- Ideal geographical location: Accessible by train, air and overland transport. Serves as a transport hub to reach many destinations in Sri Lanka.
- Ideal for retirement: Cheaper, soothing climate, relaxing environment with breath taking views, away from the hustle and bustle of city life.

Under the guaranteed return scheme, owners who purchase these specified apartments will have the option to lease the units back to the property developer, GVR Lanka (Pvt) Ltd. In exchange, the owners will get a guaranteed return of 5% p.a. (US\$ terms) & 6% p.a (LKR terms) remitted to their account in every six months for a minimum period of three consecutive years. The returns beyond this period is subject to negotiation with the owner for an attractive rate.

The following table depicts the probable yield to a local investor, considering a three bed room apartment: C6 - L7 (1,690 S.F.) priced at \$332,100. *The Property Value Appreciation in Kandy is estimated to*

	Year 0	Year 1	Year 2	Year 3
Initial Investment in USD	(307,500)			
Cost of furniture (8% of Cost)	(24,600)			
Guaranteed Return @ 5% p.a.		15,375	15,375	15,375
Property Value Appreciation @15%		46,125	48,431	50,738
Total	(332,100)	61,500	63,806	66,113
Return on Investment (USD)		18.52%	19.21%	19.91%
Exchange Rates*	176	185	194	204
LKR Equivalent	(58,449,600)	11,365,200	12,380,965	13,469,893
Return on Investment (LKR)		19.44%	21.18%	23.05%

*Anticipated annual LKR depreciation against USD = 5%

- The ROI in LKR terms will increase to 19%, 21% and 23% respectively for the three years, if the Property Value Appreciation reaches 15% p.a.
- Average Weighted Fixed Deposit Rate (AWFDR) as of 31 Jan 2019: 10.91% (Source: CBSL)

Government Policies and Regulations Encourage Foreign Nationals to Invest in the Real Estate Sector

The Government has identified the significance of a healthy real estate ecosystem and has taken initiatives to foster the growth of the real estate sector by introducing policies and regulations to encourage local and foreign investments. These initiatives taken by the government will make investing in Sri Lanka's real estate sector much more appealing to foreign investors and is intended to position the country as an ideal investment destination.

Opportunities for expatriates as well as dual citizens to invest in real estate market

The government of Sri Lanka has relaxed regulations permitting Domestic Banking Units (DBU) to grant loans to Sri Lankans, residents outside Sri Lanka on PR in another country, and individuals who have obtained dual citizenship in Sri Lanka and any other country irrespective of their residential status for the purpose of acquiring, constructing, developing, renovating a residential property in Sri Lanka.

	Loans granted in Foreign Currency	Loans Granted in LKR
Loan granting conditions	<ul style="list-style-type: none"> The borrower should have foreign currency earnings to repay the loan The Foreign Currency Loan Account (FCLA) will be closed immediately after settling the loan in full 	
Currency type of loan disbursement	<ul style="list-style-type: none"> In Sri Lankan Rupees (LKR) In foreign currency, if the borrower requests to transfer the loan proceeds to foreign currency accounts maintained by persons resident in Sri Lanka, who sell residential property provided such persons are permitted to accept foreign currency 	<ul style="list-style-type: none"> In LKR
Loan repayment	<ul style="list-style-type: none"> Foreign currency inward remittances Utilising funds available in <ul style="list-style-type: none"> Non-Resident Foreign Currency Accounts (NRFC) Resident Foreign Currency Accounts (RFC) Securities Investment Account (SIA) 	<ul style="list-style-type: none"> Foreign currency inward remittances Utilising funds in <ul style="list-style-type: none"> NRFC RFC SIA Utilising LKR earnings

Source: Direction under Exchange Control Act No 1 of 2017, issued by Exchange Control Department of Central Bank of Sri Lanka

Regulations pertaining to repatriation of sales proceeds including gains

The Government has now implemented certain regulatory provisions favourable to repatriation of foreign investment gains. In the event a foreign resident wants to purchase a property, the money will need to be channeled in to the country via a special SIA (Securities Investment Account), held at a local bank, facilitating the money to be taken out including any gains via the same account in the currency that the money was deposited in when the property is sold.

