PRIME RESIDENCIES

taking SRI LANKA's real estate to the WORLD

BUILDING FUTURES

This is Prime Lands Residencies PLC
Taking Sri Lanka's Real Estate to the World

This is our defining era, where ambition becomes achievement, and a proud Sri Lankan legacy rises onto the global stage.

Carrying a nation's identity beyond borders is no small feat. Yet today, we stand not just as contributors, but as trailblazers; the first and only real estate brand to take Sri Lanka to the world.

From transforming skylines across the island to making our presence felt overseas, every Prime project reflects the spirit, resilience, and potential of Sri Lanka. Through bold innovation; not just in design, but in financial accessibility, we're building more than homes. We're exporting a legacy of excellence.

Now, our vision looks beyond borders, inviting foreign nationals and Non-Resident Sri Lankans to be part of a thriving real estate journey. Whether you're seeking opportunity, connection, or simply a piece of home, Prime is your gateway to Sri Lanka's future.

While others replicate, Prime innovates; leading with purpose, integrity, and bold vision.

This isn't just our journey. It's Sri Lanka's legacy - rising.
This is Prime Lands Residencies PLC- Taking Sri Lanka's Real Estate to the World.

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ABOUT THIS REPORT

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BOARD RESPONSIBILITY STATEMENT

The Board of Directors of Prime Lands Residencies PLC acknowledges its collective responsibility for the integrity and accuracy of this Integrated Annual Report for the financial year ended 31st March 2025.

In fulfilling this responsibility, the Board has exercised due diligence and care in overseeing the preparation and presentation of the report, ensuring that it is aligned with the highest standards of transparency, accountability, and completeness. The Board confirms that the report provides a true, fair, and balanced representation of the Company's financial performance, strategic initiatives, and operational achievements over the reporting period.

Furthermore, the Board affirms that all Material Topics relevant to PLR and its stakeholders have been appropriately identified, assessed, and addressed within this report, reflecting the Company's commitment to integrated thinking and sustainable value creation.

This statement is made in good faith and with the unanimous agreement of the Board.

On behalf of the Board of Directors

Ms. Sandamini Perera - *Chairperson / Executive Director*

Mr. Anura Pathirage - *Director – Finance*

Mr. Sanjaya Bandara - *Independent Non Executive Director*

Mr. Manjula Weerakkody - *Managing Director*



Welcome to the Integrated Annual Report of Prime Lands Residencies PLC (hereinafter referred to as "PLR" or "the Company") for the financial year ended 31st March 2025. This marks our fifth consecutive Integrated Annual Report, reflecting our continued commitment to transparent, holistic, and value-driven reporting.

In line with the principles outlined in the International Integrated Reporting Framework, this report seamlessly combines our financial performance, operational achievements, sustainability effors and strategic initiatives, offering a comprehensive view of how we create sustainable value for our stakeholders.

SCOPE AND BOUNDARY

This report covers the period from 1st April 2024 to 31st March 2025 and serves as a transparent, validated record of our performance as an independent legal entity. It offers insights into PLR's financial results, operational highlights, governance practices, risk management and strategic direction.

The content includes our Audited Financial Statements and accompanying notes, providing stakeholders with accurate and detailed financial disclosures. It also highlights the operational strategies, initiatives, and progress we have made during the reporting period. Our adherence to good governance is detailed in the Corporate Governance Report (Pages 71–91), underscoring our commitment to integrity and accountability.

About this report

MATERIAL TOPICS

The structure of this report is built around Material Topics key issues identified as being most impactful to PLR's ability to create value over the short, medium, and long term. These topics are the result of a structured materiality assessment process (detailed on Page 34), aimed at ensuring stakeholder concerns, risks, and opportunities are fully integrated into our reporting.

By focusing on these Material Topics, we provide stakeholders with a deeper understanding of the drivers that shape our decision-making and business strategy.

EXTERNAL AND INTERNAL ASSURANCE

To uphold the integrity and reliability of this report, all financial information has been subjected to a comprehensive external audit conducted by M/S. BDO Partners (Chartered Accountants). Their independent verification ensures the accuracy and fairness of the financial disclosures.

Additionally, internal assurance mechanisms were rigorously applied. Our internal audit team, in collaboration with the Executive Committee (EXCO), Heads of Department, and key contributors, reviewed and validated the report's content, ensuring completeness and consistency across both financial and non-financial information.

GUIDING PRINCIPLES

This report is grounded in several key principles:

Strategic Focus and Future Orientation: Strategic goals and initiatives are detailed on Pages 45–46, offering insight into our direction and vision.

Risk and Opportunity Management: Pages 92–99 provide an in-depth look at the risks, challenges, and opportunities influencing our performance and outlook.

Stakeholder Engagement: Our approach to stakeholder engagement is outlined on Pages 100–102, highlighting how we engage with and respond to our diverse stakeholder groups.

Conciseness, Reliability, and Completeness: The report presents information concisely yet comprehensively, supported by rigorous internal and external assurance.

Consistency and Comparability: We have maintained consistency with prior reports to enable year-on-year comparability, while incorporating improvements to enhance clarity and quality.

GUIDING FRAMEWORK

The preparation of this report has been guided by a combination of regulatory and voluntary frameworks to ensure adherence to best practices and standards, including:

FINANCIAL REPORTING

- Sri Lanka Accounting Standards (LKAS/SLFRS) issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) - ***Regulatory***
- Companies Act No. 7 of 2007 - ***Regulatory***
- Listing Rules of Colombo Stock Exchange (CSE) - ***Regulatory***
- SLSAE 3000 - Sri Lanka Standard on Assurance Engagements - ***Voluntary***

CORPORATE GOVERNANCE

- Listing Rules of Colombo Stock Exchange (CSE) – ***Regulatory***
- Code of Best Practices on Corporate Governance Issued by CA Sri Lanka - ***Voluntary***

INTEGRATED REPORTING AND SUSTAINABILITY

- International Integrated Reporting Framework by the IIRC - ***Voluntary***
- United Nations – Sustainable Development Goals (SDGs) - ***Voluntary***
- Global Reporting Initiative (GRI) Standards - "Core" option - ***Voluntary***

FORWARD-LOOKING STATEMENT

This report includes forward-looking statements that outline PLR's strategic direction, operational goals, and financial projections for the future. These statements are intended to provide stakeholders with insight into our expectations and plans.

However, these projections are inherently subject to uncertainties, risks, and external factors that may influence actual outcomes. Stakeholders are therefore encouraged to interpret these statements within the broader context of both internal and external operating environments.



FEEDBACK

Your feedback is vital to the continued improvement of our reporting practices. We welcome all stakeholders to share their thoughts and suggestions on this Annual Report.

Mr. Viraj Jayasinghe
Group Chief Finance Officer

Prime Lands Residencies PLC
75, D S Senanayake Mawatha,
Colombo 08,
Sri Lanka.
virajj@primelands.lk

ACCESSIBILITY

The Annual Report is available through several channels, which includes a digital version accessible via the Company's website primeresidencies.lk and the Colombo Stock Exchange website. The report is the primary communication source for our stakeholders, especially Shareholders.

Digital version

https://www.primeresidencies.lk/investor-relation

Digital Version

Scan the QR code for a quick and easy connect on your smart phone.

Rooted in Sri Lanka, Open for the World

OVERVIEW OF THE COMPANY

ABOUT THE COMPANY

VISION

Committed to Creating a Better Place on Earth

PROMISE

Creating a Livable Lovable Neighbourhoods



At Prime Lands Residencies PLC (PLR), we are driven by a singular vision to go beyond boundaries in redefining urban living, delivering exceptional real estate value, and shaping lifestyle experiences that transcend expectations. As a trailblazer in Sri Lanka's real estate landscape, we have consistently combined local expertise with global aspirations to create homes and investments that endure across generations.

Founded on a deep commitment to quality, trust, and innovation, PLR has evolved into one of Sri Lanka's most respected residential property developers. We are part of the Prime Group, a multi-award-winning conglomerate known for its pioneering spirit and customer-centric philosophy. Our success is built on a foundation of integrity, accountability, and a passion for delivering homes that enrich lives.

GROUP CORE VALUES

At PLR, our corporate values form the bedrock of our culture and guide every decision we make.

"WIN TOGETHER"

Employee Empowerment Development: We believe in empowering our employees to reach their full potential through continuous learning and development opportunities. By investing in our team, we ensure mutual growth and success.

Diversity and Inclusion: We celebrate diversity and foster an inclusive environment where every individual feels valued, respected, and empowered to contribute their unique perspectives.

Mutual Respect: We operate on the principle of mutual respect, recognising the inherent worth and dignity of every person within our organisation and beyond.

Wellbeing: We prioritise the well-being of our employees, understanding that a healthy and balanced workforce is essential for sustainable success.

"WE ARE CHAMPIONS"

Entrepreneurial Spirit: We embody an entrepreneurial mindset, constantly seeking new opportunities, embracing challenges, and driving innovation in everything we do.

Ambitious: We set ambitious goals and pursue them with determination, pushing boundaries to achieve excellence in our endeavours.

Passionate: We are passionate about our work and dedicated to delivering exceptional results that exceed expectations.

Agility: We embrace change and adapt quickly to evolving market dynamics, staying agile to capitalise on emerging opportunities.

"WE ARE COMMITTED TO SERVE"

Authentic Customer Centricity: We are committed to understanding and fulfilling the needs of our customers with sincerity and authenticity, building lasting relationships based on trust and transparency.

Ethical Conduct: We conduct ourselves with the highest ethical standards, upholding integrity and honesty in all our interactions.

Professionalism: We approach our work with professionalism and expertise, delivering quality outcomes with diligence and dedication.

Care: We genuinely care about the welfare of our customers, employees, and communities, striving to make a positive impact in every interaction.

"ONE JOURNEY ONE DESTINATION"

Unity: We believe in unity and collaboration, working together towards a common goal with shared purpose and determination.

"WE ARE PRUDENT"

Financial Discipline: We exercise prudent financial management, ensuring responsible stewardship of resources and long-term sustainability.

Sense of Purpose: We are driven by a sense of purpose, guided by a commitment to excellence and a desire to make a meaningful difference in the world.

Quality: We uphold uncompromising standards of quality in all aspects of our work, delivering excellence in every project we undertake.

Realistic Collaboration: We believe in realistic collaboration, fostering partnerships based on mutual trust, respect, and shared objectives.

Sustainability: We are committed to sustainable practices that minimise environmental impact and promote the well-being of future generations.

Philanthropic Empathy: We demonstrate empathy and compassion towards those in need, giving back to our communities and supporting meaningful causes.

Accountability: We take ownership of our actions and decisions, holding ourselves accountable to the highest standards of performance and integrity.

Transparency: We believe in transparency and open communication, building trust through honesty, clarity, and integrity.

Due Diligence: We conduct thorough due diligence in all our business activities, ensuring informed decision-making and risk mitigation.

Financial Acumen: We demonstrate financial acumen in our operations, leveraging our expertise to optimise resource allocation and maximise value creation.

EXPANDING HORIZONS, DELIVERING VALUE

The 2024/25 financial year marked another chapter of growth and strategic progress for PLR. While our roots remain firmly grounded in Sri Lanka, our outlook has become increasingly global, from adopting international best practices in construction and sustainability, to integrating globally recognised governance and reporting frameworks. We are committed to creating value not only within our borders but also across emerging markets and communities beyond.

Our ambition to go beyond boundaries globally is reflected in our operational philosophy:

We design with foresight, incorporating modern architectural trends and energy-efficient solutions.

We build with purpose, ensuring each project meets stringent quality standards and delivers long-term value to stakeholders.

We lead with impact, contributing to national development while aligning with global sustainability goals.

CUSTOMER-FOCUSED, FUTURE-READY

At PLR, our customers are at the heart of everything we do. From ultra luxury to lifestyle apartments ,every development is conceived with lifestyle enhancement in mind. We continuously invest in technology, design innovation, and customer service excellence to meet evolving market needs and elevate our brand promise.

As the real estate industry transforms in response to urbanisation, digital disruption, and climate challenges, we are future-ready. Our strategies are guided by material priorities, market intelligence, and stakeholder feedback, all converging to ensure that PLR not only adapts to change but leads it.

RECOGNITION AND RESPONSIBILITY

Our commitment to excellence has earned us numerous accolades over the years, reinforcing our leadership position in the industry. More importantly, our reputation is built on trust from investors, customers, regulatory authorities, and the communities we serve. We recognise this trust as a responsibility and a catalyst to strive for even greater achievements.

As we move forward, PLR remains unwavering in its purpose: to push the boundaries of what is possible in real estate, create sustainable value across borders, and leave a lasting impact both locally and globally.

ACHIEVEMENTS OF PRIME LANDS RESIDENCIES PLC

Celebrated for its commitment to excellence, Prime Group has proudly secured numerous prestigious awards over the past few years.

- "Best Developer in Sri Lanka" awarded by the PropertyGuru Asia Property Awards (2018, 2019).
- Prime Lands Residencies PLC was recognized by The Institute of Chartered Accountants of Sri Lanka at the Annual Report Awards Ceremonies in 2022, 2023 & 2024
    - Gold Award LAND & PROPERTY COMPANIES SECTOR and the Bronze Award for the EMERGING LISTED COMPANIES SECTOR in 2022
    - Silver Award LAND & PROPERTY COMPANIES SECTOR and the EMERGING LISTED COMPANIES SECTOR in 2023
    - Gold Award LAND & PROPERTY COMPANIES SECTOR 2024

About the Company

- Best Luxury Condominium Development in Sri Lanka - "The Grand - Ward Place (Colombo 07)" by PropertyGuru Asia Property Awards at their latest awards ceremony.
- Recognized as the Most Valuable Real Estate Brand and included in the Top 100 Brands, PLR was also ranked among the Best of the Best by Brand Finance in the LMD Brands Annual for 2022 and 2023.
- Most Respected Entity in Sri Lanka for six years (2017,2019,2020,2021,2023,2024) by LMD.
- Most Awarded Entity in Sri Lanka for three years (2022,2023,2024) by LMD.
- Awarded as a Great Place to Work for 7 Years by Great Place to Work Institute with two other recognitions in 2022.
    - The Best Workplaces in Sri Lanka for Millennials 2022
    - Asia's Best Workplaces 2022 Ranked 68th place in Asia
- The Grand website was awarded by the BestWeb.lk at the BestWeb.lk awards 2024
    - Gold Award for the Best Mobile User Experience Corporate Website
    - Silver Award for the Best Corporate Website
- Sri Lanka Best Employer Brand Award by 19th Employer Brand Awards 2024 certified by the World Federation of HR Professionals and World HRD Congress

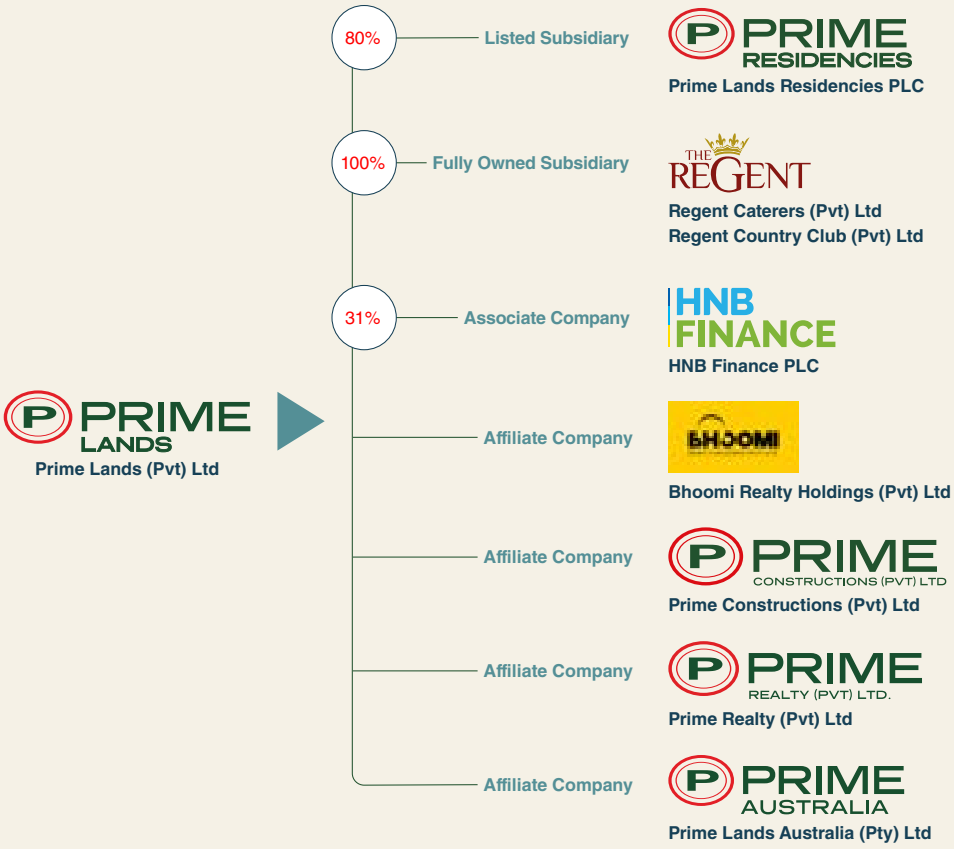
Approved Training partner

Prime Lands Residencies PLC had been recognized as an approved training partner for the business level in June 2023. The company has upgraded its status as an approved training partner for corporate and strategic levels as well in December 2024.

This recognition facilitates the aspiring chartered accountants to fulfill their training requirement while getting greater exposure in the real estate sector.

Prime Group is committed to shaping the future of living spaces in Sri Lanka with a focus on environmental sustainability, robust governance practices and positive social impact-Leading the way in responsible and future forward real estate transformation.

GROUP STRUCTURE



OUR PROPERTIES AT A GLANCE



ONE TANGALLE



THE PALACE - GAMPAHA



THE GRAND



THE SEASONS



J'ADORE

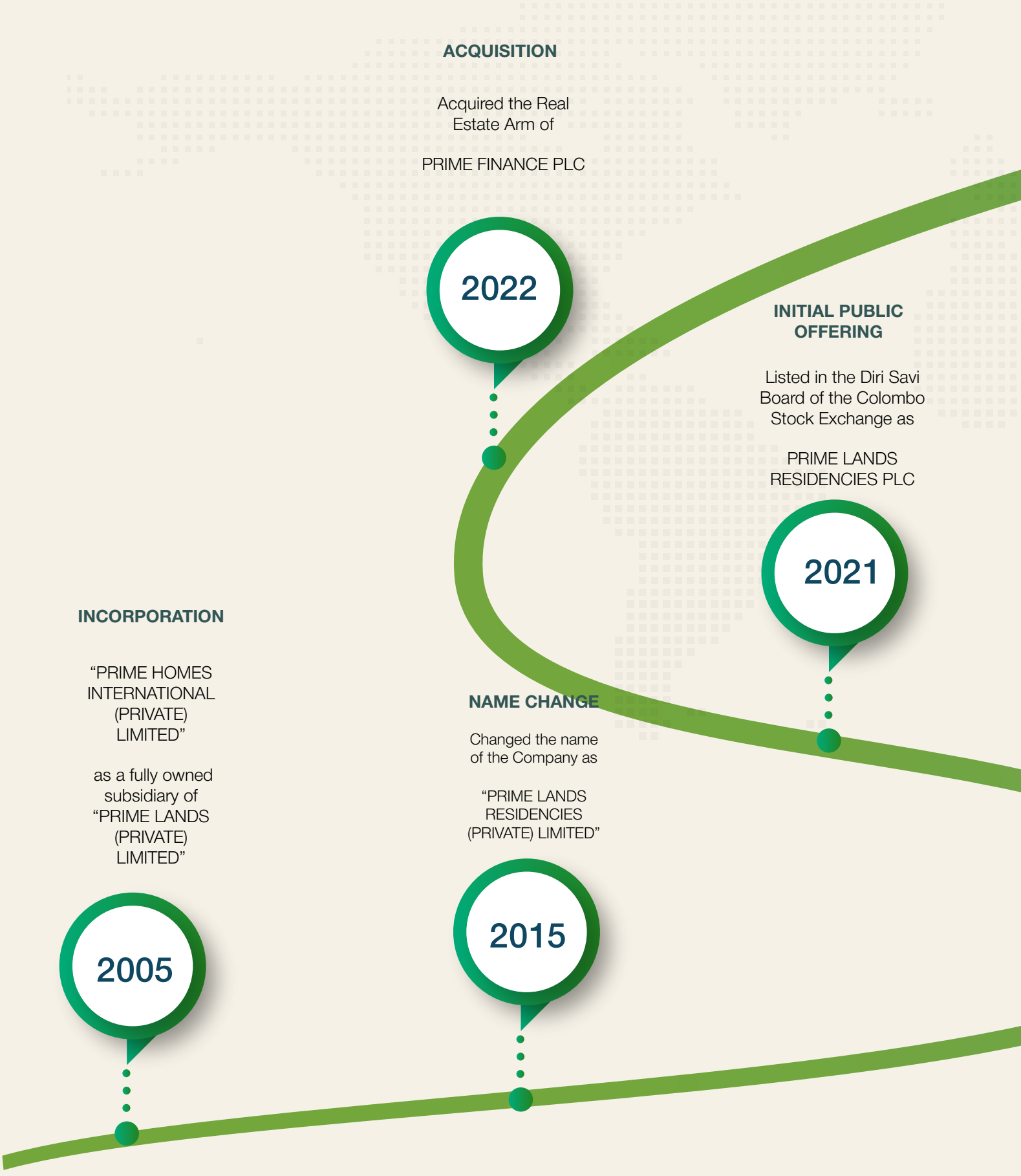


THE COLOMBO BORDER



THALAKOTUWA GARDENS- COLOMBO 05

JOURNEY TO GREATNESS



2016

AMALGAMATION

Amalgamated PRIME HOMES (PRIVATE) LIMITED and

LIVING HOMES (PRIVATE) LIMITED with PRIME LANDS RESIDENCIES (PRIVATE) LIMITED

2023

SAP (ERP) & IT INFRASTRUCTURE

Completed Cloud Migration

2024

INCORPORATION OF PRIME CONSTRUCTIONS (PRIVATE) LIMITED

As a sister company of Prime Lands Residencies PLC

2025

OBTAINED BOI APPROVAL FOR THE COLOMBO BORDER AS A MEGA PROJECT

Secured an expansion of its Board of Investment (BOI) approval for The Colombo Border, a USD 65 Mn mega project. This endorsement underscores a commitment to transparency and accountability. Every development stage will be meticulously scrutinised to ensure the project meets its promises, enhancing investor confidence and project visibility.

INTRODUCED TOURISM-ORIENTED SERVICE APARTMENTS

Introduced luxury serviced apartment projects tailored for the tourism and short-term rental market, combining hotel-style amenities with flexible apartment living. Designed for both local and international investors, this model taps into rising tourism demand, offering strong rental yields and capital appreciation.

INTRODUCED REVOLUTIONARY 1% PAYMENT PLAN AND PRIME MAX

Launched the innovative 1% monthly payment plan, allowing buyers to pay just 1% of the property price per month during the construction period, making homeownership more accessible.

Further enhancing on this, the Prime Max payment plan was launched to reduce the initial down payment to 10% and monthly payments to 0.5%, significantly improving affordability and unlocking accelerated wealth creation potential for buyers.

VALUE CREATION MODEL

VISION

EXTERNAL ENVIRONMENT - OPPORTUNITIES AND CHALLENGES

INPUTS

FINANCIAL CAPITAL

- Equity Capital - **Rs. 9.9 Bn**
- Debt Capital - **Rs. 0.8 Bn**
- Pre- sales advances from customers
  - Apartments - **Rs. 5.7 Bn**
  - Lands - **Rs. 3.0 Bn**

MANUFACTURED CAPITAL

- Investment Strategy
- Project Lifestyle Management
- Total invested in projects during the year
  - In Apartments - **Rs. 12.2 Bn**
  - In Lands - **Rs. 2.0 Bn**
- Land inventory value at cost
  - For Apartments - **Rs. 1.7 Bn**
- Land inventory
  - For Apartments - **2,755 P**

INTELLECTUAL CAPITAL

- Brand Reputation
- Knowledge-Based Systems and Processes
- Strategic Partnerships
- Membership & Affiliations
- Technology Systems

HUMAN CAPITAL

- HR Strategy
- HR Governance
- Employee Growth & Development
- Employee Experience
- Employee Well-being

SOCIAL AND RELATIONSHIP CAPITAL

- Customer Value Proposition
- Customer Experience Journey
- Product Stewardship
- Effective Communication with Customers
- Customer Care
- Supply Chain Management
- Enhancing the Quality of Neighbourhoods

NATURAL CAPITAL

- Construction Best Practices
- Sustainable Resource Utilization

CORE BUSINESS

RESIDENTIAL REAL ESTATE DEVELOPMENT



COMPANY VALUES

CORPORATE GOVERNANCE FRAMEWORK

STRATEGY

OUTPUTS FOR PLR

- Most Valuable Real Estate Brand by Brand Finance
- Growth in operational performance
- Growth in project Portfolios
- Growth in Customer Base both Domestic and International
- Strong competitive edge over peers
- Positioning as an end to end real estate solution provider by widening the portfolio
- Most Awarded/Most Respected Real Estate Group by LMD
- Higher NPS (Net Promoter Score) among customers
- Uninterrupted supplies and continued relationship with suppliers with flexible terms.
- Merit based rewards in performance driven organization
- An arena to employee to be their best
- Evolve future leaders
- Be the employer of the choice.
- Improved stakeholder engagement
- Driving green building innovation

OUTCOMES

SHAREHOLDERS

- Return on Equity - **12%** (12% - 2023/24)
- Paid to Equity Holders - **Rs. 562.5 Mn** (Rs. 562.5 - 2023/24)

BANKERS

- Cost of Borrowings - **Rs. 121 Mn** (Rs. 605 Mn - 2023/24)

CUSTOMERS

- Best in class value proposition for customers
- Guarantees of world-class condominium units
- Assurance of legally compliant home ownership
- Wider real estate opportunities

EMPLOYEES

- Monetary Benefits Distributed - **Rs. 281 Mn** (Rs. 193 Mn - 2023/24)
- Higher level of Employee Satisfaction
- Higher level of Employee Retention
- Investment in Employee Engagement and Well-being - **Rs. 11 Mn** (Rs. 17 Mn - 2023/24)

CONTRACTORS AND SUPPLIERS

- Average Project Spent

Contractors - Local **100%** (100% - 2023/24)
- Foreign - **NIL** (NIL - 2023/24)

Suppliers - Local Purchases - **81%** (92% - 2023/24)
- Imports - **19%** (8% - 2023/24)

GOVERNMENT

- Tax paid **Rs. 572 Mn** (Rs. 448 Mn - 2023/24)
- Incidents of non-compliance with regulations - None

COMMUNITIES

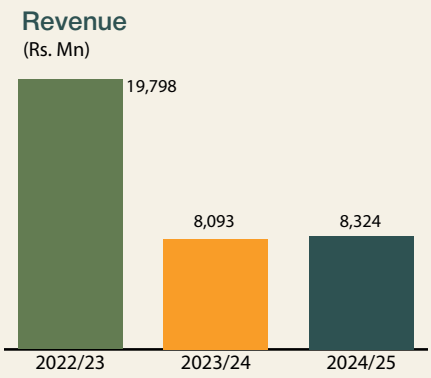
- New indirect job opportunities with regional expansions.

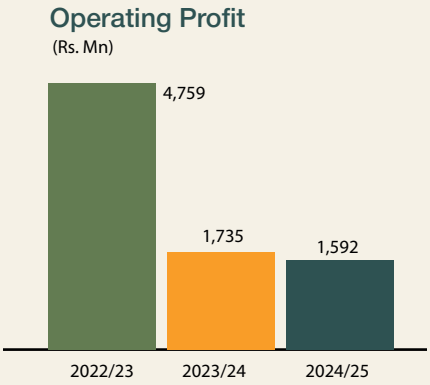
SDGs

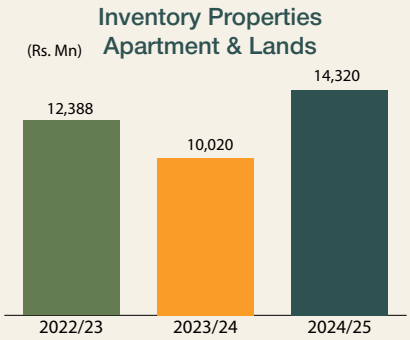


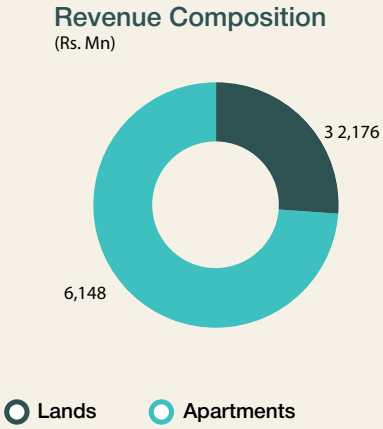
RISK MANAGEMENT FRAMEWORK

FINANCIAL HIGHLIGHTS









PAYMENT TO PROVIDERS OF EQUITY CAPITAL

Rs. 562.5 Mn
(Declared to pay in June 2025)

PAYMENT TO PROVIDERS OF LOAN CAPITAL

Rs. 121 Mn

PROJECT PORTFOLIO

TOTAL PROJECTS	47 (3,860 Units)
PROJECTS IN PROGRESS	2 (528 Units)
COMPLETED PROJECTS	41 (2,555 Units)
UNDERTAKEN IN 2024/25	2 (377 Units)
UPCOMING PROJECTS	2 (400 Units)

EMPLOYEE

EMPLOYEE TOTAL MONETARY BENEFITS UNDERTAKEN IN 2024/25

Rs. 281 Mn
(2023/24 : Rs. 193 Mn)

CADRE STRENGTH
(2023/24 : 88)
98

LAND INVENTORY

2,432 P
(2023/24: 2,984 P)

CUSTOMERS

GROWTH IN BRAND FOLLOWERS

Facebook - 136%
Instagram - 213%
Website - Total Visits 54 %
New Visits 48%
YouTube - 83%

Growth in Repeat Customers - 30%

AVERAGE PROJECT SPENT
CONTRACTORS

Local - 100%
(2023/24: 100%)

Foreign - NIL
(2023/24: NIL)

AVERAGE PROJECT SPENT
SUPPLIERS

81% Local Purchases
(2023/24: 92%)

19% Imports
(2023/24: 8%)

BOARD OF DIRECTORS

STANDING FROM LEFT TO RIGHT

Mr. Nalinda Heenatigala, Mr. Mahinda Perera,
Mr. Sanjaya Bandara, Mr. Deepal Sooriyaarachchi,
Mr. Anura Pathirage, Snr. Prof. Sampath Amaratunge,
Mr. Dhammika Kalapuge

SEATED FROM LEFT TO RIGHT.

Mrs. Sandamini Perera, Mr. Noel Joseph,
Mr. Premalal Brahmanage, Mr. Manjula Weerakkody,
Mrs. Shehana Brahmanage



Board of Directors

Sandamini Perera

Chairperson / Executive Director

APPOINTED

To Company	May 2005
To Board	May 2005

BOARD COMMITTEE MEMBERSHIP

N/A

EXPERTISE

Entrepreneur, Business Strategist, Sales and Marketing Practitioner

QUALIFICATIONS AND EXPERIENCE

Mrs. Sandamini Perera is the Co-Founder and Group Co-Chairperson of Prime Group, with over 29 years of experience in the real estate industry. She has been instrumental in shaping the company's strategic direction and growth, driving its success across multiple facets of real estate development.

Mrs. Perera holds a Master of Science in Strategic Marketing from Asia e-University, Malaysia, and is a Member of the Sri Lanka Institute of Marketing (SLIM). Her expertise spans strategic marketing, leadership, and business development, with a strong focus on delivering value-driven real estate solutions.

Her contributions to the business world have been widely recognized. In 2013, she was named the Third Most Powerful Woman in Sri Lanka by Echelon Magazine, one of the country's leading business publications. In recognition of her leadership and entrepreneurial spirit, Mrs. Perera was awarded the Best Women Entrepreneur (Large Category) for the year 2014/2015 by Women in Management Sri Lanka. Further solidifying her impact, she received the Honored Leaders Excellence Award for her contributions to Women's Empowerment from the World Consulting and Research Corporation in New Delhi.

POSITIONS CURRENTLY HELD IN OTHER COMPANIES

Mrs. Perera serves as the Co-Chairperson of Prime Lands (Private) Limited, contributing her leadership and strategic insights to the company's continued success. She also holds key positions as an Executive Director in several other entities, including Bhoomi Realty Holdings (Private) Limited, Regent Caterers (Private) Limited, Regent Country Club (Private) Limited, Prime Constructions (Private) Limited, Prime Realty (Private) Limited and Prime Lands Australia Pty. Ltd.

Premalal Brahmanage

Executive Director

APPOINTED

To Company	May 2005
To Board	May 2005

BOARD COMMITTEE MEMBERSHIP

N/A

EXPERTISE

Entrepreneur, Business Strategist, Finance Acumen

Qualifications and Experience:

Mr. Premalal's extensive qualifications further solidify his expertise and role as a leader in the industry. He is a Fellow Member of the Chartered Institute of Management Accountants (United Kingdom) and the Sri Lanka Institute of Marketing. He also holds the prestigious title of Chartered Business Administrator from Canada and a Master of Business Administration from the Open University of Malaysia. Additionally, he holds a Postgraduate Diploma in Marketing from the University of Sri Jayawardenapura. These qualifications, combined with his practical experience, have contributed significantly to the strategic direction and growth of Prime Group.

Mr. Premalal's leadership and entrepreneurial contributions have earned him wide recognition, especially from LMD, a highly respected business magazine. In 2011, he was honored with the UCD Entrepreneur of the Year award, acknowledging his significant impact on the real estate sector. LMD also recognized him in their prestigious A-List of 2018, where he was ranked among the top 50 businessmen in Sri Lanka. This distinction highlights his pivotal role in driving the nation's economic growth.

Further highlighting his exceptional leadership, in 2017, LMD named him one of Asia's Greatest Brand Leaders, a title that underscores his remarkable success in expanding Prime Residencies and his strategic direction in building a world-class brand. These recognitions from LMD are a testament to his visionary leadership, making a lasting impact on the real estate industry both locally and internationally.

In addition, Prime Lands Residencies PLC, under his guidance, was awarded the Most Valuable Real Estate Brand by Brand Finance in LMD's Brands Annual of April 2022, further solidifying his leadership in the industry.

POSITIONS CURRENTLY HELD IN OTHER COMPANIES

Mr. Premalal serves as Co-Founder and Co-Chairman of Prime Lands (Private) Limited and holds directorial roles in several other businesses, including Bhoomi Realty Holdings (Private) Limited, Regent Caterers (Private) Limited, Regent Country Club (Private) Limited, Prime Realty (Private) Limited, Prime Lands Australia Pty. Ltd and Prime Constructions (Private) Limited. He is also an Independent Non-Executive Director of Ceylinco General Insurance Limited and Non-Executive Non Independent Director at HNB Finance PLC.

Mr. Premalal has also made significant contributions to the real estate industry through his role as Past President of the Condominium Developers Association of Sri Lanka (CDASL), where he advocated for strategic growth within the condominium sector.

Manjula Weerakkody

Managing Director / Executive Director

APPOINTED

To Company	July 2016
To Board	September 2017

BOARD COMMITTEE MEMBERSHIP

N/A

EXPERTISE

Engineering, Business Strategist

QUALIFICATIONS AND EXPERIENCE

Mr. Weerakkody is an experienced professional engineer with a wealth of experience spanning over 2 decades. He holds a BSc Engineering degree from the University of Moratuwa, a Master of Business Administration in Management of Technology from the University of Moratuwa and a Postgraduate Diploma in Structural Engineering Design from the University of Moratuwa. In addition to this he holds a Diploma in Commercial Arbitration from the Institute of the Development of Commercial Law and Practice. He is also a Chartered Engineer of the Institute of Engineers, Sri Lanka as well as is IESL registered International Professional Engineer (Int. PE).

POSITIONS CURRENTLY HELD IN OTHER COMPANIES

N/A

Nalinda Heenatigala

Executive Director / Director - Corporate Affairs

APPOINTED

To Company	May 2005
To Board	December 2016

BOARD COMMITTEE MEMBERSHIP

N/A

EXPERTISE

Sales and Marketing, Business Development and Residential Real Estate

QUALIFICATIONS AND EXPERIENCE

Mr. Heenatigala is a veteran in real estate industry for 28 years and holds a Bachelor of Management Studies degree awarded by the Open University of Sri Lanka, a Commonwealth Executive Master of Business Administration from the Open University of Sri Lanka. He is currently reading for his PhD at the University of Colombo.

He has been appointed as a member to the Steering Committee of the Skill Council of the Faculty of Arts, University of Colombo as part of an initiative of the World Bank- Accelerating Higher Education Expansion and Development (AHEEAD) grant of the Faculty of Arts (Program ID:P159995). He is a business idol in Sri Lanka having been featured in many business media interviews related to real estate growth/condominium trends in the country. He was also captured in top business magazines for topics related to the success story of the Prime Group and its awards. He is also a Certified Member of the Sri Lanka Institute of Marketing (SLIM).

POSITIONS CURRENTLY HELD IN OTHER COMPANIES

He currently serves in the capacity of Executive Director of Prime Lands (Private) Limited and Director of Bhoomi Realty Holdings (Private) Limited

Board of Directors

Shehana Brahmanage

Executive Director

APPOINTED

To Company	February 2019
To Board	February 2019

BOARD COMMITTEE MEMBERSHIP

N/A

EXPERTISE

Sales & Marketing, and Business Development

QUALIFICATIONS AND EXPERIENCE

Holder of a Bachelor of Arts Honors degree in Accounting and Finance from the University of Greenwich UK and is at present reading for her MBA in Post Graduate Institute of Management from the University of Sri Jayawardenapura

Ms. Brahmanage has been the force behind the ability of developing and executing strategic plans in leading and managing the company's Sales Strategies as well as represented the company in numerous Real Estate conventions locally and internationally.

Recognized for her innovative leadership, Ms. Brahmanage has contributed significantly to elevating Prime Group's luxury residential portfolio, including Iconic projects in the One Collection portfolio. Her focus on sustainability, client satisfaction and architectural excellence continues to shape the company's standing as a leading Real Estate developer in Sri Lanka.

Recognized as one of the A List Millennial Torchbearers in 2020 by LMD, Ms. Brahmanage was listed among the top 25 Sri Lankans from the millennial generation who are poised to shine in the business in the future.

POSITIONS CURRENTLY HELD IN OTHER COMPANIES

Ms. Brahmanage serves as an Executive Director of Prime Lands (Private) Limited as well as Regent Caterers (Private) Limited.

Deepal Sooriyaarachchi

Independent Non-Executive Director / Senior Independent Director

APPOINTED

To Company	N/A
To Board	February 2021

BOARD COMMITTEE MEMBERSHIP

Board Audit Committee, Related Party Transaction Review Committee, Remuneration and Human Recourses Committee,and Nomination and Governance Committee

EXPERTISE

Marketing, Human Resources Management, General Management, Executive Coaching and Mentoring

QUALIFICATIONS AND EXPERIENCE

Mr. Sooriyaarachchi counts over four decades of wide industry experience, and out of that more than 16 years at Board level. He is a Fellow member of the Chartered Institute of Marketing UK, Fellow Member of the Sri Lanka Institute of Marketing and holds a Masters of Business Administration from the University of Sri Jayawardenapura. He is also an Alumni of National University of Singapore, Asian Institute of Management and the Stanford Business School USA. He is also a well-known Management Consultant and an Accredited Master Coach and a Mentor. He is a consulting partner of RBL USA as well. A former Managing Director of Aviva NDB Insurance PLC (Now AIA Insurance Lanka Limited and unlisted), former Commissioner - Sri Lanka Inventors' Commission, a Past President of Sri Lanka Institute of Marketing, he has served on several National bodies as well.

POSITIONS CURRENTLY HELD IN OTHER COMPANIES

He currently serves in the capacity of Independent Non- Executive Director in AIA Insurance Lanka Limited, Siyapatha Finance PLC, Lanka Shipping and Logistics (Private) Limited and Singer Sri Lanka PLC. Also as a Non-Executive Director at Pan Asian Power PLC. He is the Managing Director of SATI Human Development Institute (Private) Limited.

Dhammika Kalapuge

Independent Non-Executive Director

APPOINTED

To Company	N/A
To Board	February 2021

BOARD COMMITTEE MEMBERSHIP

Remuneration and Human Recourses Committee.

EXPERTISE

Educational and Inspirational Corporate Trainer in Management, Entrepreneurial Development, Customer Experience, Service Excellence and Relationship Marketing

QUALIFICATIONS AND EXPERIENCE

Mr. Kalapuge is a Post Graduate Diploma holder of Chartered Institute of Marketing (UK) and a Chartered Marketer. Diploma of Marketing from Marketing Council of Australia, a Fellow of the Australian Marketing Institute (AMI) and Certified Professional Marketer (CPM) of AMI. Advanced Diploma in Business Administration from Association of Business Executives (UK).

Over the last two and half decades he has conducted over three thousand and three hundred inspirational workshops in Management, Entrepreneurial Development, Customer Care, Service Excellence, Relationship Marketing and Motivation in over 900 leading public and private sector institutions in Sri Lanka and ten other countries with nearly 500,000 participants. In year 2000 he was presented with the Sri Lanka Institute of Marketing, first ever 'Recognition Award' for the contribution made to enhance the professional competence of the customer interface community in Sri Lanka. The programmes designed and conducted for the benefit of the Cabinet of Ministers in year 2004, Presidential Secretariat and Government Institutions were commended by Her Excellency the former President of Sri Lanka. He has several publications on 'Service Marketing' both in local and foreign journals and has served as a Chief Examiner at the Institute of Bankers of Sri Lanka. He was a Former Vice President–Marketing at DFCC Bank and has held senior marketing positions at Sampath Bank, Eagle Insurance and Eagle NDB Fund Management.

POSITIONS CURRENTLY HELD IN OTHER COMPANIES

He is a Director at SIPCOM – 1 (Private) Limited, a company involved in total people development.

Mahinda Perera

Independent Non-Executive Director

APPOINTED

To Company	N/A
To Board	February 2021

BOARD COMMITTEE MEMBERSHIP

Board Audit Committee, Related Party Transaction Review Committee and Board Nomination & Governance Committee

EXPERTISE

Finance, Management and Legal

QUALIFICATIONS AND EXPERIENCE

Mr. Perera counts over 36 years of professional experience in the commercial sector in Finance, Management and Legal disciplines. He is a Fellow of the Chartered Institute of Management Accountants (FCMA, UK) and a CGMA and has obtained a Master's Degree in Business Management (MBA) from the Postgraduate Institute of Management of the University of Sri Jayawardenapura. Pursing a diversified career, Mr. Perera successfully read for a Bachelor of laws Degree (LLB) from the Open University of Sri Lanka and entered the legal field as an Attorney-at-Law. He has wide experience in manufacturing and export industries having held senior positions in companies in multiple sectors such as food and beverage, packaging and ceramic industries. In addition to many years of experience in Accounting and Finance, he has gained extensive experience in senior corporate management and in the legal profession. During his career he has been on many Boards, both in listed and unlisted entities in diversified business sectors.