2017 budget proposals for foreign investors

- **Relaxation of laws relating to the purchase of property by foreigners**

Paying heed to the fact that the condominium industry is a growing sector in the country with significant potential for foreign investment, the Government has proposed to show its support by relaxing property ownership restrictions imposed on foreigners. The Finance Minister in Budget 2017 announced that foreigners can purchase land and property from ground up thereby removing previous restrictions imposed on foreigners that land could only be leased up to 99 years and apartments could be purchased from 4th floor and above only.

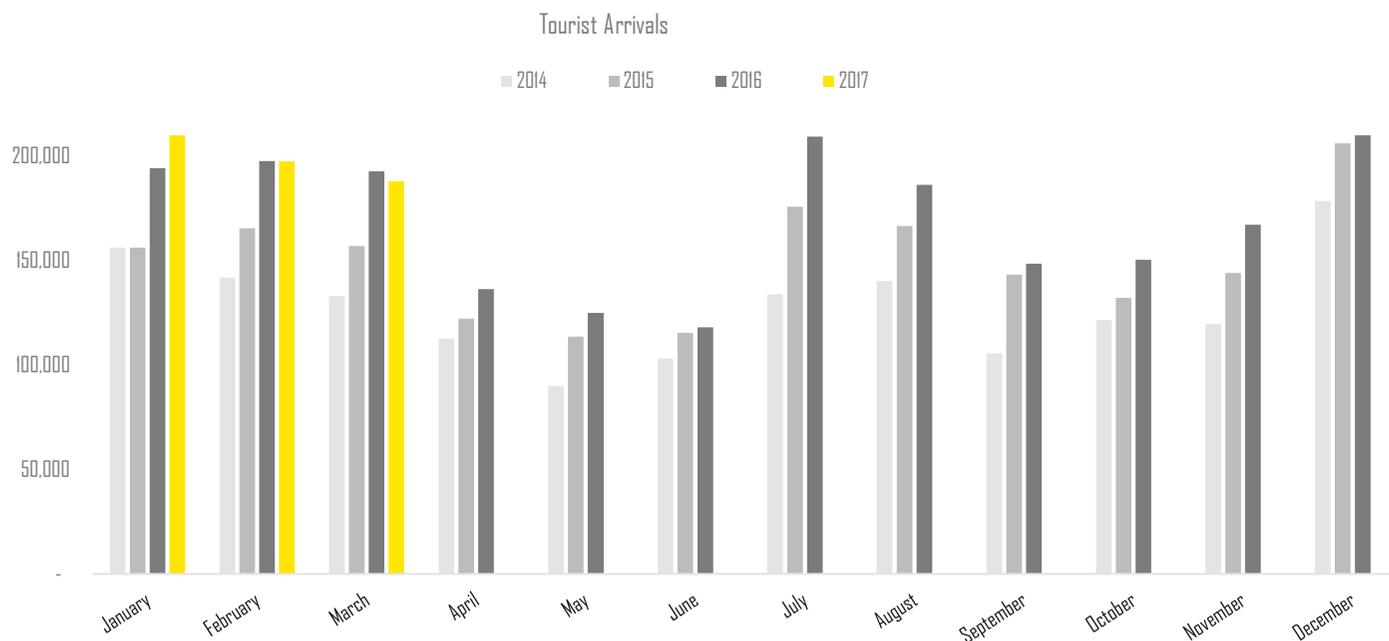
- **Resident visas for foreign investors**

With a view of making Sri Lanka an 'Investment destination', The Government has proposed to give resident visas for foreigners investing a minimum of US\$ 300,000 in Sri Lanka. Accordingly it is proposed to offer 2 – 5 year resident visas to the investors.