POSITIONS CURRENTLY HELD IN OTHER COMPANIES

N/A

Board of Directors

Sanjaya Bandara

Independent Non - Executive Director

APPOINTED

To Company	N/A
To Board	February 2021

BOARD COMMITTEE MEMBERSHIP

Board Audit Committee, Related Party Transaction Review Committee, Remuneration & Human Recourses Committee and Nomination & Governance Committee

EXPERTISE

Finance and Strategic Management

QUALIFICATIONS AND EXPERIENCE

Mr. Bandara holds a Bachelor of Science Degree in Accountancy & Financial Management from the University of Sri Jayawardenapura and a Master's Degree in Business Administration from the University of Colombo. He is a fellow member of the Institute of Chartered Accountants of Sri Lanka and the Association of Accounting Technicians, Sri Lanka. Mr. Bandara counts over 26 years of experience in auditing practice, assurance and advisory services.

POSITIONS CURRENTLY HELD IN OTHER COMPANIES

He is a partner of B. R De Silva & Co, Chartered Accountants (Member firm of Nexia International) and a Director of Nexia Services Management (Private) Limited and Nexia BPO Private Limited. Mr Bandara is a Board member of the Sri Lanka Accounting and Auditing Standards Monitoring Board. He is also an Independent Non-Executive Director of The Nuwaraeliya Hotels Company PLC and a member of the governing council of the Institute of Chartered Accountants of Sri Lanka and the Institute of Certified Management Accountants of Sri Lanka (ICMA).He is also a visiting faculty member at leading state and private sector universities.

Noel Joseph

Independent Non-Executive Director

APPOINTED

To Company	N/A
To Board	October 2021

BOARD COMMITTEE MEMBERSHIP

N/A

EXPERTISE

Engineering

QUALIFICATIONS AND EXPERIENCE

Mr. Joseph is a Member of the Institution of Electrical and Electronic Engineers (MIEEE)-USA, The Institution of Lighting Engineers (MILE) – UK, The New York Academy of Science (MNYAS) – USA, the Illumination Engineering Society (MIES) – USA, Incorporated Engineer - UK (IEng), Institution of Engineering Technology (MIET) – UK, American Society of Heating, Refrigerating and Air-Conditioning Engineers (MASHRAE)-USA, The Institute of Incorporated Engineers (SL) and Incorporated Engineer – SL (IEng)

He holds over 34 years of multi-faceted experience in engineering and engineering consultancy in Sri Lanka and internationally. He has held senior positions in organizations such as State Engineering Corporation, Heavy Fab Limited, Development Consultants Lanka (Private) Limited, Safari Company Limited Saudi Arabia and Baharudden P M S Associates, Brunei.

POSITIONS CURRENTLY HELD IN OTHER COMPANIES

He serves as a Non-Executive Director on the Board of On'ally Holdings PLC. He is also the Managing Partner of Cadteam and the Proprietor of N J Consultants.

Anura Pathirage

Executive Director / Director - Finance

APPOINTED

To Company	November 2014
To Board	January 2024

BOARD COMMITTEE MEMBERSHIP

N/A

EXPERTISE

Financial Acumen.

QUALIFICATIONS AND EXPERIENCE

Mr Anura Pathirage boasts over 22 years of experience in the private sector, including over 19 years in senior management positions both in Sri Lanka and overseas. His diverse professional journey also includes attaining significant experience by working in the apparel and insurance sectors in Sri Lanka.

He has previously held a senior position at Baker Tilly Sri Lanka-Chartered Accountants, where he provided management consultancy and tax advisory services. As a Director of Corporate Secretaries Practice (Private) Limited, in the secretarial unit of the accountancy firm, he played a crucial role in the management and advisory aspects of the organisation. Further, he has gained extensive international exposure while serving as the Chief Accountant of Cyprea Group of Companies in the Maldives, where he contributed to areas such as international trade, airline operations, and the hospitality and tourism industry.

Mr Pathirage holds distinguished professional memberships, whereas he is a Chartered Tax Advisor of the Chartered Accountants of Sri Lanka, a Fellow member of the Chartered Institute of Taxation of Sri Lanka, and a Member of the Association of Accounting Technicians Sri Lanka as well as a member of the Sri Lanka Institute of Directors (SLID). His educational background is marked by a BSc Management (Special) Degree with Second Class honours from the University of Sri Jayewardenepura, and MBA from Buckinghamshire New University, UK.

POSITIONS CURRENTLY HELD IN OTHER COMPANIES

He currently serves in the capacity of Director Finance of Prime Lands (Private) Limited and as a Non - Independent, Non-Executive Director of HNB Finance PLC where he serves as a Member of the Board Credit Committee and Procurement Committee.

Snr. Prof. Sampath Amaratunga

Independent Non-Executive Director

APPOINTED

To Company	N/A
To Board	March 2025

BOARD COMMITTEE MEMBERSHIP

N/A

EXPERTISE

Distinguished academic, Administrator Business Consultant and Humanist.

QUALIFICATIONS AND EXPERIENCE

Professor S.P.P. Amaratunge currently serves as the Senior Professor/Chair of Business Economics at the University of Sri Jayewardenepura, Sri Lanka. Previously, he held the position of Chairman of the University Grants Commission and served as Vice Chancellor of the University of Sri Jayewardenepura as well. In 2019, he was appointed as the Chairman of the Committee of Vice Chancellors and Directors of Sri Lanka (CVCD)

Professor Amaratunge holds a BA (Hons.) in Economics from the University of Sri Jayewardenepura, an MA in Economics from the University of Colombo, an MSc in Economics of Rural Development from Saga National University, and a Ph.D. from Kagoshima National University, Japan. With over 31 years of service at the University of Sri Jayewardenepura, he has made significant contributions to higher education, research, and economic development.

In recognition of his efforts in strengthening Sri Lanka-Japan relations, he was awarded the “Order of the Rising Sun, Gold Rays with Neck Ribbon” by the Government of Japan in 2024, one of the highest honors conferred on foreign nationals by His Majesty the Emperor of Japan.

An authority in Rural Economic Development, Professor Amaratunge has won numerous awards, including the prestigious Research Excellence Award (2002) from the Kyushu Society of Rural Economics, Japan.

He has over 75 refereed publications to his credit, both locally and internationally. As Dean of the Faculty of Management Studies and Commerce (2008–2014), he led major infrastructure development projects and established specialized facilities for undergraduate and postgraduate education. As Vice Chancellor (2014-2020), he played a pivotal role in expanding the university’s faculties, establishing the Faculties of Engineering and Technology.

Beyond academia, he has held key positions, including serving as Chairman of the Federation of University Teachers Associations (FUTA) from 2007 to 2009, during which he introduced impactful initiatives such as research grants for academics and facilities for faculty members’ children. He was the youngest appointed member of the University Grants Commission in 2010 and has served on several state commissions of national importance.

POSITIONS CURRENTLY HELD IN OTHER COMPANIES

In addition to his contributions to academia, Professor Amaratunge serving as an Independent Director on the Boards of leading companies, including Laugfs Gas PLC, Laugfs Power PLC, Citizens Development Business Finance PLC, Raigam Wayamba Salterns PLC, Raigama Southern Salt Company (Private) Limited, and Raigam Wayamba Cereal (Private) Limited.

MANAGEMENT TEAM



RUMINDA RANDENIYA
General Manager Real Estate

A seasoned and visionary leader in Sri Lanka's real estate landscape, Mr. Ruminda Randeniya brings over 27 years of strategic expertise to the industry. He currently serves as the Chief Executive Officer of Prime Lands (Private) Limited, where his outstanding leadership and performance were recently recognized with the coveted 'CEO of the Year in the Real Estate Sector' award at the prestigious Business Leader of the Year Awards held at Taj Lands End, Mumbai.

Mr. Randeniya also holds Executive Directorships at Prime Lands (Private) Limited, Bhoomi Realty Holdings (Private) Limited, Regent Caterers (Pvt) Ltd, and Regent Country Club (Pvt) Ltd, subsidiaries under the Prime Group umbrella. In addition, he plays a pivotal role as the General Manager of the Real Estate Division at Prime Lands Residencies PLC.

An alumnus of the Open University of Sri Lanka with a Bachelor's Degree in Business Management, Mr. Randeniya also holds a Diploma in Marketing from the Sri Lanka Institute of Marketing (SLIM) and is a respected member of the Sri Lanka Institute of Directors (SLID).

Widely regarded for his keen foresight and strategic acumen, Mr. Randeniya possesses a rare ability to identify high-potential land across the island and transform them into thriving real estate ventures. His sharp business instincts and results-driven strategies have played an instrumental role in shaping Prime Group's market dominance and sustained growth.



DINUSHA FERNANDO
General Manager Legal

Ms. Fernando joined Prime Lands (Private) Limited in 2001 and currently serving as the Executive Director Legal, Prime Lands (Private) Limited and Director of Bhoomi Realty Holdings (Private) Limited, which is a subsidiary of Prime Group. Ms. Fernando gives leadership to the entire group on legal guidance on Real Estate.

She was called to the Bar Association of Sri Lanka in 1998, practiced as an Attorney-at-Law and holds a Master's Degree in Law (LLM) from the University of Colombo.

During her 24 years of association with the Real Estate industry she further gained extensive experience and developed expertise in drafting and review of legal documents, negotiation of terms and conditions and facilitation of it.



SISIRA KUMARA
Consultant - Internal Audit & Finance

Mr. Sisira Kumara has experience in the field of finance and accounting for over three decades holding various positions in finance and administration in leading organizations including multinational corporations overseas.

He holds a Master of Business Administration from the University of Derby (UK) and is a Member of the Chartered Institute of Management Accountants (CIMA-UK).

He started his career at Associated Newspapers of Ceylon Limited (Lake House), and other reputed institutions including the Urban Development Authority, State Trading General Corporation, Ceylon Leather Products Limited and Lankem Ceylon PLC.

He has gained experience in various business sectors including manufacturing, trading, constructions and leisure during this time.

Mr. Sisira Kumara works as a Consultant Internal Audit & Compliance at Prime Lands Residencies PLC



SHAMINDA HEWAPATHIRANA

General Manager Engineering

Mr. Hewapathirana joined the Company as the Chief Engineer adding value to the company with his 29 years of experience in the fields of high-rise, commercial, residential, roads, bridges and marine construction liaising with both local and International Companies.

At the inception of his career, he worked at Sanken Lanka/ Mitsui Construction and gradually climbed the ladder by working for well-known Companies in the field of Engineering, such as Ceylinco group, Jetwing Hotels and China Harbour Engineering Company.

Mr. Hewapathirana completed his tertiary education at University of Moratuwa (NDT) & Engineering Council (UK). He holds a Diploma in Project Planning and Management at CAD Center, India and Hold Masters In Business Administration (MBA) from University of Uva Wellasa, Sri Lanka. Mr. Hewapathirana holds the cooperate membership at the Institute of Incorporated Engineers, Sri Lanka (IIESL).

Mr. Hewapathirana is currently leading the Engineering Department at Prime Lands Residencies PLC as the General Manager - Engineering.



SANJANI KUMARIHAMI

Chief Human Resources Officer

Ms. Kumarihami serves as the Chief Human Resources Officer at Prime Group. She holds a Bachelor's degree in Human Resource Management from the University of Kelaniya and a Master's degree in Business Studies from the University of Colombo. Additionally, she has earned a diploma in Psychology from the London School of Business and Social Sciences. Ms. Kumarihami is an Associate Member of the Chartered Institute of Personnel Management and is a certified HR Auditor in Sri Lanka.

With over two decades of experience in Human Resources Management, Ms. Kumarihami specializes in Organizational Development, Process Re-engineering, Talent Acquisition and Development, Change Management, Cross-Cultural Management, Coaching and Mentoring, and Employee Engagement. Her professional expertise spans both local and multinational conglomerates across industries such as Real Estate, Construction, Apparel, ICT, Travel, Manufacturing, Infrastructure Development, Hospitality, and Entertainment.

Recognized as one of the "Top Most HR Leaders – Asia 2024" by the World HRD Congress, Ms. Kumarihami has been appraised for her exemplary use of talent during dynamic and challenging times. Her keen sensitivity to human dynamics, combined with her adept leadership, has distinguished her as a prominent figure in the field of Human Resources.



RASIKA UDAYANGA

Chief Infomation Technology Officer

Rasika Udayanga is a dynamic ICT leader with over 18 years of experience in driving digital innovation and operational excellence. As the Chief Information Technology Officer of Prime Group, Rasika leads the IT strategy and operations across multiple entities, including Prime Lands Residencies PLC. With an MSc in Network and Information Security and an MBA from the UK, Rasika brings a powerful combination of technical expertise and business acumen to the organization.

Under his leadership, the Group has successfully undergone major digital transformations—automating manual processes, expanding the SAP ERP system, and integrating advanced technologies that have streamlined operations and significantly reduced costs. His commitment to aligning IT with business goals has played a crucial role in strengthening the company's competitive edge.

Rasika's approach to technology is strategic and people-focused, ensuring that IT not only supports, but accelerates, the organization's growth. His leadership continues to position Prime Lands Residencies PLC as a tech-forward, resilient, and agile organization in Sri Lanka's evolving real estate landscape.

Management Team



VIRAJ JAYASINGHE

Group Chief Financial Officer

Mr. Viraj Jayasinghe is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka (ICASL) and holds a B. Com (Special) degree with Second Upper Class honors and an MBA from the University of Colombo. His professional achievements are further enhanced by his credentials as a Certified Toastmaster, a Certified Six Sigma Green Belt, and a former Board Director of the American Chamber of Commerce Sri Lanka (AmCham SL).

With over 24 years of experience in financial strategy, operations, and corporate leadership, Mr. Jayasinghe has held key executive positions in leading multinational organizations. As Chief Financial Officer and Chief Operating Officer at IBM Sri Lanka, he played a pivotal role in driving financial growth and operational excellence, while also leading IBM's Asia-Pacific region, overseeing US GAAP compliance for APAC countries.

Prior to this, he served as Senior Manager in Finance at Goodhope Asia – Carson Cumberbatch PLC, where he managed financial and accounting operations across multiple APAC countries, including India, Indonesia, Malaysia, Singapore, and Sri Lanka. His expertise in financial process optimization and reporting was further refined during his tenure as Assistant Vice President at WNS Sri Lanka and Group Accountant at John Keells Holdings PLC, where he was responsible for group reporting. He began his career at Ernst & Young, gaining a strong foundation in auditing, compliance, and financial reporting.

Mr. Jayasinghe's diverse industry exposure spans IT and BPO services, plantations, real estate, and financial services. A passionate advocate for education, he has been a lecturer in Financial Management for over 20 years, mentoring MSc and MBA students, CA Sri Lanka candidates, and contributing as an author of subject textbooks and an advisor for CA Sri Lanka examinations. His academic excellence is reflected in the awards received in CA Sri Lanka examinations, highlighting his commitment to both professional and academic growth. Additionally, he has played a crucial role in training and supervising audit trainees in the mercantile sector, nurturing the next generation of finance professionals.



ISURU UDANA

Chief Quantity Surveyor

Mr. Isuru Udana joined Prime Lands Residencies PLC as the Chief Quantity Surveyor.

He has gained more than 10 years of industrial experience in all aspects as a Consultant and Contractor Quantity Surveyor / Contract Administrator / Cost Control Engineer / Procurement Engineer related to MEP and Civil works in the Middle East and Sri Lanka. His in-depth knowledge in the fields of procurement, commercial management, contract administration, construction law and dispute resolution from the inception of a project until project completion has added value to his leadership and team.

Mr. Isuru Udana holds a B.Sc. (Hons) degree in Quantity Surveying from the University of Moratuwa, Sri Lanka and a M.Sc. in Construction Law & Dispute Resolution from the University of Moratuwa, Sri Lanka. He has obtained the Member Grade and the Certified Quantity Surveyor designation (MAIQS, CQS) from the Australian Institute of Quantity Surveyors and became a Chartered Quantity Surveyor (AIQSSL) with the receipt of Associate Membership from the Institute of Quantity Surveyors Sri Lanka.

Transforming Strategy Into Global Aspirations

ORGANIZATIONAL PERFORMANCE

CHAIRPERSON'S MESSAGE



It is with great pleasure that I present the Annual Report of Prime Lands Residencies PLC for the financial year 2024/25.

This year has been one of purposeful transformation and resilient progress, anchored by our ongoing pursuit of operational excellence, breakthrough innovations in product offerings, strategic diversification, and a deep-rooted commitment to delivering lasting value to all our stakeholders. Amidst a dynamic operating environment, our unwavering focus remained on enhancing our delivery capabilities, driving innovation, and expanding our footprint across promising local and international markets.

EXTERNAL INFLUENCE

The year 2024/25 unfolded against a backdrop of cautious optimism in the global economy, with growth moderating to 3.1% due to persistent geopolitical tensions, shifting trade patterns, and measured investor sentiment. At home, Sri Lanka experienced a welcome economic resurgence, achieving 5.0% real GDP growth, the first broad-based recovery in several years.

This revival was driven by renewed momentum across construction, manufacturing, services, and agriculture. Easing inflation, declining interest rates, a strengthening Rupee, enhanced political stability, and increasing consumer purchasing power collectively shaped a more stable and fertile ground for the real estate sector. Within this favourable climate, the demand for premium housing and tourism-aligned developments remained buoyant, propelled by investor confidence and a strategic shift in asset allocations from low-yielding deposits into real assets.

Our developments in Colombo, Tangalle, Hikkaduwa, and Negombo stood to benefit, as did our strategic acquisitions of land in high-growth corridors, each aligned with evolving market dynamics and long-term value creation.

STRATEGIC DIRECTION AND CORPORATE VISION

In 2024/25, our strategic focus remained firmly rooted in value creation, innovation, and delivery excellence. Several flagship projects advanced during the year: The Palace – Gampaha and 43 by the Sea – Dehiwala reached their handover milestones, reinforcing our brand's promise of timely delivery. Progress continued on The Colombo Border, where development and sales traction remained strong. Simultaneously, we launched new lifestyle-focused serviced apartment developments such as J'Adore, Negombo and One Tangalle, aligned with the growing appeal of hospitality-grade living spaces.

As both global and domestic conditions turned favourable for real estate investment, we sharpened our efforts to grow our international customer base, diversifying our risk profile, bolstering revenue, and supporting national economic objectives through increased foreign currency inflows. Concurrently, our land inventory was expanded to include premium locations in Colombo city, suburbs and tourism hotspots, positioning us well for future-ready developments.

We also strengthened accessibility for local buyers through the launch of the ***Prime Max*** payment plan, offering more flexibility and affordability, ensuring homeownership remains within reach for a broader segment of society.

Internally, our focus on transformation gained momentum through enhanced digital tools, lean construction methodologies, and ESG integration, paving the way for a sustainable and scalable business model.

GOVERNANCE AND RISK MANAGEMENT

A bedrock of sound governance and prudent risk management underpinned our progress during the year. We enhanced our corporate governance framework and institutionalised robust Board and Committee oversight mechanisms.

Our Enterprise Risk Management (ERM) framework supported the timely identification and mitigation of risks across the organisation. Structured strategies, such as proactive engagement with the regulators and adaptive project scheduling were employed to manage regulatory delays and market fluctuations. These efforts bolstered our transparency, fortified operational resilience, and enhanced investor confidence.

Our ESG journey also took encouraging strides. While our comprehensive roadmap remains in development, tangible steps, such as annual energy audits, sustainable procurement practices, and the pursuit of green building certifications, reflect our commitment to responsible, long-term growth.

RECOGNITION

We were honoured to be recognised with several prestigious awards during the year, including the TAGS Gold Award (Land & Property Sector) and recognition by LMD as Sri Lanka's Most Respected Real Estate Entity. These accolades are not only a testament to our collective efforts but also serve as encouragement for our journey forward.

APPRECIATION

On behalf of the Board of Directors, I wish to express my heartfelt gratitude to our valued current and prospective investors, trusted business partners, loyal customers, and our incredible employees. Your faith in our vision and your unwavering support have been the cornerstone of our achievements through what has been a year of significant transformation.

I extend special thanks to my fellow Board members and the management team for their thoughtful stewardship and steadfast focus on sustainable progress. Together, we have navigated complexity with clarity and purpose.

FUTURE OUTLOOK

As we look to the future, we do so with confidence and clarity of vision. Our path ahead is firmly guided by innovation-led growth, excellence in execution, and meaningful stakeholder engagement. We will continue to develop landmark projects that set new benchmarks in sustainable design and modern aesthetics.

Our ongoing investments in digital transformation and lean construction will enhance delivery precision and cost efficiency. Simultaneously, our ESG roadmap will evolve into an embedded organisational imperative, driving sustainable value across all aspects of the business.

Ultimately, we seek to empower our customers and investors, redefining real estate not merely as a product, but as a pathway to long-term wealth creation, liveable-lovable neighbourhoods, and shared prosperity.



Sandamini Perera
Chairperson

04th June 2025
Colombo

MANAGING DIRECTOR'S REVIEW



The financial year 2024/25 has been a defining chapter in our journey at Prime Lands Residencies PLC. Amidst a recovering economic landscape and evolving buyer preferences, we continued to raise the bar in execution, innovation, and stakeholder engagement. At every step, our unwavering commitment to excellence served as our compass, enabling us to remain agile in the face of macroeconomic and policy complexities. This year was not only about delivering results but also about making meaningful investments to shape a future-ready business.

MARKET DYNAMICS AND COMPANY PERFORMANCE

The real estate market in Sri Lanka showed cautious but steady signs of resilience. The easing of interest rates, improving macroeconomic stability, and a rebound in tourism helped restore buyer confidence. However, delays in revenue recognition from the land segment, along with most new condominium projects not yet reaching revenue recognition thresholds, have resulted in only modest topline growth. This may underscore - the strong market demand, as evidenced by high reservation levels. Meanwhile, marginal revenue growth coupled with rising operational expenditures has placed some pressure on our bottom line. Despite this, we upheld our gross profit margins and significantly improved working capital efficiency, thanks to milestone-driven project execution and disciplined cost management.

Our operational achievements this year are a testament to our resilience. We began handovers at The Palace – Gampaha and 43, By the Sea – Dehiwala, initiated vertical construction at The Colombo Border, and introduced two hospitality-aligned developments, J'Adore Negombo and One Tangalle. Our sales momentum remains robust, fueled by a diverse mix of local and international demand and supported by the game-changing Prime Max payment plan, which has made homeownership more inclusive than ever before.

INNOVATION AND GROWTH

We strengthened our strategic focus on premium, tourism-oriented serviced apartments, recognising a growing appetite for lifestyle-driven, investment-grade real estate. The launches of One Tangalle and J'Adore Negombo mark the beginning of an exciting new chapter aligned with Sri Lanka's tourism renaissance and the aspirations of overseas high-net-worth buyers.

Innovation continued to anchor our transformation. We expanded our use of AI-powered marketing, introduced automation across WhatsApp and email billing platforms, and initiated the development of our proprietary AI Chabot, designed to enhance both lead nurturing and post-sale service experiences.

We also invested in infrastructure that supports our next phase of growth, including a newly built 7,000 sq ft warehouse on Castle Street and a refreshed corporate office. Together with continued digital upgrades and strategic land acquisitions, we are laying a solid foundation for distinctive, high-value future developments.

SUSTAINABILITY AND ESG EXECUTION

Sustainability has become more than a priority; it's embedded in our purpose. In 2024/25, we took meaningful steps to integrate ESG into project planning, procurement, and corporate governance.

Our developments now routinely feature 80% green and open spaces, solar-prepared rooftops, rainwater harvesting, and on-site wastewater treatment. We proudly maintained 81% local procurement, supporting domestic industries while also reducing emissions. Energy audits across our sites and head office are helping us drive continuous efficiency.

On the social front, we continued to invest in our people and communities through employee wellbeing initiatives, community engagement forums, and the launch of Prime Rajya Sewa Abhiman in partnership with Federation of Sri Lanka Goverment Authorities (FSLGA) to uplift public sector soft skills.

Governance also saw considerable strengthening. We rolled out 12 new corporate governance policies, expanded internal audits, and refreshed key risk registers across departments, underscoring our commitment to transparency, resilience, and sustainable growth. Our formal ESG roadmap is under development and will align with GRI, UN SDGs, and SLFRS sustainability disclosure standards.

APPRECIATION

I extend my heartfelt appreciation to the Board of Directors for their visionary leadership and unwavering support, and to our employees, whose passion and dedication drive every milestone we achieve. To our valued customers, investors, business partners, and regulators, thank you for your steadfast trust in our capabilities and our vision.

FUTURE OUTLOOK

Looking ahead to 2025/26 and beyond, we are poised to accelerate our strategy, focused on execution excellence, differentiated offerings, and ESG integration. Our ongoing developments, The Colombo Border, The Seasons, J'Adore Negombo, and One Tangalle will continue to anchor our revenue and collections. In parallel, we are preparing to roll out our next-generation urban living projects, including Thalakotuwa Gardens- Colombo 05 and Lake Drive - Colombo 08

We will continue to harness advanced technologies such as Building Information Modelling (BIM), uphold financial and operational discipline, and embed ESG at every level of our organisation. At the heart of our journey is a clear mission, to create transformative spaces that elevate lifestyles, enable wealth creation, and contribute to a more sustainable, inclusive urban future.



Manjula Weerakkody
Managing Director / Executive Director

04th June 2025
Colombo

MATERIAL TOPICS

MATERIALITY

Our materiality assessment enables us to identify financial, operational, and other factors that are significant enough to influence the decisions of investors and key stakeholders. We undertake this assessment annually or as needed to pinpoint and prioritise the issues most relevant to both our business operations and stakeholder expectations.

During this process, we examine a broad range of inputs, including financial statements, performance metrics, regulatory developments, market trends, and risk evaluations. The insights gained are used to identify material topics, which are then submitted for the review of the Executive Committee (EXCO) and tabled for the Board's approval.

Once approved, these material topics are embedded into our corporate strategy through updates to internal policies and the establishment of targeted objectives, ensuring a focused and responsive approach to managing our business and stakeholder relationships.

MATERIALITY DETERMINATION PROCESS GRI 3.313.32,3.33

Our materiality determination process is structured to identify the topics that reflects our significant economic, environmental, and social impacts, or that substantively influence stakeholder decision-making.

Defining Scope and Boundaries

The assessment covers all business operations within and beyond the borders of Sri Lanka. It evaluates issues across our value chain from planning and development to sales and after-sales service.

We engage with key stakeholder groups, including investors, customers, employees, regulatory bodies, financial partners, and communities, through investor forums, surveys, consultations, and formal reviews.

Identifying Relevant Topics

Topics are compiled based on:

Internal sources such as strategic plans, risk registers, and stakeholder feedback

External references including GRI standards, sustainability standards, SDGs, peer benchmarking, and industry trends.

Assessing Significance

Each topic is evaluated based on:

Impact on value creation for the company.

Significance of environmental and social outcomes.

Level of stakeholder concern and influence on decisions.

Prioritising and Validating

Topics are prioritised using a materiality matrix, and the final list is validated and approved by the Board.

Strategic Integration

Material topics guide the formulation of strategic objectives, internal policy updates, and key performance indicators, enabling effective management of risks and opportunities.

Our materiality assessment is reviewed annually or as needed and updated based on stakeholder feedback, regulatory developments or significant shifts in our operating context.

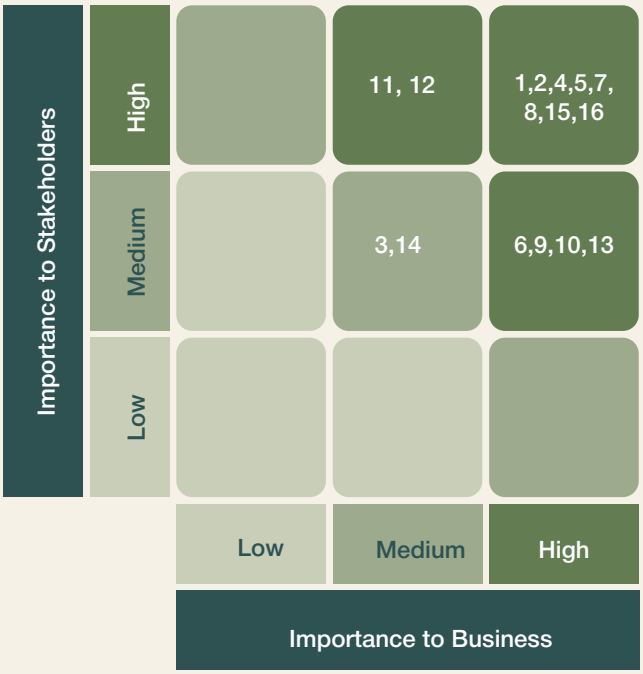
The steps of our process include:

Establishing robust process parameters has enabled us to identify the activities, performances, and outcomes that consistently generate value. The following parameters guide our materiality approach:

- Financial relevance: Issues with direct implications on revenue, costs, and investor returns.
- Customer impact: Topics affecting customer satisfaction, trust, and long-term relationships.
- Regulatory alignment: Compliance with local zoning laws, environmental permits, and housing regulations.
- Environmental footprint: Construction-related impacts, energy use, and waste management.
- Community influence: Impacts on neighbourhoods, access to amenities, and social license to operate.
- Employee welfare: Health and safety practices, fair treatment, and capacity building.
- Risk exposure: Strategic, operational, and reputational risks related to each topic.

These parameters ensure a structured, consistent, and transparent materiality process that reflects both internal priorities and external expectations.

In priortising material topics we rely on our materiality matrix as presented below.



1. Profitability
2. Financial Stability
3. Land Inventory
4. Project Execution
5. Brand Image
6. Culture and Conduct
7. Excellence in Quality
8. Resilience and Business Continuity
9. Customer Experience (Domestic & International)
10. Supplier Relations
11. Pay and Benefits
12. Career Prospects
13. Health and Wellbeing
14. Community Impact
15. Environmental Stewardship & Climate Resilience
16. International Market Engagement & Compliance

Economic and Governance Topics
Social Topics
Environment Topics

The table below presents an overview of our material topics and management approach:

Material Topic	Topic Boundary	Why it is considered Material	Management Approach	Further References	Evaluating the Effectiveness of our Management Approach
Profitability	Internal	Improves shareholder's wealth	• Achieved through consistent revenue growth and effective cost management.	Financial Capital Page 47	• NPBT • NPAT • ROE
Financial Stability	Internal	Strengthens brand equity and resilience	• By maintaining an optimal balance between equity, debt capitals, and returns on investor funding.	Financial Capital Page 47	• Debt: Assets Ratio • Liquidity Ratio • No. of new projects • Land Inventory
Land Inventory	Internal / External	Supports business growth	• Driven by a focused investment strategy, ensuring timely project completion. • Enabled by robust project lifecycle management.	Manufactured Capital Page 49	• Growth in Asset Base (Land Inventory) • No. of new projects
Brand Image	Internal / External	Reinforces PLR's Competitive Position in the Real Estate Industry	• Through strategic brand positioning and strict regulatory compliance.	Intellectual Capital Page 51	• Industry recognition for the brand • Compliance track record

Material Topics

Material Topic	Topic Boundary	Why it is considered Material	Management Approach	Further References	Evaluating the Effectiveness of our Management Approach
Culture and Conduct	External	Builds trust among customers and strengthens public confidence in the brand	• Through strong ethics, integrity, and transparency in marketing communications. • Commitment to confidentiality and customer data privacy.	Intellectual Capital Page 51 Social and Relationship Capital Page 59	• Complaints regarding ethics violations incidents reported through the Whistleblowing policy
Excellence in Quality	Internal / External	Builds trust among customers and enhances PLR's competitive edge	• By leveraging employee tacit knowledge, industry standards, certifications, memberships, and affiliations. • Supported by rigorous quality control processes.	Intellectual Capital Page 51	• Brand recognition • Customer NPS (Net Promoter Score) • Customer Feedback
Resilience and Business Continuity	Internal / External	Safeguards operations against unforeseen challenges	• Through a robust IT infrastructure and business continuity planning, including a disaster recovery plan.	Intellectual Capital Page 51	• System downtime • Vulnerability Assessment and Penetration Test
Customer Experience (Domestic & International)	Internal / External	Builds trust among customers and strengthens public confidence in the brand	• Focused on product responsibility and marketing transparency. • Strong emphasis on data privacy and customer confidentiality. • Reliable customer support systems are in place.	Social and Relationship Capital Page 59 Intellectual capital Page 51	• Customer NPS (Net Promoter Score) • Customer feedback to Effective Management of Customers
Supplier Relations	Internal / External	Minimises potential supply chain disruptions that could affect the project timelines Maintain the quality of material and services provided by suppliers	• Effective supply chain management to maintain material quality and ensure project timelines are met.	Social and Relationship Capital Page 59	• Project milestones • No. of suppliers working with the Company for over 5 years • Maintaining the supplier scorecard
Pay and Benefits Career Prospects	Internal	Helps to attract and retain the best in-class talent To build future leaders	• Strategies to attract, retain, develop, and reward high-performing individuals. • Focus on identifying and nurturing future leaders within the organisation.	Human Capital Page 54	• Net Promoter Score • Number of unsolicited CVs • Employee Satisfaction Rate • Employee Attrition Rate • Employee Value Proposition • Investment in Employee Engagement & well-being activities

Material Topic	Topic Boundary	Why it is considered Material	Management Approach	Further References	Evaluating the Effectiveness of our Management Approach
Health and Well-being	Internal / External	Increases employee motivation and satisfaction Ensure the safety of the workers at project sites	• Implementation of a health and well-being policy aligned with organisational values and goals.	Human Capital Page 54	• No of employee health camps per annum • Requirement of Workmen's Compensation Policy
Community Impact	Internal / External	Reduces Regional Inequalities through urbanization and infrastructure development	• Active contribution to the development of local economies through inclusive employment and procurement practices.	Social and Relationship Capital Page 59	• Urbanization trends in the area
Environmental Stewardship and Climate Resilience	Internal / External	Supports Nationally Determined Contributions (NDCs) Strengthens Climate Resilience	• Commitment to sustainable construction practices and responsible resource utilisation. • Emphasis on aligning operations with broader environmental objectives. • Continuous assessment of the company's strategic resilience to climate-related changes, developments, and uncertainties.	Natural Capital Page 63	• Incidents of non-compliance • Instances of temporary construction delays caused by unforeseen climate-related events.
International Market Engagement & Compliance	Internal / External	Drives Strategic Success and Stakeholder Alignment	• Ongoing engagement with key stakeholders to evaluate and navigate cross-border challenges and opportunities.	Social and Relationship Capital Page 59 Intellectual Capital Page 51	• % of international leads converted to sales • Customer satisfaction scores from foreign clients

OPERATING ENVIRONMENT

GLOBAL OUTLOOK

The global economic climate in 2024/25 marked by elevated uncertainty amid evolving trade policies and heightened geopolitical risks. These dynamics contributed to increased geoeconomic fragmentation and cautious investor sentiment worldwide. According to the IMF's January 2025 World Economic Outlook, global growth slowed slightly to 3.2%, with subdued momentum expected to continue into 2025. In this context, emerging markets such as Sri Lanka stand to benefit by positioning themselves as resilient and adaptive investment destinations, capable of navigating volatility while capturing new opportunities.

LOCAL ECONOMIC GROWTH GRI 203-2

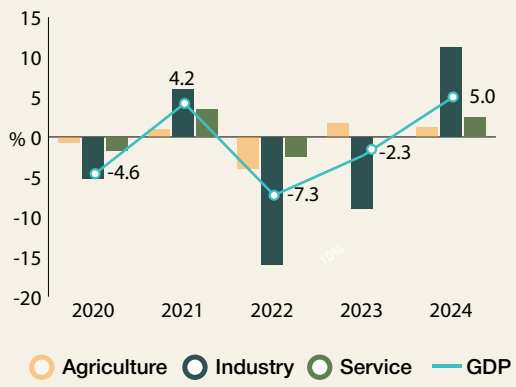
Sri Lanka's economy made a turnaround in 2024, registering 5.0% real GDP growth, following two years of contraction. This recovery was broad-based and consistent, with all four quarters posting positive growth rates for the first time since 2017. Growth was primarily driven by a revival in Industry activities, led by improvements in the manufacturing and construction sectors, while Services activities also contributed significantly, particularly through sustained expansions in accommodation and transport services. Agriculture activities recorded a positive contribution as well, further strengthening the overall growth momentum.

GDP per capita rose to USD 4,516, signalling an uplift in consumer capacity and national productivity. At current market prices, Sri Lanka's GDP reached LKR 29,898.6 Bn in 2024, supported by both real economic growth and a moderate GDP deflator of 3.8%

Gross National Income (GNI) similarly expanded, rising to LKR 29,153.9 Bn at current prices. In USD terms, GDP increased to USD 99.0 Bn in 2024, up from USD 83.8 Bn in 2023, reflecting not only stronger economic activity but also the appreciation of the Sri Lankan Rupee against the US Dollar.

This macroeconomic rebound created a more stable, growth-conducive environment for real estate and infrastructure development sectors where Prime Lands Residencies PLC is well-positioned to lead and scale.

Annual Real GDP Growth Rates



INFLATION AND MONETARY STABILITY

In 2024, Sri Lanka experienced a significant decline in inflationary pressures, eventually entering a phase of deflation during the latter half of the year. Early in the year, inflation saw a temporary rise, largely driven by a Value Added Tax (VAT) increase, removal of certain tax exemptions, and rising food prices. However, this upward trend was quickly counteracted by several key developments.

Major contributors to the decline in inflation included two rounds of electricity tariff reductions in March and July, a steady drop in global commodity prices, and the continued appreciation of the Sri Lankan Rupee. These factors, along with muted consumer demand, helped ease price pressures on a wide range of essential goods and services.

By the end of 2024, both the Colombo Consumer Price Index (CCPI) and the National Consumer Price Index (NCPI) registered negative inflation rates. The CCPI recorded a year-on-year deflation rate of -1.7%, down from 4.0% in 2023, while the NCPI fell to -2.0% from 4.2%. Annual average inflation also dropped significantly, CCPI-based inflation declined to 1.2% from 17.4%, and NCPI-based inflation fell to 1.6% from 16.5% the previous year. This deflationary trend continued into early 2025, bringing relief to household budgets and creating a more stable cost environment for businesses.

The easing of inflation and deflation in 2024 significantly boosted real purchasing power, making housing and property investments more affordable, especially for first-time and mid-range buyers. Reduced living costs driven by electricity tariff cuts, falling commodity prices, and a stronger Rupee helped lower construction and living expenses. This stable cost environment increased consumer confidence and allowed developers to offer more competitive pricing, revitalising the housing market and supporting broader economic recovery.

MARKET INTEREST RATES

In 2024, Sri Lanka's interest rate landscape was shaped by continued monetary easing that began in mid-2023. Over 18 months, the Central Bank slashed policy rates by a total of 775 basis points, including a 125-point cut during 2024. A key shift came in November with the launch of the Overnight Policy Rate (OPR), replacing the previous dual-rate system with a unified framework.

Market rates responded to the easing, with the Average Weighted Call Money Rate (AWCMR) settling near 8.00%, reflecting better liquidity. Borrowing costs dropped, Average Weighted Prime Rate (AWPR) by 3.2%, Average Weighted Net Lending Rate (AWNLR) by 3.6%, and Average Weighted Lending Rate (AWLR) by 2.3%. Deposit rates of both Average Weighted Fixed Deposit Rate (AWFDR) and Average Weighted Deposit Rate (AWDR) also declined by 4.1% to 5.6%, while SMEs saw lower interest on both new and existing loans.

Despite lower nominal rates, real interest rates stayed positive due to low inflation and deflation in the year's second half. This stable pricing environment, combined with relaxed monetary policy, supported credit growth and investment.

Even with nominal rates declining, real interest rates remained positive, underpinned by low inflation and a deflationary trend in the second half of the year. This combination of monetary loosening and price stability created a more supportive environment for credit expansion and investment activity.

The decline in interest rates has broadened access to affordable financing, stimulating demand among both homebuyers and developers. For Prime Lands Residencies, this has resulted in increased customer affordability, stronger credit availability for project expansion, and improved profit margins across our housing solutions and land development initiatives. Additionally, we are witnessing a shift in investor preference from fixed deposits to the real estate sector, driven by the superior returns offered in our segment.

EXCHANGE RATE

In 2024, the Sri Lankan Rupee appreciated for the second consecutive year, supported by strong external sector performance. Increased foreign exchange inflows from worker remittances, tourism, and exports boosted supply, while import and service-related outflows remained controlled, resulting in a positive current account.

The Central Bank leveraged surplus forex liquidity to strengthen reserves, purchasing a record USD 2.85 Bn, which helped stabilise the currency. By year-end, the Rupee had appreciated by 10.7% against the US Dollar, closing at LKR 292.58. It also gained significantly against other major currencies: 17.8% versus the Euro, 12.3% against the Pound, 22.5% against the Yen, and around 13.9% versus the Chinese Yuan and Indian Rupee. The Australian Dollar weakened by 21.7% against the Sri Lankan Rupee.

The sustained appreciation of the Sri Lankan Rupee had a notably positive impact on the real estate industry. A stronger currency helped reduce the cost of imported construction materials and equipment, easing input expenses for developers. This, combined with a more stable economic environment, enabled developers to maintain competitive pricing, making housing projects more attractive and affordable for buyers. Additionally, improved currency stability boosted investor confidence, encouraging both local and foreign investment in real estate. Overall, the rupee's strength contributed to healthier profit margins for developers and greater accessibility for homebuyers, supporting growth and resilience within the sector.

REAL ESTATE MARKET ANALYSIS

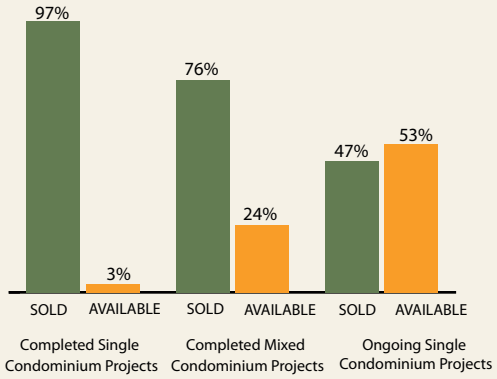
The real estate sector displayed a mixed yet resilient performance in 2024. According to CBSL's Condominium Market Survey, the Price Index for New Condominiums in Colombo increased by 15.8% year-on-year, while the Sales Volume Index rose 4.4% quarter-on-quarter. However, annual sales volumes declined, reflecting selective but confident investment behaviour. The Western Province, especially Colombo, continued to dominate transaction activity, accounting for 54% of all condominium sales.