Booming Tourism Industry

The tourism industry was the third largest source of Foreign Exchange (FE) earner of the national economy in 2015. The portion of tourism's contribution to total FE earnings in 2015 amounted to 12.4%.

The latest data released by the Sri Lanka Tourism Development Authority (SLTDA) depicts that 2016 recorded 2.05 million tourists in the country, which is a 14.0% increase from the number of tourist arrivals during 2015. Tourist arrivals in January 2017 amounted to 219,360, which is an increase of 12.9% compared to January 2016. However, the months of February and March showed a decline of tourist arrivals compared to 2016 with tourist arrivals reducing by 0.1% and 2.5% respectively. This was mainly due to the partial closure of the international airport during the first quarter of 2017.

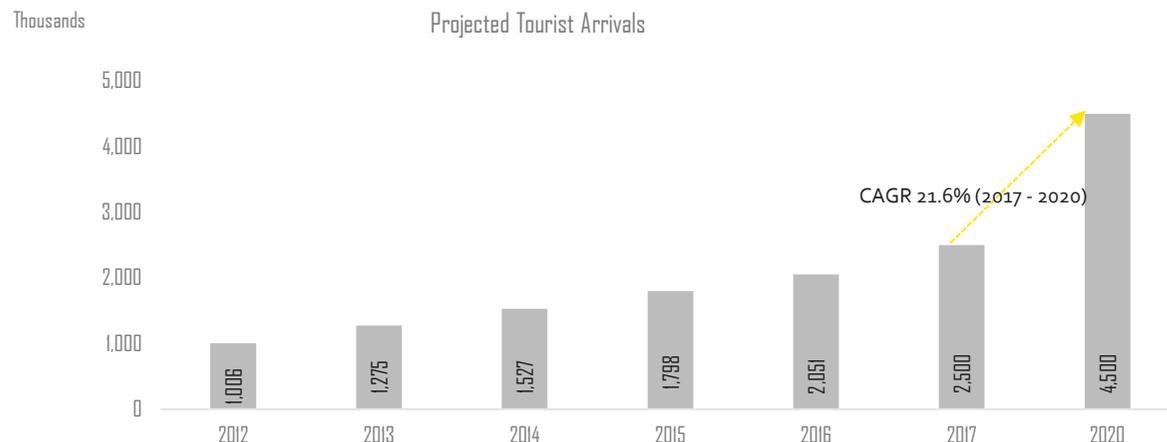


Source: Sri Lanka Tourism Development Authority

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The government is targeting to attract a total of 2.5 million tourists in 2017 and 4.5 million by 2020. The government has launched multi-pronged marketing campaigns in targeted countries in order to attract more tourists to the country.

Around 70% to 80% of all tourists who visit the country make a trip to Kandy. According to the growth forecast for tourism, and with the ambitious target of 4.5 million tourists by 2020 set by the government, it is expected that there will be an increasing demand for star-class accommodation units in Kandy.



Although most of the developments has targeted Colombo, Kandy is poised to be the next highlighted destination due to the planned developments in infrastructure and transport sectors, and high number of tourist arrivals to Kandy.

Source: Sri Lanka Tourism Development Authority

Projected tourist volumes for Kandy

The following table shows the room requirement when the Kandy throughput is 50% and 70% from the total estimated tourists for the year 2016.