In the mid-term, the Colombo real estate market reflects a pattern of steady value appreciation, particularly in core assets. Land prices in Colombo have surged by 19.1%, underscoring strong investor confidence and the long-term value of prime locations. House prices have seen a moderate year-on-year increase of 2.6%, indicating stable demand in the residential segment.

Condominium prices, while showing a slight quarter-on-quarter dip, continue to reflect a long-term upward trajectory. Since 2017, condo prices have risen rapidly, though they now appear to be entering a phase of stabilisation. This shift suggests a maturing market, where buyers are proceeding with cautious optimism, influenced by seasonal factors and broader economic conditions.

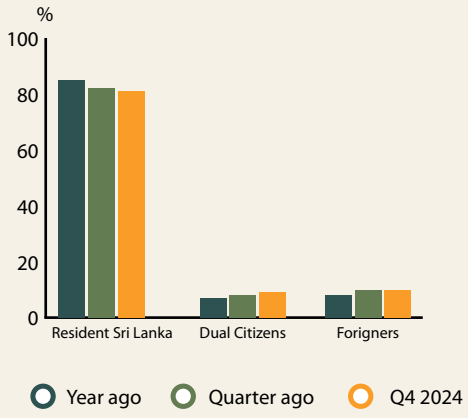
According to the Sales status of Condominium Projects, 97% of completed single condominium projects have been sold, while 47% of ongoing projects have already been purchased. This reflects robust market demand and a high absorption rate, underscoring strong buyer confidence in the condo sector.

Sale Status of Condominium Projects



Buyer behaviour insights show that Sri Lankan residents remained the main purchasers, with an increase in investment-driven transactions and a rise in purchases by dual citizens, reflecting returning confidence among dual citizens and high-net-worth individuals.

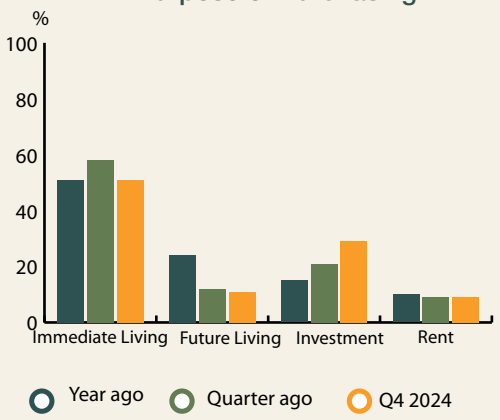
Residence Status



Purchases for immediate occupancy and investment purposes increased, while those for future residence and rentals remained stable.

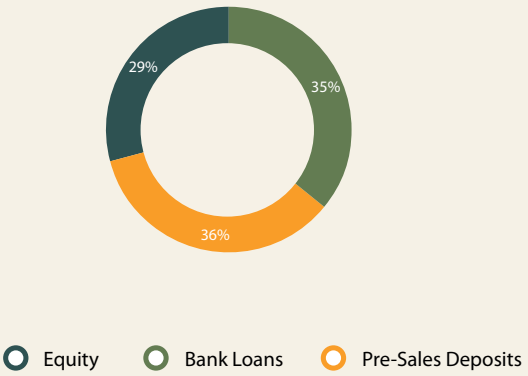
Operating Environment

Purpose of Purchasing



In terms of funding, pre-sale deposits accounted for 36% of development finance, followed by bank loans (35%) and equity (29%), reflecting a cautiously stable approach to project financing.

Funding Structure



According to the asking price indices for the Colombo District, all three property categories, land, houses, and apartments, have recorded year-on-year increases. Land prices have shown the most significant growth of 19%, while houses and apartments have experienced more moderate increases, indicating a trend of price stabilisation in the market.

COMPANY PERFORMANCE

During the year under review, Prime Lands Residencies PLC strategically advanced its projects in the pipeline by leveraging the favourable macroeconomic environment. With inflation easing, interest rates declining, and the Sri Lankan rupee strengthening, the Company capitalised on improved buyer affordability and investor sentiment. Our insight-driven approach allowed us to align product offerings with emerging market demand, particularly from first-time buyers and high-net-worth individuals seeking long-term value in real estate. Amid growing confidence in the sector, we continued project execution with financial prudence and operational efficiency. These efforts positioned us to capture growth opportunities, enhance profitability, and progress steadily towards our long-term objectives.

Asking Price Indices

		Index Value		
Quarter	Month	Lands	Houses	Condominiums
2023 Q3	July	109.1	157.5	171.7
	August	106.7	157.4	173.6
	September	104.6	157.6	173.7
2023 Q4	October	101.8	160.5	173.8
	November	105.5	161.9	173.6
	December	110.8	163.6	178.0
2024 Q1	January	119.6	162.5	176.3
	February	122.7	160.9	178.2
	March	125.0	159.8	177.7
2024 Q2	April	118.5	160.4	181.7
	May	121.9	162.4	180.0
	June	123.0	164.1	179.7
2024 Q3	July	126.6	164.9	179.5
	August	126.7	165.6	181.7
	September	128.7	165.9	182.3
2024 Q4	October	131.3	167.2	179.9
	November	131.8	167.5	179.5
	December	132.0	167.8	180.1

REVIEW OF BUSINESS OPERATIONS

47 Total Projects

Total units 3,860

	No. of Projects	No. of Units
Completed Projects	41	2,555
Ongoing Projects	02	528
Newly Launched Projects	02	377
Upcoming Projects	02	400

BUSINESS REVIEW

The financial year marked a transformative period for Prime Lands Residences PLC, characterised by strategic resilience, steady expansion, and unwavering commitment to sustainable value creation. As the leader in Sri Lanka's real estate sector, we advanced our mission to redefine urban living by launching future-ready developments across the globe, strengthening operational agility, and embedding sustainability into every aspect of our business.

By balancing financial prudence with responsible growth, we executed a forward-thinking strategy that encompassed targeted land acquisitions, technology integration, stakeholder engagement, and the formation of strategic partnerships. These efforts not only reinforced our market position but also contributed to long-term value for our stakeholders, customers, and the communities we serve.

We continued to invest in innovation and process improvements, adopting a customer-centric approach that drives satisfaction, trust, and brand loyalty. Our disciplined capital deployment enabled us to expand our portfolio while maintaining operational excellence and enhancing our resilience in a dynamic market environment.

PROJECT PORTFOLIO OVERVIEW

COMPLETED PROJECTS

We achieved significant milestones across our project portfolio, underlining our ambition to lead in both luxury and sustainable condominium projects.

The Palace – Gampaha (Phase I & II)

Comprising 480 apartment units, The Palace - Gampaha is designed to offer suburban luxury with urban convenience. Located in the rapidly developing area of Gampaha, the project features modern architecture, sleek interiors and a comprehensive range of lifestyle amenities including a swimming pool, fitness centre and a clubhouse. The construction is completed, and the handover process is currently underway.

43 by the Sea – Dehiwala

A premium residential complex comprising 70 elegantly designed apartment units. 43 by the Sea is located on Marine Drive, Dehiwala, offering stunning ocean views and quick access to Colombo's business hubs. With high-end finishes and a serene coastal lifestyle, the project has been completed, and the handover process is in progress.

ONGOING PROJECTS

The Colombo Border – Tower Amari

The Phase III of The Colombo Border is set to be a landmark development with modern design and a prime location. Piling works have been successfully completed, and the project has officially launched sales, generating strong early demand.

The Seasons – Colombo 08

An ultra-luxury residential tower with 44 exclusive units, The Seasons is designed for refined urban living with its upscale features and architectural sophistication. The project has completed piling and is now progressing with the superstructure. Located in one of Colombo's most sought-after neighbourhoods, it promises premium lifestyle amenities and a vibrant community.

NEWLY LAUNCHED PROJECTS

J'Adore – Negombo:

- A signature lifestyle project with over 300 luxury serviced apartments, designed to appeal to the growing tourism and investor market. The project reflects a shift toward wellness-oriented, hospitality-grade residential offerings.

One Tangalle:

- An ultra-luxury beachfront Serviced Residences Development offering panoramic ocean and lagoon views. This project exemplifies our commitment to fusing aesthetic excellence with eco-conscious living.

Review of Business Operations

UPCOMING PROJECTS

Thalakotuwa Gardens – Colombo 5:

- An ultra-luxury residential development under our prestigious One Collection portfolio, situated in a prime urban neighbourhood. The project is designed to combine refined modern living with spatial elegance and sustainable features, including Sri Lanka's first-ever floating restaurant in the skies.

The Golf – Colombo 8:

- Another One Collection project, The Golf is poised to redefine upscale city living through its exclusive design, generous amenities, and integration with green surroundings, offering residents a unique blend of luxury and serenity.

These projects highlight our focus on differentiated product offerings, geographic diversification, and the integration of environmental considerations from planning to execution.





PLR's Condominium Footprint	
Projects (Fully completed and handed over)	**No. of Units**
Prime Residencies - Athurugiriya Stage I & 2	103
Prime Residencies - Battaramulla 1	20
Prime Residencies - Kottawa	57
Prime Residencies - Rajagiriya	29
Prime Residencies - Battaramulla - 2	26
Prime Residencies - Nawala	25
Prime Residencies - Ethul Kotte	38
Prime Residencies - Nugegoda - 306	52
Prime Residencies - Pagoda	40
Prime Residencies - Pelawatta	15
Prime Residencies - Nugegoda - 298	37
Prime Residencies - Sieble Avenue (Colombo – 05)	31
Prime Residencies - Pallekele	39
Prime Residencies - Panadura	40
Prime Residencies - Bauddhaloka Mawatha 1	14
Prime Residencies – Thalawathugoda Fierro	60
Prime Aqua - Nawala	60
Prime Residencies - Ethul Kotte - 616	35
Prime Residencies - Battaramulla - Libra	60
Prime Residencies - Malabe	60
Prime Residencies - Nugegoda - 194	40
Prime Residencies - Edmonton Road (Colombo 05)	32
Prime Residencies - K100	101
Prime Residencies - Wattala	84
Prime Residencies - Barnes Place	15
Prime Residencies - Kynsey Road	17
Prime Wrendale - Rajagiriya	54
Prime Splendour - Rajagiriya	68
Prime Residencies - Bauddhaloka Mawatha 2	14
Prime Residencies - Jawatte	14
Prime Residencies - Kandewatta Terrace	24
Prime Residencies - Castle Street	40
Prime Residencies – The Beach Front 1	72
Prime Residencies - Edmonton Road -II	28
Prime Bella - Rajagiriya	60
Prime Residencies Java 25 - Kassapa Road	25
Prime Desire - Kassapa Road	35
The Grand - Ward Place	333
Prime Residencies - The Beachfront Uswetakeiyawa (UK II)	108
The Palace - Gampaha	480
43, By the Sea - Dehiwala	70
Total No. of Units Completed	**2,555**

Ongoing Projects	No. of Units	% Completion as at 31.03.2025	Initiation of the Project	Target Completion
The Colombo Border				
Tower Brielle	180	15%	Launched in October 2023	June 2027
Tower Cosmos	152		Launched in April 2024	December 2027
Tower Amari	152	5%	Launched in January 2025	June 2028
The Seasons - Colombo 08	44	10%	Launched in March 2024	July 2027
Total	**528**			

Newly launched projects	No. of Units	Target Completion
One Tangalle	38	July 2027
J'Adore - Negombo	339	July 2028
Total	**377**	

Upcoming Projects	No. of Units
The Golf - Colombo 08	64
Thalakotuwa Gardens - Colombo 05	336
Total	**400**

PLR's Land Bank as at 31st March 2025	
Location	**Extent**
The Golf - Colombo 08	66.95 P
Negombo - Dungalpitiya	1275 P
Ella	1049 P
Colombo 08	40.70 P

FUTURE OUTLOOK

Looking ahead, Prime Lands Residencies PLC is well-equipped to strengthen our market footprint and elevate operational excellence across all facets of the business. With a clear strategic vision, we are preparing to launch the next phase of our growth through the execution of flagship developments, the integration of advanced construction technologies, and the continued embedding of sustainability principles into our operations.

At the forefront of this momentum, there are two transformative projects, Thalakotuwa Gardens- Colombo 05, and The Golf-Colombo 08, both under the One Collection umbrella. These developments are designed to set new benchmarks in upscale, environmentally conscious urban living. Featuring spacious layouts, modern amenities, and green design principles, they reflect our commitment to creating living spaces that are both aspirational and sustainable.

Simultaneously, Prime Lands Residencies PLC is embracing digital transformation as a core driver of future efficiency and quality. Internal research is actively exploring the adoption of lean construction methodologies and advanced digital tools such as Building Information Modelling (BIM). These innovations are expected to enhance design precision, reduce material waste, and improve the overall efficiency of project delivery, laying the groundwork for smarter, more responsive construction practices.

Additionally, we are strengthening our commitment to Environmental, Social, and Governance (ESG) integration. A formal ESG roadmap is currently under development to systematise our sustainability efforts and ensure alignment with sustainability standards such as SLFRS S1 and S2. This roadmap will serve as a guiding framework for embedding green architecture, inclusive stakeholder engagement, and responsible business conduct across every aspect of our operations.

As we move forward, our vision remains rooted in creating enduring, inclusive, and future-ready communities both locally and globally where modern living harmoniously intersects with environmental stewardship.



STRATEGY AND RESOURCE ALLOCATION

STRATEGY

Prime Lands Residencies PLC is committed to deliver enduring stakeholder value by building a resilient, future-ready real estate business. Our strategy is designed to respond to market realities locally and globally while embracing innovation, quality, sustainability, and stakeholder trust as central pillars of our value proposition.

In FY 2024/25, the macroeconomic context, including declining interest rates, a downward trend in inflation, improved foreign exchange stability, political stability and sustained GDP growth, revived end-user confidence and investor sentiment. A strong tourism rebound, particularly a double-digit growth in arrivals, reinvigorated demand for lifestyle-oriented serviced apartments. While policy delays, such as the Golden Visa rollout, impacted some foreign buyer conversions, we remained agile through clear and innovative investment strategies and phased planning.

TIMELINE

As we seek sustainable growth and value creation that benefits our stakeholders, we look to pursue success across the short, medium and long term as presented below:

Short-Term (1-2 years)

Focused on accelerating the launch and monetization of new projects including serviced apartments in tourism hotspots and finalizing handovers and collections for completed projects such as The Palace and 43 by the Sea. Major construction progress is expected on The Colombo Border and The Seasons.

Medium-Term (3–5 years)

Scale through timely land monetization, strategic exits, and the rollout of premium offerings across Colombo and high-potential suburban corridors. A core objective is the successful completion of tourism-oriented developments such as J'Adore Negombo and One Tangalle.

Long-Term (5+ years)

Developing a diversified portfolio across residential, lifestyle, and mixed-use sectors, with an emphasis on recurring income streams from rentals and serviced apartments establishing Prime Lands as a leader in integrated, future-ready real estate.

STRATEGIC STRENGTHS AND VALUE DRIVERS

The following value drivers differentiate our business portfolio, enabling the formulation of a robust strategy, built on a strong foundation, as the illustration below presents:

Brand Equity

A recognized market leader, with accolades including the Best property developer by Property Guru, most awarded real estate company in Sri Lanka & CA Sri Lanka TAGS Gold Award

Product Diversification

A robust pipeline across luxury, lifestyle, tourism, and mid-range offerings.

Financial Prudence

A low debt-to-equity ratio (~8%) and stable cash flows underpin strategic resilience.

Sector Expertise

A well - experienced management team drives disciplined execution.

Innovative Culture

Innovation in design, financial structuring, digital marketing, sales and services, and overall marketing strategy.

STRATEGIC FRAMEWORK AND EXECUTION

Mindful of the fact that a well-defined and future-oriented strategic framework can pave the way for sustained growth, we have identified key aspects of strategic drivers and formulated responses that will steer our strategy forward.

Strategic Pillars		Strategic Drivers
Effective governance	Resource Allocation	Investments in high-potential land, quality engineering design and products, customer acquisition, digital platforms, and ESG-led initiatives.
	Execution Oversight	The Executive Committee (EXCO) leads implementation of strategic initiatives, with oversight provided through Board-level reviews, internal audits, and continuous updates to a dynamic risk register.
	Cross-Functional Coordination	Teams across marketing, sales, finance, legal, compliance, engineering and projects work in tandem to deliver high-impact projects on time.
Risk Mitigation	Revenue Volatility	Phased scheduling and rental-based revenue channels are being introduced.
	Cost Pressures	Tight cost controls and construction risk management, such as awarding the contract as a lump sum project with no escalation claims, mitigate inflationary impacts.
	Geographic Concentration	Strategic expansion into new regions such as Ella, Tangalle, Negombo, Nuwara Eliya diversifies exposure.
	Regulatory Lags	Proactive Regulatory coordination (UDA, BOI, Etc.) and tracking systems improve approval turnaround.
Organisational Alignment	Enhancement of Accountability and Collaboration	Reorganisation to improve cross-functional execution and project accountability.
	Human Capital Optimisation	Role redesigns, employee recognition, career development and internal promotions to strengthen capacity.
	Operational strengthening	Strengthen support functions such as internal audit, strategy, and international operations to facilitate overseas and local expansion.
Growth Drivers	Geographic Expansion	Land acquisitions in coastal cities, including Tangalle and Negombo, as a response to tourism-driven demand.
	Customer Acquisition	Aggressive customer acquisition strategies targeting both local and overseas markets through a combination of digital marketing, curated investor forums and other Above the Line & Below the Line initiatives.
	Financial Innovation	New payment plans (1% Plan, Prime Max) to increase affordability and wealth creation.
	Strategic Partnerships	New alliances have been formed with reputed contractors, vendors and financial institutions.
Progress Mapping	Financial	Financial performance is measured through key indicators such as PAT,ROE, etc.
	Operational	Operational efficiency is measured through the number of sales reservations, collection efficiency, project timelines and customer complaints.
	ESG and Brand	Measured through green certifications, ESG alignment, customer satisfaction, digital engagement, and brand health metrics.
International Expansion	Diversification	Building on our domestic success, we are pursuing strategic expansion into select international markets with high demand for serviced apartments and lifestyle-oriented real estate. This includes partnership formation, customer engagement and setting up international operations to support customer acquisition and services.

Strategy and Resource Allocation

In setting our strategy and its execution, we incorporate lessons learnt from previous years to strengthen the current strategic direction. In 2022/23, we faced margin compression, which steered us towards key procurement reforms and encouraged earlier and more structured engagement with regulatory authorities. In response to sales slowdowns, we bolstered investments in customer relationship management processes and systems, automation and artificial intelligence-assisted campaigns to better understand buyer behaviour and enhance responsiveness.

Additionally, the strain of high working capital requirements led to a strategic pivot towards milestone-based construction models, allowing for improved cash flow management. Feedback from homeowners and investors also drove meaningful enhancements in handover readiness and post-sales services, reaffirming our commitment to delivering an exceptional customer experience.

RESOURCE ALLOCATION

Resources for each strategic drivers are allocated based on their priority and potential impact on the business. Financial, human, and relational resource needs are carefully assessed, and corresponding provisions have been included in the future financial plans. This approach ensures that the execution of our strategy proceeds smoothly without being hindered by resource constraints.

FINANCIAL CAPITAL

GRI 207-1

In a year marked by macroeconomic headwinds and market recalibration, Prime Land Residencies PLC continued to uphold its financial resilience through strategic investments, prudent fiscal management, and a diversified revenue base. The Company's financial capital reflects its capacity to create long-term value while ensuring stability amidst fluctuations in the external environment. Anchored in our integrated thinking approach, financial capital is not merely a quantitative measure of performance; it is a reflection of our ability to optimise capital structure, efficiently manage risks, and fund sustainable growth.

RELEVANT SDGS

MATERIAL TOPICS



Profitability



Financial Stability

During the year under review, we demonstrated this strength by increasing our total revenue to Rs. 8.26 Bn, supported by robust performances from both our Lands and Apartments segments. This performance, alongside solid improvements in profitability and asset growth, underscores our financial agility and the soundness of our strategic direction.

FINANCIAL CAPITAL STRATEGY

Our financial capital strategy is driven by the imperative to preserve value while investing for sustainable expansion. Our approach balances revenue generation, cost efficiency, capital adequacy, and stakeholder return through a multi-pronged lens of discipline, reinvestment, and forward-looking planning.

REVENUE RECOGNITION POLICY

Sale of Property - Lands

The sale of lands is generally expected to be the single performance obligation, and we determined that it will be satisfied at the point in time when the control is transferred.

Sale of Property - Apartments

We recognise revenue using the percentage of completion method as construction progresses. Revenue is considered as the lower of the percentage of project completion or the percentage of advances received, subject to the following criteria.

- Minimum construction completion of 25%
- Minimum advances received from customers of 20%

Additionally, we recognise actual cash receipts received during a financial year and refrain from including trade debtors in the Statement of Financial Position

REVENUE PERFORMANCE

During the financial year ended 31st March 2025, the Group achieved total revenue of Rs. 8,260 Mn, representing a steady performance built on balanced contributions from both the Apartments and Lands segments. The Apartments segment accounted for 74% of total revenue, largely driven by the continued success of three major developments,43 By the Sea, Dehiwala, generating Rs. 2,305 Mn, The Grand – Ward Place contributing Rs. 1,649 Mn. and the The Palace – Gampaha, generating Rs 1,502 Mn. The Lands segment contributed Rs. 2,176 Mn, reflecting sustained market demand and the company's well-curated land inventory. This diversified and strategically balanced revenue base positions the Group for resilient and consistent growth.

OPERATING PROFIT

Despite an 8% drop in operating profit in FY 2024/25, performance remained stable compared to the previous year. The 64% decline in FY 2023/24 followed an exceptional situation driven by non-recurring factors. The Rs. 1.59 Bn profit in FY 2024/25 reflects a return to normalised levels and highlights the Company's resilience. With focused strategies in place, the business is well-positioned to strengthen operations and drive future growth.

	For the year ended 31.03.2025	For the year ended 31.03.2024	For the year ended 31.03.2023
Operating profit (Rs.)	1,591,790,728	1,735,246,109	4,759,365,480
Growth %	-8%	-64%	146%

NET PROFIT

Net Profit rose to Rs. 1.23 Bn, reflecting the Company's continued focus on improving operational efficiency and maintaining stringent cost controls across its value chain. This growth was driven by disciplined expenditure management, optimised resource allocation, and enhanced project execution capabilities, all of which contributed to a stronger bottom line despite external market pressures.

	For the year ended 31.03.2025	For the year ended 31.03.2024	For the year ended 31.03.2023
Profit before taxation (Rs.)	1,803,407,765	1,590,593,285	3,979,316,420
Profit for the year (Rs.)	1,231,078,752	1,129,001,701	3,351,231,763

ASSET BASE

As of 31st March 2025, the Group's total asset base expanded significantly to Rs. 22.06 Bn, up from Rs. 15.76 Bn in the prior year, a 40% increase. This growth was driven by an increase in inventory properties (Rs. 4.3 Bn) and enhanced liquidity, with cash and cash equivalents rising to Rs. 5.38 Bn. While the Return on Assets (ROA) declined to 6% from 7%, this moderation reflects strategic reinvestments aimed at future scalability and operational enhancement. In absolute terms, ROA generated Rs. 1.23 Bn, a year-on-year increase, highlighting steady financial performance.

Financial CapitaL

	For the year ended 31st March 2025	For the year ended 31st March 2024
Asset Base (Rs.)	22,059,807,803	15,760,134,828
Return on Asset (ROA) - %	6%	7%
Return on Asset (ROA) – Rs.	1,230,536,001	1,125,944,815

CAPITAL STRUCTURE

Our capital structure remains robust and underleveraged. Total equity improved to Rs 9.94 Bn, with retained earnings contributing significantly to equity growth. Stated capital stood at Rs. 3.45 Bn, while total borrowings decreased to Rs. 807 Mn, leading to a further drop in our debt-to-equity ratio to 8%, down from 9% the prior year. This conservative approach to leverage is supported by strong cash flows from both newly launched and ongoing projects, along with a higher degree of retained earnings capitalisation.

	For the year ended 31st March 2025	For the year ended 31st March 2024
Stated Capital (Rs.)	3,450, 000,000	3,450,000,000
Retained Earnings (Rs.)	6,491,472,687	6,124,741,476
Total Equity (Rs.)	9,941,472,687	9,574,741,476
Total Borrowings (Rs.)	807,378,323	892,735,010,
Debt/Equity Ratio	8%	9%

DIRECT ECONOMIC VALUE DISTRIBUTED

GRI 201-1

The Group maintained a revenue of Rs. 8.26 Bn, close to last year's levels. However, operating costs remained high at Rs. 6.51 Bn, reducing the retained economic value to Rs. 209 Mn. Despite these pressures, the company made significant stakeholder contributions, including Rs. 572 Mn to the government and Rs. 563 Mn to equity providers. One of the year's key highlights was the sharp decline in finance costs, which fell to Rs. 121 Mn from Rs. 605 Mn, signalling improved debt management and interest expense efficiency.

	For the year ended 31st March 2025	For the year ended 31st March 2024
Direct economic value generated		
Revenue (Rs.)	8,259,800,877	8,090,379,095
Economic Value distributed		
Operating cost (Rs.)	6,513,392,155	6,251,745,619
Employees wages and Salary (Rs.)	281,354,059	192,783,158
Payments for providers to equity capital (Rs.)	562,500,000	562,500,000
Payment to Government (Rs.)	572,329,013	447,743,031
Payments for providers to loan capital	120,982,615	604,954,539
Economic value retained	209,243,035	30,652,748

FUTURE OUTLOOK

Looking ahead, Prime Land Residencies PLC is poised to build on its strong financial foundation by strategically navigating macroeconomic uncertainties and capitalising on market opportunities. The Company's emphasis on integrated thinking and disciplined capital stewardship will continue to drive value creation across its core segments. With a healthy balance sheet, reduced debt exposure, and a growing asset base, we are well-positioned to pursue sustainable growth initiatives, including the launch of high-demand residential projects and the expansion of our land portfolio.

Ongoing investment in project execution efficiency and prudent cost management will enhance profitability, while our robust reservation pipeline supports revenue visibility into the upcoming financial years. In alignment with regulatory requirements under Sri Lanka Accounting Standards, and to ensure greater transparency and accountability, the Company will also formally incorporate a revenue recognition policy compliant with SLFRS 15, Revenue from Contracts with Customers. This will strengthen our financial reporting practices and provide stakeholders with enhanced clarity on revenue streams and performance obligations.

As the property sector adapts to evolving customer preferences and regulatory developments, our agile financial strategy and diversified revenue streams will serve as critical levers for resilience and expansion. Overall, we remain confident in our ability to deliver long-term value to stakeholders while strengthening our role as a leader in Sri Lanka's real estate sector.

MANUFACTURED CAPITAL

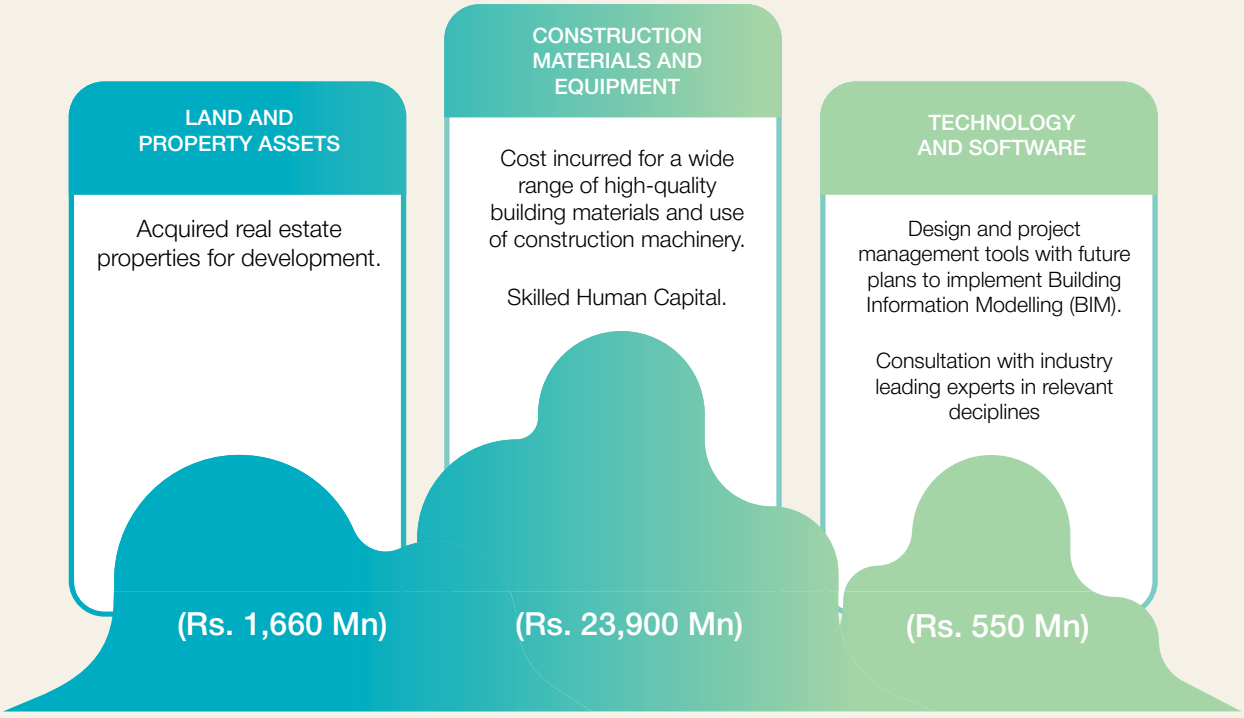
Manufactured capital is fundamental to our ability to deliver on our promise of value-driven, sustainable, and luxury apartments. Our manufactured capital comprises the tangible assets that underpin our project execution capacity, from land and construction resources to technologies. Guided by a commitment to value optimisation and sustainability, our strategy involves acquiring and developing land, leveraging efficient designs, and integrating sustainable building practices to deliver the best value for money to our clients.

RELEVANT SDGS

MATERIAL TOPICS

- Project Execution
- Land Inventory

Our Manufactured Capital consists of the following components:



OPERATIONAL EXCELLENCE AND RESILIENCE

To enhance operational efficiency and minimise downtime, Prime Lands Residencies PLC implemented a series of strategic measures across our project delivery process. We have CIDA CS2 Grade contractors, ensuring that all developments meet the highest standards of quality and are completed on schedule. Integrated scheduling tools and agile project management methodologies have been adopted to improve coordination, track progress in real time, and enable swift responses to emerging challenges. Additionally, streamlined communication channels between internal departments and external partners have fostered greater collaboration and faster decision-making. Collectively, these measures have strengthened our resilience, allowing us to maintain momentum and deliver consistent progress even amid challenging conditions.

Challenges	Responses
Supply Chain Disruptions: Geopolitical instability in regions such as the Red Sea and the Russia-Ukraine conflict caused shipping delays and rising import costs. Continuous local Policy changes related to construction materials imports.	• Diversified suppliers and promoted local sourcing. • Enhanced collaboration with stakeholders • Adopted more sustainable construction methods • Improved financial controls and project planning • Established an in-house construction arm • Recalibration of manpower plans to stick to realistic timelines
Economic Pressures: Labour shortages and volatile material prices affected cost structures and timelines.	
Regulatory and Market Volatility: Shifting regulations and fluctuating demand required ongoing reassessment of project scopes.	
Weather Condition: Adverse weather conditions forced immense pressure in meeting agreed timeline.	

INVESTMENTS AND CAPACITY ENHANCEMENTS

In 2024/25, Prime Lands Residencies PLC made strategic investments to expand our manufactured capital, aligning with national housing priorities and long-term growth ambitions. The Company undertook multiple land acquisitions across key urban and suburban locations island-wide to meet the rising demand for quality real estate solutions in Sri Lanka. A major milestone during the year was the securing of two prestigious locations

Manufactured Capital

GRI 203-1

in Colombo 5 and Colombo 8. These high-profile projects reflect our commitment to elevating urban living through iconic design and integrated community spaces.

In parallel, we expanded our project pipeline with a diverse mix of residential and serviced apartment developments, incorporating advanced design features and sustainable building practices to align with evolving lifestyle preferences and environmental standards. J'Adore - Negombo, The Border Colombo-Tower Amari and One Tangalle are some of the prominent investments initiated under the year review.

The Palace - Gampaha and 43 by the Sea - Dehiwala have been successfully completed with a range of thoughtfully designed common amenities aimed at enhancing community living. During its development, the project encountered challenges related to local water management. In response, we implemented a centralised wastewater treatment plant, a key infrastructure enhancement designed to support environmental sustainability and ensure long-term viability for residents.



TECHNOLOGY AND INNOVATION

PLR continued to strengthen our operational capabilities in 2024/25, with overall manufacturing capacity seeing a significant uplift driven by strategic land investments across the island. While the implementation of Building Information Modelling (BIM) remains a future milestone, we have already embedded Enterprise Resource Planning (ERP) systems to streamline procurement processes and project scheduling, ensuring greater efficiency and oversight. Looking ahead, we are actively exploring the adoption of lean construction methodologies and advanced digital tools to further optimise resource utilisation, reduce waste, and enhance on-site productivity, positioning us to meet evolving construction demands with greater agility and precision.

FUTURE OUTLOOK

As we look to the future, PLR remains committed to scaling its manufactured capital in alignment with evolving market needs, sustainability imperatives, and technological advancement. Our project pipeline includes several landmark developments that will redefine urban living while reinforcing our position as a leader in Sri Lanka's real estate sector. The planned residential developments will feature green design principles, spacious layouts, and premium amenities tailored to modern lifestyles.

To support this growth, we are focused on deepening our integration of advanced technologies. We are actively researching lean construction practices to improve efficiency, reduce waste, and optimise build quality. Our ongoing investment in ERP systems and digital tools will serve as the foundation for more intelligent, responsive project execution. Furthermore, to align with new global standards in project planning and design, we plan to implement Primavera software in place of MS Projects, while also incorporating SketchUp alongside Auto CAD to enhance clarity in design concepts.

Moreover, we anticipate increasing the share of sustainable construction across our portfolio through green procurement, circular material use, and adherence to emerging regulatory standards. As market dynamics evolve, our resilient construction ecosystem, backed by strategic land reserves, trusted partnerships, and forward-thinking innovation, positions us to deliver enduring value, even in the face of uncertainty.



INTELLECTUAL CAPITAL

Our intellectual capital is a cornerstone of our competitive edge, driving innovation, operational excellence, and market leadership in Sri Lanka's real estate sector. Through sustained investment in knowledge assets, digital transformation, brand equity, and a values-driven culture, we continue to enhance stakeholder value and future-readiness. From digital sales tools and architectural content libraries to strong brand recognition and evolving customer intelligence, our intellectual assets are deeply integrated across the business. These elements not only ensure consistency and quality but also unlock new frontiers of customer experience, employee empowerment, and stakeholder confidence.

RELEVANT SDGS

MATERIAL TOPICS


Brand Image, Culture and Conduct


Excellence in Quality


Resilience and Business Continuity

INTELLECTUAL PROPERTY AND KNOWLEDGE ASSETS

In 2024/25, we strengthened our foundation of operational know-how and proprietary content by systematically capturing, organising, and leveraging institutional knowledge across all departments. This strategic consolidation enhances consistency, accelerates onboarding, reduces operational friction, and fosters a culture of continuous improvement. Our approach integrates advanced systems and structured documentation to ensure that critical business intelligence remains accessible, scalable, and actionable.

Key initiatives include:

Asset	Value created
Standard Operating Procedures (SOPs)	We have formalised a suite of SOPs that span critical functions from legal documentation protocols and structured sales processes to project management, construction quality assurance, and post-sales customer care. These procedures serve as a blueprint for operational discipline, enabling cross-functional alignment and mitigating execution risk. Regular updates ensure these SOPs evolve with regulatory changes and market dynamics.
Knowledge Platforms	Internal knowledge hubs were expanded and enriched to house key information assets such as market trend analyses, technical specifications, project lifecycle checklists, and compliance guidelines. These platforms foster transparency and encourage knowledge sharing, allowing teams to collaborate effectively and draw on shared expertise when making strategic and operational decisions.
Digital Asset Libraries	Our digital repositories now feature an extensive and curated library of high-resolution architectural renderings, immersive 3D walkthroughs, animation clips, and branded marketing materials. These assets are strategically deployed across digital and traditional channels, ensuring brand consistency, reducing design turnaround time, and enhancing buyer engagement through visually compelling narratives.
CRM-Driven Insights	Building on our upgraded Zoho CRM system, we have introduced new automation layers, dashboards, and segmentation capabilities that empower teams to monitor the customer journey in real-time. From lead capture and nurturing to retention and referral analytics, this platform supports personalised interactions and evidence-based decision-making. It also enables sales teams to proactively respond to customer signals, thereby enhancing conversion rates and deepening client relationships.

KEY DEVELOPMENTS IN 2024/25

In 2024/25, we reinforced the strategic value of our intellectual property by maintaining brand positioning of iconic brands such as The Colombo Border and The Grand Ward Place, both of which continue to enjoy strong brand recall and distinct market positioning. Building on this foundation, we also launched initiatives to establish top-of-mind recall for a new range of high-end offerings, including J'Adore Negombo, reflecting our ongoing expansion into the hospitality and serviced apartment segment. To further strengthen our proprietary knowledge base, we institutionalised the use of internally developed tools, such as digital sales kits and automated lead-routing systems, by formally documenting and branding them for scalable deployment across projects. Additionally, we began exploratory studies in the areas of architectural innovation and smart-living integration, laying the groundwork for future intellectual property development that aligns with emerging lifestyle trends and technological advancements.

BRAND IDENTITY AND MARKET POSITIONING

Our brand is defined not only by its market visibility but more importantly by the deep and enduring trust we have earned, the integrity of our design language, and a proven reputation for consistently delivering on promises. These intangibles yet powerful qualities have enabled Prime Lands Residencies PLC to cultivate strong emotional connections with customers, strengthen loyalty, and maintain a commanding presence across diverse market segments.

Asset	Value created
Core value	Trust, innovation, transparency, and customer-centricity are interwoven into every brand expression, shaping not just how we communicate but how we design experiences, make decisions, and build long-term relationships with stakeholders.
Tiered Architecture	A structured brand portfolio clearly distinguishes between affordable, mid-luxury, and luxury offerings under one unified identity, ensuring targeted appeal while preserving overall brand cohesion and reinforcing our reputation across multiple demographics.
Visual consistency	A codified visual language guides our outreach, from brochures to billboards, enabling a unified and professional presentation that strengthens brand recognition and builds aesthetic credibility in every public-facing interface.
Responsive branding	Consumer sentiment and survey data guide our refinements, ensuring continued relevance by allowing us to adapt messaging, visual themes, and customer experiences in line with evolving preferences and lifestyle trends.

Intellectual Capital

KEY DEVELOPMENTS IN 2024/25 GRI 2.28

In 2024/25, we launched a series of high-impact brand-building initiatives that strengthened our market presence and reinforced our reputation as a trusted and innovative real estate developer. We rolled out integrated 360° marketing campaigns for flagship projects such as The Seasons Colombo 08, J'adore Negombo, and One Tangalle, using a mix of digital, print, outdoor, and broadcast media to maximise reach and engagement. We also upgraded our website to enhance mobile-first user experience and improve SEO (Search Engine Optimisation) performance. The Grand Ward Place website earned dual accolades at the BestWeb.lk 2024 Awards for its outstanding design and functionality. To deepen stakeholder trust, we hosted public events and built strategic partnerships with financial institutions like HNB, HNB Finance, Union Bank, and DFCC, extending our brand visibility through co-branded financing campaigns. Our commitment to transparency and governance earned further validation through the prestigious Gold award at the TAGS Award 2024.

NOTABLE RECOGNITIONS IN 2024/25

Gold Award at CA Sri Lanka TAGS 2024

Best Mobile UX and Best Corporate Website by BestWeb.lk

Ranked among Sri Lanka's Top 100 Brands , Most Awarded Entities and Most Respected Entities by LMD

Sri Lanka Best Employer Brand Award by 19th Employer Brand Awards 2024

Approved as a training partner for all CA Sri Lanka levels, enabling top-tier professional development

DIGITAL TRANSFORMATION AND INNOVATION

We accelerated our tech-enabled vision in 2024/25 by investing in advanced digital tools and platforms that enhance customer engagement, improve operational efficiency, and future-proof our business. These innovations reflect our commitment to delivering a seamless, data-driven, and immersive experience for customers, while equipping internal teams with the agility and intelligence needed to thrive in a fast-evolving market. Our digital transformation strategy focused not only on adopting new technologies but also on integrating them cohesively across the customer journey, from awareness and acquisition to service and retention.

Initiative	Value created
CRM Expansion	We enhanced our Zoho CRM system to capture and map the full customer lifecycle with tailored automation rules, intelligent segmentation, and real-time dashboards. These improvements enable our teams to deliver personalised experiences, respond proactively to customer needs, and monitor sales effectiveness with greater precision.
Interactive Sales Tools	We introduced mobile-enabled digital sales kits that combine virtual walkthroughs, project highlights, and financing options into a single, user-friendly interface. These tools empower our field teams to engage clients more effectively and shorten decision-making cycles, especially during site visits and remote consultations.
Web Capabilities	In collaboration with E-Marketing Eye, we are overhauling our digital platforms to include features such as real-time inventory updates, immersive 3D previews of properties, and AI-assisted live chat. These enhancements have significantly improved user experience, boosted lead conversions, and reinforced our reputation for innovation and accessibility.
Campaign Optimisation	We harnessed AI-driven analytics to fine-tune our digital advertising strategies on platforms like Meta and Google Ads. By analysing engagement patterns, optimising ad placements, and automating bid management, we achieved improved ROI and deeper audience insights that guide future campaign planning.

KEY HIGHLIGHTS IN 2024/25

Rolled out AI-powered lead scoring for improved conversion.

Introduced predictive analytics for smarter inventory and sales planning.

Advanced R&D in smart-living concepts, green design, and AI-driven marketing content.

Automated internal processes in HR, finance, and support for operational efficiency.

KNOWLEDGE MANAGEMENT AND TRAINING

We reinforced our culture of continuous learning and digital literacy in 2024/25 by embedding structured knowledge-sharing systems, nurturing employee development, and enhancing customer education through technology-driven platforms. As the real estate industry evolves rapidly with digital disruption and shifting customer expectations, we recognise that human capital must evolve in parallel. Our initiatives aimed to equip both our internal teams and customers with the tools, skills, and access required to make informed decisions, drive innovation, and foster long-term trust.