	2017		2020	
Arrivals to the Country	2,500,000		4,500,000	
Kandy Throughput	70%	80%	70%	80%
Tourist Traffic	1,750,000	2,000,000	3,150,000	3,600,000

2017 Budget proposals to develop tourism

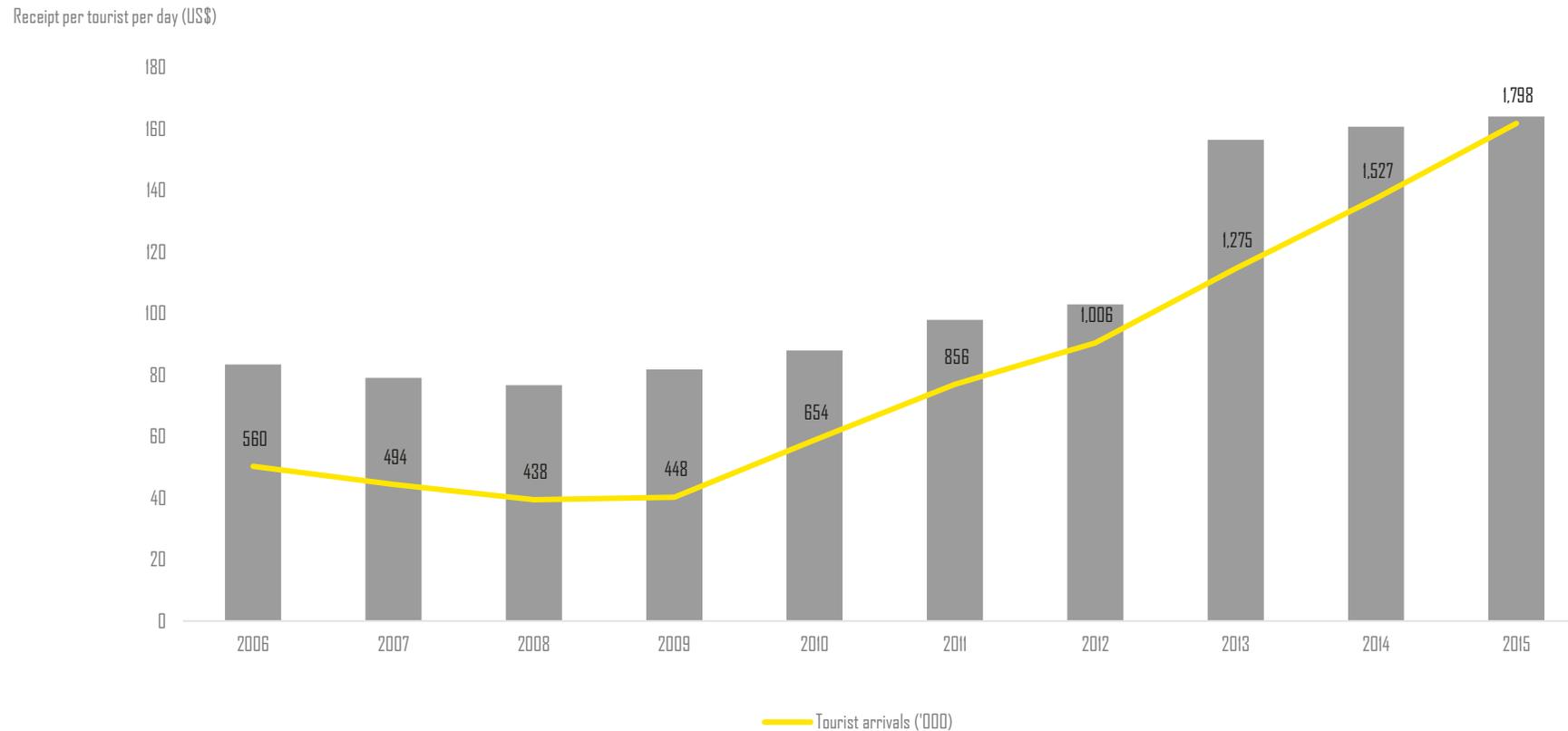
- Encourage the private sector to establish MICE exhibition centers in the districts of Kandy, Anuradhapura, Galle, Batticaloa and Badulla on PPP basis
- Direct banks to ensure that at least 10% of their lending portfolio is for tourism
- Issue visas on arrival, valid for a period of 1 month
- Provide a common technology platform for the country's lodging businesses, through which the country can be assured of a uniform application of lodging related policies, including the hospitality tax policy
- Issue 5 year multiple entry visas to international students who wish to study in Sri Lanka
- Hotels which have been in operation for more than 10 years will be assisted to refurbish and upgrade their facilities to be in line with the modern requirements at a cost of almost LKR 25 billion. The government will assist by providing an interest subsidy on such expenditure

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- The Government has identified key tourism corridors, from Trincomalee to Pasikuda to Batticaloa to Arugam Bay, the Monaragala Ella corridor, the Chilaw – Kalpitiya zone and the corridor from the Dedduwa Lake to the Akurala area. Further, Ella, Bandarawela and Haputale have been identified as an eco-tourism triangle. The Government has initiated a feasibility study on a domestic airport in the Badulla district and linking Badulla district to the southern expressway

Average Duration of Stay and Tourist Nights

As per tourism indicators, the average duration of stay stood at 10.1 nights with an average receipt per tourist per day of US\$ 164.1 in 2015. The increasing trend of average spending per day by a tourist is mainly due to the higher number of arrivals of the higher spending tourists and the enhancement of services offered in the country.



Source: Sri Lanka Tourism Development Authority

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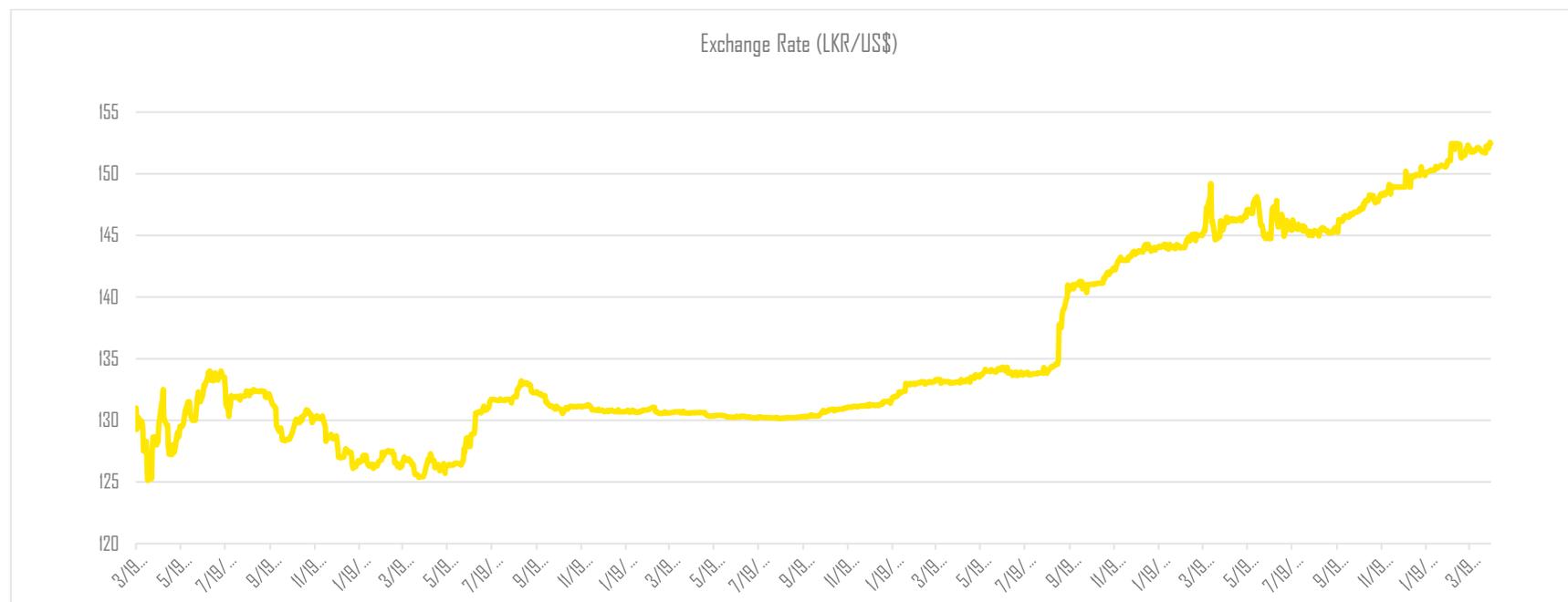
Construction Cost Index