Initiative	Value created
Digital Training Ecosystems	We expanded our internal Learning Management System (LMS) and centralised knowledge hubs to support structured, self-paced learning across departments. These platforms provide training modules, product knowledge, process guides, and compliance content that empower employees to upskill continuously and align with operational standards.
Virtual Learning Initiatives	We introduced blended training programs such as Prime Talks, which combined live virtual sessions and on-demand content to enhance communication skills, digital adaptability, and leadership confidence among team members. These initiatives helped build a more confident, tech-savvy workforce capable of navigating complex stakeholder environments.
Customer Portals	We are in the process of upgrading our digital portals to enhance transparency and communication with homeowners and prospective buyers. These platforms will offer real-time access to updates on construction progress, payment schedules, legal documentation, and support services, enabling customers to stay informed, feel more in control, and engage confidently with their investment journey.

CULTURE AND GOVERNANCE

Our ethical framework and inclusive workplace culture are intrinsic to the long-term value we create for all stakeholders. We embed core values, such as integrity, fairness, and responsibility, into our performance goals, leadership expectations, and decision-making frameworks, ensuring that every action we take aligns with our broader purpose. These values are not only communicated but operationalised across departments, guiding behaviour and fostering a shared sense of accountability. In parallel, we maintain robust ethical practices through formal compliance structures, regular training, and awareness initiatives that reinforce our commitment to transparency, legal adherence, and responsible business conduct. This integrated approach helps us cultivate trust, mitigate risk, and sustain a resilient organisational culture.

FUTURE OUTLOOK

As we look ahead, Prime Lands Residencies PLC will continue to sharpen its focus on cultivating and expanding our intellectual capital as a key enabler of long-term resilience, competitiveness, and stakeholder value. In the coming year, we plan to deepen our investment in digital innovation by advancing automation in customer service, expanding AI applications in lead intelligence and marketing, and exploring blockchain-based documentation for enhanced transparency and trust.

Our knowledge ecosystems will evolve with the development of more interactive training tools, including gamified learning modules and AI-driven learning paths, to foster greater employee engagement and performance. In branding, we aim to strengthen our digital footprint through immersive content and hyper-targeted campaigns, while also refining our brand equity metrics to align more closely with customer experience outcomes.

We will also pursue the formalisation and potential protection of emerging proprietary methodologies in smart-living design and green construction practices, aligning intellectual property development with our sustainability commitments. Through these forward-looking initiatives, we are not only preparing for future market dynamics but actively shaping them, cementing our position as a future-ready real estate brand



HUMAN CAPITAL

GRI 2.8,2.19,2.20,2.21

Our employees form the foundation of our success and are central to our value creation journey. We view human capital as the collective strength of our workforce, their knowledge, experience, and capabilities, that empowers us to deliver excellence, foster innovation, and advance our long-term strategic ambitions. Guided by ESG principles, our human resource strategy places equal emphasis on economic, social, and environmental considerations, ensuring that our approach to employee development contributes meaningfully to sustainable value creation.

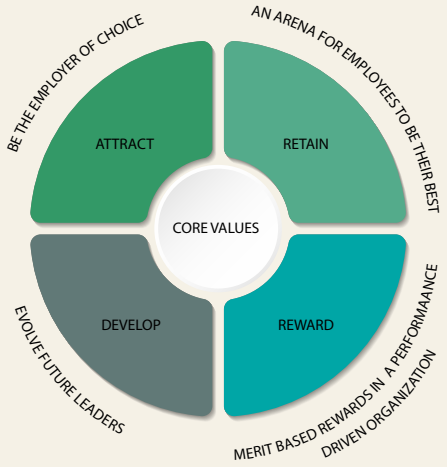
RELEVANT SDGS

MATERIAL TOPICS

- Pay and Benefits
- Career Prospects
- Health and Well - Being

HUMAN CAPITAL STRATEGY

Our HR strategy is designed to cultivate a future-ready workforce capable of advancing business transformation. As part of our human capital strategy, we are committed to nurturing and investing in our employees to ensure the successful achievement of our organisational goals, while also safeguarding their professional growth and personal well-being. This dual focus underscores our broader commitment to responsibly managing our economic, social, and environmental impact, with particular emphasis on key ESG priorities. Guiding these efforts is our human capital value creation model, which serves as the foundational framework through which we align employee development with long-term sustainable value creation.



In this context, translating and combining our corporate vision with HR strategy has been a key priority. We place strong emphasis on the alignment of our HR initiatives with broader business goals, particularly in light of the organisation's ongoing transformation agenda. Furthermore, cultivating competencies for the future is central to our approach, enabling us to build a workforce that is adaptable, forward-looking, and fully equipped to meet evolving market demands.

KEY STRATEGIC ACHIEVEMENTS IN 2024/25

"Prime Prashansa" Recognition Programme: Celebrated exceptional performers, trainers, and proactive Gen Z employees.

Employer of Choice Recognition: Awarded "Best Employer Brand" by the World HRD Congress for aligning HR with vision and business transformation.

Digitalisation of HR: Relaunched Prime Academy and began integrating an LMS to support continuous learning.







EXTERNAL IMPACT

During the year under review, numerous external factors continued to influence our human capital agenda. The economic recovery influenced our hiring priorities, while changes to APIT affected employee disposable incomes and reshaped expectations. Social shifts, particularly the rise in urbanisation, heightened the demand for skilled professionals, prompting us to enhance our coaching and upskilling initiatives. Concurrently, the rapid pace of digitisation within the real estate and construction sectors necessitated the recruitment of tech-savvy talent and the provision of targeted training in digital tools. Additionally, evolving regulatory requirements, particularly those related to anti-money laundering and anti-corruption, as well as personal data protection measures, call for specialised training and greater compliance awareness. In response to these evolving dynamics, we adopted flexible HR strategies centred on employee retention, digital transformation, and alignment with our broader sustainability objectives.

OUR WORKFORCE GRI 405-1

In line with our commitment to Diversity, Equity and Inclusion, we maintain a non-discriminatory policy in all aspects of our human capital management. Our workforce grew to 98 employees in 2024/25, with a significant increase in female representation to 24%. We maintain gender pay parity across all grades. Additionally, our workforce is distributed across the country, with the majority based in the Western Province. The age profile reflects a balanced mix, with 36 employees between 31–40 years, the most represented age group.

	2022/23	2023/24	2024/25
Total male employees	66	68	74
Total female employees	15	14	24
Percentage of male employees	81%	83%	76%
Percentage of female employees	19%	17%	24%
Total number of employees	81	82	98

WORKFORCE BY GRADE AND GENDER

Grade	Male	Female	Total
Senior Manager	17	3	20
Manager	20	5	25
Assistant Manager	10	5	15
Executive	26	9	35
Trainee	1	2	3
Total	74	24	98

WORKFORCE BY PROVINCE AND GENDER

Province	Male	Female	Total
Central	3	0	3
Eastern	0	0	0
Northern	1	0	1
North-Central	2	0	2
North-Western	3	1	4
Sabaragamuwa	2	2	4
Southern	9	2	11
Uva	3	0	3
Western	51	19	70
Total	74	24	98

AGE ANALYSIS OF WORKFORCE

Age	Male	Female	Total
≥ 58	2	0	2
50 – 57	12	0	12
42 – 49	12	4	16
34 – 41	24	3	27
26 – 33	18	12	30
18 – 25	6	5	11

SERVICE ANALYSIS OF THE WORKFORCE

Number of years of service	Male	Female	Total
0 – 5 years	45	18	63
6 – 10 years	16	4	20
11 – 15 years	8	1	9
16 – 20 years	3	1	4
21 – 25 years	1	0	1
26 – 30 years	1	0	1

BASIC SALARY RATIO GRI 401-2,405-2

An analysis of the basic salary structure across all employment grades within the company indicates a consistent 1:1 ratio between male and female employees. This parity is maintained at every level: Management, Executive, Supervisory, and Junior, demonstrating the company's commitment to gender pay equity. The uniformity in basic salary ratios reflects a deliberate and structured approach to fair compensation practices, reinforcing the organisation's dedication to fostering an inclusive and equitable workplace.

TALENT ACQUISITION AND RETENTION

Our recruitment policy serves as a structured and strategic framework that guides our hiring practices to ensure they are fair, transparent, and aligned with organisational objectives. The policy governs the entire recruitment lifecycle from job advertising through to onboarding, aiming to attract highly qualified candidates, foster workplace diversity, and ensure full compliance with applicable labour laws. Central to this approach are clearly defined job

Human Capital

descriptions, standardised candidate evaluation procedures, and a firm commitment to providing an inclusive and equitable hiring experience. Reference checks are a critical component of our recruitment process, enabling us to validate a candidate's qualifications, previous experience, and professional conduct. This practice enhances the reliability and integrity of our hiring decisions, helping to mitigate potential risks. To remain responsive to changing market conditions and internal workforce requirements, we conduct regular reviews and updates of our recruitment policy. This proactive approach supports our broader talent acquisition and retention goals, reinforcing human capital as a key enabler of long-term value creation

RECRUITMENT GRI 401-1

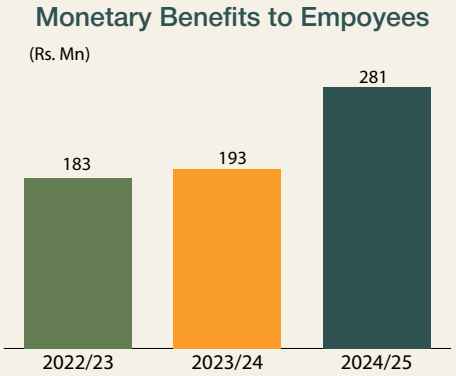
Age	Male	Female	Male %	Female %
≥ 56	2	0	5%	0%
51 – 55	2	0	5%	0%
41 – 50	3	0	8%	0%
31 – 40	6	5	17%	14%
26 – 30	6	2	17%	5%
18 – 25	5	4	14%	11%
Total	24	11		

TURNOVER

The Company recorded an employee turnover rate of 21%, highlighting an opportunity to further enhance workforce stability. This insight is driving renewed efforts to strengthen employee engagement, improve retention, and support ongoing organisational development.

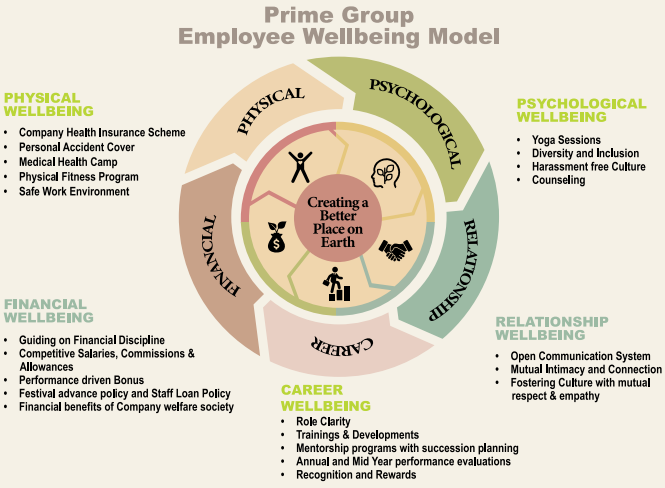
PERFORMANCE MANAGEMENT

We maintain a structured and comprehensive Performance Management System (PMS) to ensure fair remuneration, recognise achievements, and identify employee development needs. At the start of the annual budgeting and strategic planning cycle, we set department-level goals. Each department then breaks down these goals and assigns them to individual employees, ensuring alignment and accountability. Sales teams undergo weekly performance monitoring to maintain a strong results focus, while other departments conduct monthly evaluations to track progress and address performance gaps. The Executive Committee reviews goal achievement on a quarterly basis, and the HR department carries out bi-annual assessments and annual appraisals to support both rewards and development planning. During the year under review, we awarded salary increments to all permanent cadre employees based on their performance, as determined through the PMS evaluations. This proactive approach reinforces our commitment to merit-based growth and continuous performance enhancement.



OCCUPATIONAL HEALTH AND SAFETY GRI 403-1,403-3

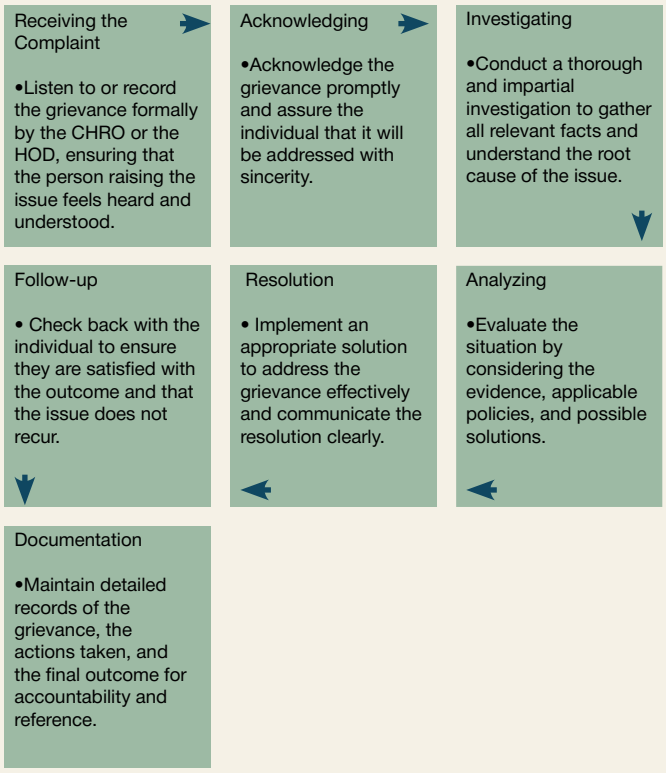
We prioritise the holistic well-being of our employees by fostering a safe, supportive, and growth-oriented work environment that enables them to uphold their professional integrity while maintaining personal balance. Our efforts align with the Prime Group Employee Wellbeing Model, which serves as a guiding framework to enhance employee wellbeing in accordance with both local expectations and international best practices.



GRIEVANCE HANDLING AND HUMAN RIGHTS

Our grievance handling system follows a structured, confidential, and transparent approach to ensure fairness and trust in addressing employee concerns. We promote open communication through a transparent open-door policy, which reflects our community-focused culture and empowers employees to voice concerns and grievances in a confidential and respectful manner. The process includes seven key stages:

Each step aims to provide clarity, responsiveness, and accountability, fostering a workplace culture where employees feel safe and supported. Although we did not revise our whistleblower policy during the year, our commitment to an open-door environment remains strong, and we ensure that whistleblowers are protected without fear of retaliation, discrimination, or adverse consequences. This culture encourages open dialogue and ensures that every employee has the opportunity to be heard and treated with respect.



TRAINING AND DEVELOPMENT

GRI 403-5,404-1,402-2

Our employee training and development policy provides a structured framework to enhance the skills, knowledge, and competencies of our workforce. Through this policy, we aim to equip employees with the tools they need to perform their roles effectively while supporting their ongoing professional growth. The policy encompasses a range of initiatives, including comprehensive orientation programs for new recruits, continuous skill development workshops, leadership training, and opportunities for professional certifications and further education. We emphasise equitable access to learning resources, ensuring that employees across all levels of the organisation can benefit from meaningful development opportunities. This commitment to continuous learning plays a vital role in building a capable, future-ready workforce aligned with our long-term strategic goals.

TRAINING HOURS

	2023/24	2024/25
Total training hours	489	584.8
Total training programmes conducted	34	57
Total number of participants	42	74
Average training hours per employee	11	7

KEY TRAINING SESSIONS

Training	No of Hours	No of Participants
Awareness Session on Sustainability Disclosures	2.5 Hours Session	11
Low Cost Maintenance Strategies	3 Hours Session	2
Procurement Trends in the Digital Era	8 Hours Session	1
Financial Instruments & Risk Management Through Hedge Accounting	3 Hours Session	1
IMF Tax Proposals & Their Implications	2.5 Hours Session	1
Advanced Chat GPT for Corporate Professionals	2 Hours Session	1
Training on Condominium Law	1.75 Hours Session	6
Effective Management of Delay & Disruption claims in construction	5 Hours Session	5
Tax Issues concerning construction Industry	4.5 Hours Session	3
“Hello Hello “ Delight your customer over the phone	4.5 Hours Session	3
Masterclass Series on Demystifying SLFRS S1 & SLFRS S2	8 Hours Session	2
Advance Excel	6 Hours Session	2
Methods of protection & preservation of Construction timber from termites & other Destructive Agents	3 Hours Session	22
Learn & Master Corporate Etiquettes	12.5 Hour Session	10
CA Conference	13 Hour Sessions	1

Human Capital

EMPLOYEE ENGAGEMENT

We view our employees as vital internal stakeholders who play a central role in driving the organization's success and shaping our long-term value creation journey. As such, employee engagement remains a key pillar of our human capital strategy and an essential component of our broader stakeholder engagement framework. We actively involve our employees in the stakeholder engagement process, ensuring their voices, perspectives, and feedback are considered in decision-making and organisational development initiatives.

Our engagement efforts go beyond routine communication to foster a sense of belonging, purpose, and shared responsibility. Through a variety of platforms, including regular town halls, team-building activities, surveys, and feedback sessions, we promote open dialogue, transparency, and collaboration across all levels of the organisation. These initiatives not only strengthen internal cohesion but also align employees with our strategic vision and corporate values.

We also recognise the importance of acknowledging employee contributions and celebrating their achievements, which plays a critical role in reinforcing motivation and morale. We integrate employee engagement into our wider stakeholder management approach to ensure that our workforce remains informed, empowered, and connected both to the organisation's goals and to one another. This holistic approach enables us to build a resilient, engaged workforce that supports sustainable growth and continuous improvement.





KEY ENGAGEMENTS IN 2024/25

Prime Prashansa – Recognition of exemplary efforts

"My Next Step" – Career development pathway designed to support employees at Prime in identifying and preparing for their next level of growth within the organisation.

Support Systems – Educational loans, healthcare schemes, and an open-door grievance policy

Celebratory Events – Fusion midyear Sales Summit, Prime Vesak Kalapaya, Women's Day, and Christmas TikTok challenge, Annual Trip - Talent Show



FUTURE OUTLOOK

Our people-first philosophy, rooted in trust and empowerment, continues to be a catalyst for business growth and social value. Looking ahead, we aim to deepen our digital HR integration, elevate sustainability-focused engagement, and strengthen the link between employee development and strategic delivery. Prime Lands Residencies PLC remains committed to building a workforce that is future-ready, purpose-driven, and aligned with our journey of integrated value creation.



SOCIAL AND RELATIONSHIP CAPITAL

Social and Relationship Capital reflects our dedication to fostering meaningful, long-term connections with the people and communities who shape our success. Whether through the homes we build, the values we uphold, or the communities we nurture, our business is deeply rooted in a sense of shared purpose and responsibility. From customers and employees to partners and local stakeholders, our approach ensures that every relationship is guided by respect, responsiveness, and the intent to create inclusive, lasting value.

RELEVANT SDGS



MATERIAL TOPICS

- Customer Experience
- Excellence in Quality
- Supplier Relations

SOCIAL IMPACT STRATEGY GRI 413-1

In developing our core strategy, we take social impact into consideration through assessing potential social and environmental consequences of our business decisions, in addition to financial viability. Our journey in strengthening social and relationship capital is marked by continuous learning, growing engagement, and evolving impact. While formal social KPIs are still in development, our actions and outcomes over the year reflect tangible progress across multiple dimensions of stakeholder value.

Focus Area	Value Creation
Sustainable Project Design and Investment	When conceptualising new developments, we give careful consideration to factors such as the ratio of green space, the social footprint of construction activities, and the long-term energy efficiency of the built environment. These considerations are integral to our feasibility evaluations, ensuring that the homes we deliver contribute positively to both urban ecosystems and resident well-being. **The Colombo Border:** 75% of the land is preserved as open space, with only 25% designated for built structures. **One Tangalle:** 70% of the land is dedicated to green areas, leaving just 30% for development.
Innovation in Product Development	Recent projects illustrate our evolving focus on wellness-oriented, environmentally conscious living. These concepts are designed to meet the rising demand for homes that combine modern luxury with sustainability, integrating elements such as natural ventilation, community space, and low-impact materials into their core offering. **J'Adore Negombo:** Designed to maximise natural ventilation, promoting continuous and refreshing airflow throughout. **One Tangalle:** Equipped with energy-efficient VRF air conditioning systems that minimise power consumption. **The Seasons Colombo 08:** Features double-glazed windows that improve thermal insulation, reducing the reliance on air conditioning.
Responsible Supply Chain Decisions	We uphold our CSR values in supplier relationships by prioritising vendors who practice ethical labour standards, maintain workplace safety, and adhere to environmental regulations.
Collaboration & Knowledge Sharing with Public Sector	Prime Lands Residencies PLC has launched a pioneering Business-to-Government CSR initiative, "Rajya Seva Abhiman", aimed at strengthening collaboration between the public sector. The innovative program, through a series of workshops to be conducted island-wide, is developed in partnership with the Federation of Sri Lanka Government Authorities (FSLGA), focusing on empowering Government officers through capacity development in specialised training and knowledge sharing.

This integrated approach ensures that Prime Lands Residencies PLC continues to operate responsibly as a responsible corporate citizen, creating value for all stakeholders.

Social and Relationship Capital

STAKEHOLDER RELATIONSHIPS

At Prime Lands Residencies PLC, our ability to deliver long-term value is grounded in the strength of our stakeholder relationships. Whether engaging with investors, suppliers, or community partners, we are committed to maintaining transparency, fairness, and mutual respect in every interaction.