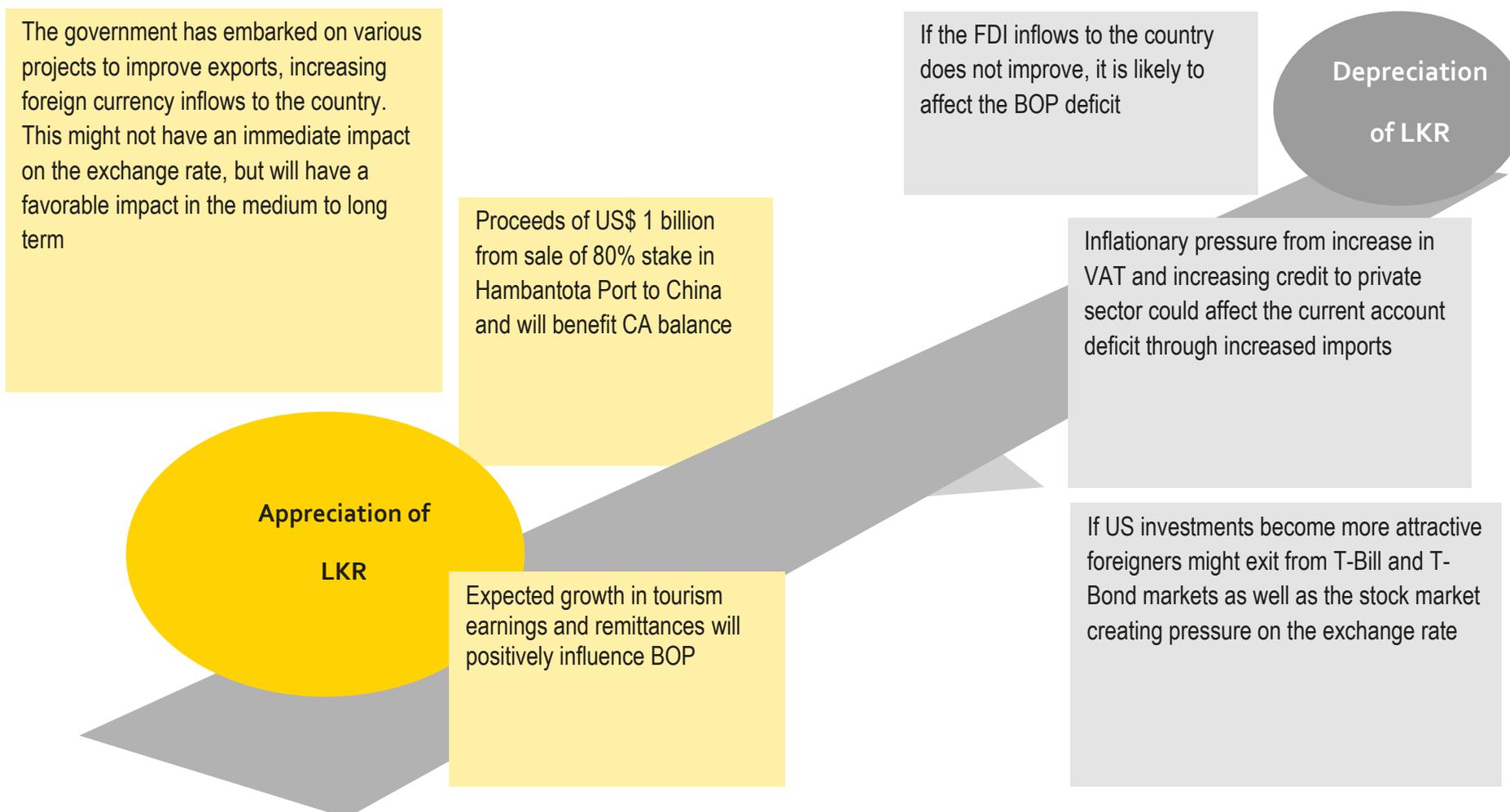
The above graph depicts cost indices for construction from 2007 to 2015. During the seven year period the 'All Construction' and 'All Housing' grew at a Compound Annual Growth Rate (CAGR) of 6.08% and 6.47% respectively. The index shows an increasing trend due to price increase in major construction materials, labour, machinery, and fuel. At present, the latest technology that many apartments and buildings construction companies use is precast concrete or pre-fabricated construction. One of the reasons for the deceleration of the Cost indices during 2013 to 2015 period could be due to the heavy use of pre-fabricated construction, which is manufactured offsite.

Exchange Rate

In the past, the Government of Sri Lanka along with CBSL introduced policies including fixed exchange rate regimes, dual exchange rate systems, managed float regimes, stabilized arrangements etc. in order to manage exchange rate fluctuations and maintain a competitive exchange rate. However, on September 4, 2015 the CBSL limited its inter-mediation in the market rate of the LKR, and allowed the market to play a greater role in determining the exchange rate.

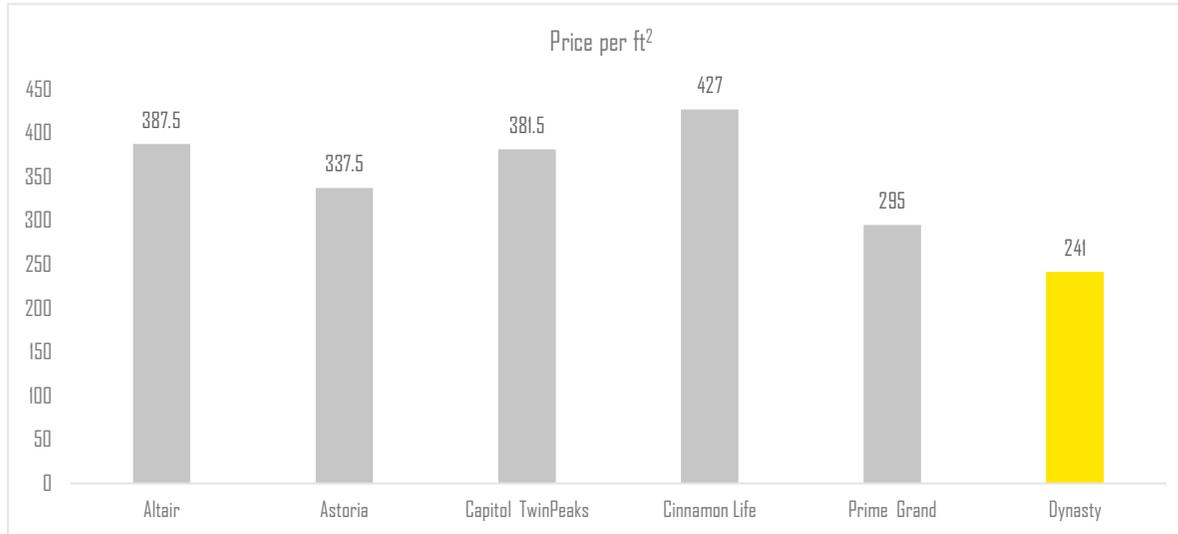


Influential factors for exchange rate fluctuations



Source: EY Analysis

Comparison of Average Apartment Selling Price per ft²



In comparison to residential apartment developments within the same market segment, the average selling price per ft² of Dynasty is considerable low. Hence, this could be considered as an ideal investment opportunity which derives value for money to the investors.

Source: Sri Lanka Tourism Development Authority