CUSTOMER ENGAGEMENT

At Prime Lands Residencies PLC, the customer is at the heart of every decision we make. We believe that building homes extends beyond construction, it is about creating experiences of comfort, trust, and long-term satisfaction. From the moment of first inquiry through to post-handover care, our customer engagement approach is designed to nurture relationships and deliver value at every stage of the ownership journey.

COMMITMENT TO WELLBEING GRI 416-1,417-1

Our design philosophy integrates wellness-focused elements that contribute to healthier, more sustainable lifestyles. Properties such as The Palace – Gampaha, The Colombo Border, and The J'Adore Negombo incorporate landscaped gardens, rooftop relaxation areas, and pedestrian-friendly pathways that encourage outdoor activity and foster community interaction. Architectural layouts are optimised for natural light and ventilation, enhancing indoor air quality and reducing energy needs. We also continue to assess ongoing projects for internationally recognised certifications such as EDGE (Excellence in Design for Greater Efficiencies), reinforcing our commitment to health-conscious, environmentally responsible living.

MEASURING CUSTOMER SATISFACTION

To remain attuned to changing customer expectations, we have established a robust system for tracking and measuring satisfaction.

Post-purchase surveys are administered at key milestones—reservation, agreement signing, and handover—to assess transparency, service quality, and overall experience.

Ongoing feedback channels via dedicated customer service hotlines, email, and WhatsApp ensure timely responses and two-way communication.

Referral tracking offers a strong indication of brand confidence, with repeat and referred buyers serving as a powerful testament to our reputation.

We continuously monitor online reviews and social media sentiment to respond promptly to feedback and proactively improve customer experience and public trust.

KEY ENGAGEMENT IN 2024/25

This year, we introduced several initiatives to elevate the customer experience and foster community bonds:

- Lifestyle and Pocket Events were hosted at project sites such as J'Adore – Negombo and The Palace – Gampaha, offering residents and potential buyers the opportunities to connect, celebrate milestones, and experience our communities firsthand.
- Our interactive customer portal was upgraded to enable real-time access to payment histories, legal documentation, and Progress Reports, enhancing convenience and transparency.
- Exclusive investor webinars and personalised site tours were launched for high-net-worth individuals and returning investors, enhancing engagement and building confidence.
- Our communication campaigns embraced storytelling and emotional resonance, positioning home ownership not only as a transaction but as a life-enhancing journey.

Through these efforts, the brand we continue to grow as one that is not only trusted but genuinely valued by the communities it serves.

SUPPLIER AND CONTRACTOR ENGAGEMENT GRI 2.6

Our supplier selection process is guided by principles of transparency and ethical procurement. Except in cases of urgency, we obtain quotations or bids from a minimum of three vendors to ensure fairness and competitiveness. Selection is not only based on the cost but also on broader criteria such as reliability, quality, and alignment with our environmental and ethical standards. We give preference to partners who uphold fair labour practices and environmental compliance, thereby extending our sustainability values across the supply chain. This ensures that selection is based on objective criteria such as quality, reliability, and ethical standards, while avoiding preferential treatment or undue influence.

Through these partnerships and communication efforts, we continue to reinforce trust, drive accountability, and co-create value with those who contribute to our success.

INVESTOR AND SHAREHOLDER ENGAGEMENT

We maintain an open and responsive communication policy with our shareholders and investors, recognising their vital role in the Company's growth. Regular updates are shared through financial disclosures, investor forums, and exclusive webinars designed to foster deeper understanding and confidence in our operations and performance. Dedicated contact channels are provided on our corporate website, ensuring that inquiries or concerns can be addressed promptly and effectively.

HUMAN RIGHTS AND ETHICS

We recognise that respecting human rights and upholding workplace equity are fundamental to creating a sustainable, ethical, and inclusive business. Although we do not currently maintain a standalone Human Rights Policy, the principles of equality, dignity, non-discrimination, and ethical conduct are embedded across all our employment practices and stakeholder interactions. These principles not only reflect our core values but also guide our compliance with evolving global expectations around responsible business conduct.

DIVERSITY, EQUITY AND INCLUSION

We are committed to providing a workplace where every individual is treated fairly and with respect, regardless of gender, ethnicity, age, or background. All recruitment and employment decisions are grounded in merit, competence, and organisational fit. Once on board, employees are supported through a culture of inclusivity, transparency, and equal access to development opportunities. We champion the creation of a diverse talent base, including the representation of women in leadership roles, and maintain clear protocols that ensure fairness in performance evaluation, promotions, and team engagement.

GRIEVANCE HANDLING

To maintain a safe, respectful, and supportive environment, the Company enforces a strict Prohibition of Workplace Harassment policy. All employees are made aware of acceptable conduct standards and the steps to take if they experience or witness inappropriate behaviour. In addition, we operate a formal grievance handling procedure, designed to provide employees with a confidential, structured, and secure channel to raise concerns without fear of retaliation.

WHISTLEBLOWER PROTECTION

Our ethical standards are further supported by a comprehensive Whistleblowing Policy, which invites both employees and external stakeholders to report misconduct, unethical behaviour, or breaches of policy. Reports can be made confidentially to a designated Whistleblowing Officer, who is responsible for ensuring impartial review and appropriate action. This policy is a key component of our internal governance and is designed to foster a culture of integrity, accountability, and continuous improvement.

Human Capital section of this report contains further information.

PROCUREMENT AND LABOUR PRACTICES

Beyond our internal workforce, we extend our commitment to fairness and equity across our supply chain. All suppliers and contractors are selected through a transparent, competitive process, as detailed above in the Supplier and Contractor engagement section.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Our Corporate Social Responsibility (CSR) agenda is founded on the principle that sustainable corporate success must go hand in hand with the progress and well-being of society. Anchored by a formal CSR policy, our efforts go beyond traditional philanthropy, aiming to make a meaningful impact in the communities where we operate. During the year under review, we implemented a diverse range of initiatives focused on social welfare, education, environmental awareness, and inclusive growth. We consider CSR not merely as an obligation, but as a core component of our business ethos, an essential way in which we create lasting social value while driving economic performance. Reflecting this commitment, PLR invested a total of LKR 6.8 Mn in CSR initiatives during the year, reinforcing our role as a socially responsible corporate citizen.

INFRASTRUCTURE SUPPORT

We continued to provide material donations, technical guidance, and minor refurbishments to enhance housing-related infrastructure in underserved communities, particularly in areas adjacent to our project sites.

PLR supported the Colombo East Base Hospital – Mulleriyawa to assist in renovation activities, improving healthcare access for the community.

We made a medical donation to the Cancer Hospital Maharagama, demonstrating continued support for healthcare-related infrastructure and public well-being.

EDUCATIONAL OUTREACH

Through school sponsorships and scholarships, we supported underprivileged children and youth.

A donation of LKR 2 million was made to the Alumni Organization of the University of Colombo.

Sponsorship was extended to Thurstan College Rugby and the Thurstan vs Isipathana Big Match, reinforcing the synergy between youth sports and education.

Financial Assistance was extended to the Sunday School programme at Stephens Church.

Financial Assistance was provided for the Freshers' Welcome 2024, organised by the Medical Students' Welfare Society, easing the academic and social transition for future healthcare professionals.

The Graceful Harmony Society musical show was sponsored, contributing to the educational development of 100 underprivileged students.

Social and Relationship Capital

ENVIRONMENTAL AWARENESS CAMPAIGNS

We conducted tree planting drives and community clean-up programmes in partnership with local residents and municipal councils, reinforcing our commitment to environmental sustainability and grassroots action.

EMPLOYEE ENGAGEMENT

Our teams actively contributed to charitable efforts during festive seasons.

Employees participated in a carol service at St. Mary's Church, contributing to the community's cultural and spiritual enrichment.

Participation in the 2025 Almsgiving Ceremony through the Divisional Secretariat – Thimbirigasyaya reflected compassion and cultural tradition upheld by the team.

Other events such as the Arunodaya Youth Society sponsorship and Digital Hospitality Conclave support represent staff-driven engagement in youth and industry development

QUALITATIVE OUTCOMES

During the year under review, we witnessed strong indicators of stakeholder trust and loyalty, particularly in the form of repeat customer referrals, growing participation in community events, and enhanced satisfaction reflected in customer feedback surveys. Our CSR initiatives, such as infrastructure support, educational sponsorships, and environmental awareness drives, have deepened our presence and relevance in the communities we serve.

FUTURE OUTLOOK

Looking ahead, we are focused on formalising a set of social performance metrics that can be tracked consistently year-on-year, enabling us to evaluate our community impact with greater clarity and precision. In parallel, we are pursuing sustainability-related certifications for select developments, reinforcing the integration of our social and environmental priorities into the fabric of the built environment. Our forward-looking agenda also includes expanding the scope and frequency of employee-led volunteer programmes, setting quantifiable goals around community engagement and inclusivity, and deepening our collaboration with government, civic, and non-profit partners to deliver impactful, future-ready social initiatives. Through these collective efforts, Prime Lands Residencies PLC reaffirms our commitment to responsible growth, one that enhances quality of life, fosters equity, and contributes to the creation of resilient, inclusive communities across Sri Lanka.









NATURAL CAPITAL

In an era defined by climate urgency, Prime Lands Residencies PLC places the stewardship of natural resources at the heart of our operations. Our approach to managing Natural Capital reflects both environmental responsibility and operational excellence, ensuring that growth goes hand-in-hand with green consciousness.

RELEVANT SDGS

MATERIAL TOPICS



Environmental Stewardship

GUIDING PRINCIPLES AND REGULATORY ALIGNMENT

We adhere strictly to local environmental regulations while aligning our practices with recognised international sustainability standards. All our projects comply with the Urban Development Authority's (UDA) green building requirements, and several actively pursue additional third-party certifications to validate their environmental performance. A notable achievement in this regard is "The Seasons – Colombo 08," which was awarded the UDA Silver Certification, underscoring our enduring commitment to environmentally responsible development. Also, the certificate for the Green Building is a work in progress for the Colombo Border project. To ensure robust compliance, we maintain a multi-layered monitoring framework that includes internal audit protocols, departmental oversight mechanisms, and a rigorous vendor pre-qualification process that screens for ESG criteria. As a result of these concerted efforts, we recorded zero instances of non-compliance with environmental regulations during the financial year 2024/25.

GREEN DESIGN AND SUSTAINABLE CONSTRUCTION

Sustainable construction practices have become a central pillar in PLRs' project planning, reflecting our commitment to environmental responsibility and long-term value creation. We prioritise environmentally conscious building practices that minimise ecological impact while delivering enduring value to our customers. From the materials we select to the methods we adopt on-site, every decision is guided by our commitment to resource efficiency, low-impact construction, and long-term environmental stewardship. We actively integrate green building principles by sourcing sustainable materials and systems that help reduce the operational costs for our clients while minimising the environmental impact. One of our properties received recognition for its eco-conscious design, reflecting our commitment to sustainable development and environmentally responsible practices. This acknowledgement highlights our ongoing efforts to integrate green principles into every stage of our projects, from planning to execution.

In alignment with circular economy principles, we have adopted site-level waste management protocols that enable effective utilisation of construction materials such as concrete, metal, and wood, thereby reducing the volume of waste sent to landfills. Furthermore, our procurement strategy now prioritises sustainability-linked criteria, including adherence to green building standards and the enforcement of ethical labour practices across our supply chain. Through these initiatives, we continue to embed sustainability into the very fabric of our built environment.

While we continue to proactively seek further sustainable construction measures, at present, we have integrated the below across our project portfolio:

- Eco-friendly concrete with fly ash
- Non-toxic materials such as lead-free paints
- Alternative wall systems such as precast panels
- Reduced reliance on virgin timber via engineered substitutes
- Minimization of usage of harmful refrigerator materials
- Maximization of usage of daylight and natural ventilation
- Usage of solar lights for street lighting
- Utilization of eco friendly treatment plants for solid waste management
- Minimization of using of polyurethane materials
- Minimization of usage of river sand
- Minimised plot coverage (Land usage) to maximise landscaped areas

These material choices significantly reduce embodied carbon and preserve biodiversity through responsible sourcing.

ENERGY EFFICIENCY GRI 302-1,302-4,302-5

Energy efficiency is a central pillar of our environmental strategy, shaping how we design, operate, and maintain our properties. At PLR, we continuously seek innovative solutions to reduce energy consumption, lower emissions, and enhance operational performance. We seek to integrate smart technologies and high-efficiency systems across our developments to not only reduce our environmental footprint but also create long-term value for residents and stakeholders. At present, our energy efficiency commitment includes the below initiatives:

Natural Capital

Rooftop solar installations at the head office.

Common area solar panels at The Palace – Gampaha.

LED lighting and smart sensors to minimise wastage

High-efficiency VRV HVAC systems

Glazing and thermal insulation to optimise indoor temperature control.

Periodic energy audits to track and reduce consumption

WATER CONSERVATION GRI 303-4,303-5

Water conservation is a critical component of our Natural Capital strategy, reflecting our responsibility to manage this vital resource sustainably across all developments. At PLR, our strategy of water management is based on the principles of reduce, reuse, and recharge, ensuring that consumption is minimised, treated water is repurposed wherever possible, and natural systems are supported through responsible discharge practices. Through a combination of smart infrastructure and eco-conscious design, we strive to lessen our impact on municipal water systems while promoting long-term water resilience. At present, our water conservation efforts include the below:

Rainwater harvesting systems across major projects

Greywater recycling for landscaping and non-portable use

STP s (Sewage Treatment Plants) with biomechanical degradation, especially in projects such as The Palace – Gampaha.

These measures not only conserve water but also mitigate urban runoff and stress on municipal supplies.

WASTE REDUCTION AND CIRCULAR ECONOMY

Waste reduction and circular economy principles are integral to our construction and operational practices, reflecting our commitment to minimising environmental impact and promoting resource efficiency. We prioritise the reuse and recycling of materials, reduce landfill dependency, and implement on-site waste segregation systems to encourage responsible disposal. The circular approach allows us to not only conserve natural resources but also create more sustainable, cost-effective, and future-ready developments.

At present, we practice the below circular economy practices:

Although we currently do not measure the exact percentage of waste load that will be converted to organic fertiliser , our practices significantly reduce our environmental footprint.

Usage of standard practices in construction preliminaries

Coloured bin systems for segregated recycling at project sites and operating apartments

Digital workflows and paper-saving protocols to reduce resource use

While we continue to proactively seek further sustainable construction measures, at present, we have integrated the below across our project portfolio:

CLIMATE RISK AND RESILIENCE GRI 201-2

Though a formal climate risk assessment has not yet been conducted, PLR proactively manages potential exposure to climate-related impacts through practical and precautionary measures. Our properties are insured against common natural hazards such as floods, earthquakes, and extreme weather events, ensuring a foundational level of resilience. As we continue to strengthen our sustainability framework, climate risk identification and adaptation planning will become a key area of focus in our long-term environmental strategy. At present, our current climate risk mitigation measures include the below:

Insurance coverage for natural hazards (e.g., floods, earthquakes)

Design resilience in new projects such as open space prioritisation at The Colombo Border

Consideration of earthquake, Tsunami and other natural parameters in design building

We are also working towards future alignment with SLFRS S2, with anticipated progress post FY2026.

PERFORMANCE AND OUTLOOK

While quantitative disclosures on emissions and energy intensity are currently under development, we remain firmly committed to enhancing our environmental performance tracking in the years ahead. Moving forward, we aim to monitor key indicators such as total energy consumption from both renewable and non-renewable sources, Scope 1 and 2 greenhouse gas (GHG) emissions, and intensity ratios for both emissions and water usage. We plan on incorporating these metrics in alignment with the Global Reporting Initiative (GRI) Standards, specifically GRI 302 for energy, GRI 303 for water, and GRI 305 for emissions.

OUR APPROACH TOWARDS SUSTAINABILITY

GRI 2.22

OUR APPROACH TO SUSTAINABILITY

At Prime Lands Residencies PLC, sustainability is not a standalone concept, it is intricately woven into the very fabric of our corporate governance, decision-making structures, operational systems, and stakeholder relationships. Our integrated approach towards Environmental, Social, and Governance (ESG) principles ensures long-term resilience, stakeholder trust, and value creation across our business.

Our long-term business growth is driven by the dynamic interplay of six interdependent capitals such as Financial, Manufactured, Natural, Human, Intellectual, and Social & Relationship. While each capital forms a crucial pillar of our operations, their true strength emerges through synergy, where they reinforce and amplify one another to deliver enduring, sustainable value.

Financial Capital - enables investment in land banks, green infrastructure, and energy-efficient developments, while supporting competitive employee development programs, innovation in digital platforms and construction technology.

Manufactured Capital - our thoughtfully designed, sustainable properties not only generate revenue and ROI, but also bring to life our green building commitments, enhance neighbourhood vitality, and reflect the values of our people.

Natural Capital - influences our architectural and material choices, helping to lower operational costs and bolster brand reputation through eco-certifications and practices like tree preservation and water recycling, which are appreciated by communities.

Human Capital - driven by a skilled and purpose-led workforce, is central to delivering our sustainability goals from ethical practices to green construction, while strengthening productivity, service quality, and stakeholder trust.

Intellectual Capital - encompassing our planning tools, digital systems, and innovative methodologies, empowers resource efficiency, climate-conscious design, and continual learning across the organisation.

Social & Relationship Capital - cultivated through stakeholder engagement, partnerships, and customer trust, which help us scale into new markets and champion sustainability at the community level.

This holistic model ensures that PLR's sustainability agenda is deeply integrated, future-ready, and capable of responding to evolving stakeholder expectations while creating value across all fronts.

GOVERNANCE

Our governance model firmly positions Environmental, Social, and Governance (ESG) principles as a foundational pillar that informs both our strategic oversight and day-to-day operational performance. At the highest level, the Board of Directors assumes overarching accountability for all ESG-related matters, thereby ensuring that sustainability considerations are embedded into the Company's long-term strategic direction, risk management processes, and overall decision-making framework. The implementation of ESG-aligned initiatives is driven by the Executive Committee in collaboration with Heads of Departments, who are responsible for translating governance priorities into actionable outcomes across business functions. Complementing these efforts, our Internal Audit Team plays a critical role in conducting independent and rigorous assessments, covering both financial and non-financial dimensions, including a specific focus on ESG performance metrics. In recognition of the growing scope and complexity of sustainability, we are presently evaluating the formation of a dedicated sustainability officer or a specialised unit. This additional layer of oversight is intended to enhance the coordination, monitoring, and continuous improvement of our ESG agenda in the years to come.

ESG POLICY

While a comprehensive and formalised Sustainability Roadmap is currently under development, our approach to sustainability in the interim is guided by a pragmatic, practice-based model. This model emphasises actionable initiatives that are embedded into our operational routines and project execution frameworks. At present, our sustainability efforts are reflected through consistent adherence to recognised green certifications, most notably the Urban Development Authority (UDA) Silver Certification awarded to "The Seasons – Colombo 08", as well as strict compliance with all applicable environmental regulations at both national and municipal levels. These foundational practices serve as a bridge between our current commitments and the structured roadmap we aim to unveil in the near future.

OUR ASPIRATION FOR FY2026 INCLUDES:

- Resource efficiency
- Renewable energy expansion
- Enhanced ESG reporting and disclosure

Our Approach towards Sustainability

EMBEDDING ESG IN CORPORATE PRACTICE GRI 204-1,308-1,414-1

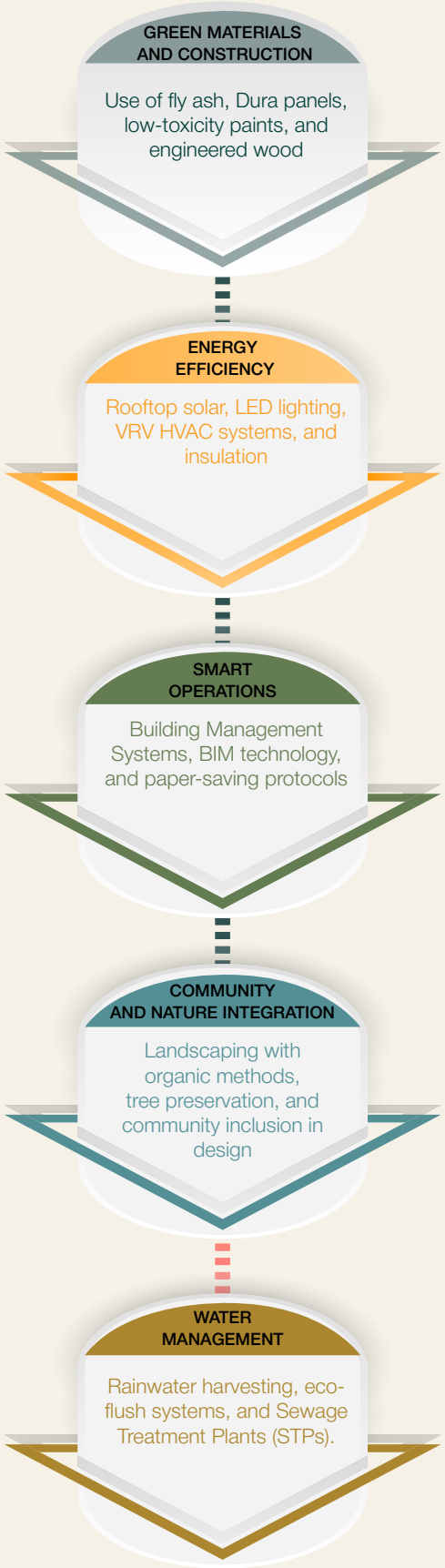
Sustainability-linked thinking is infused into every level of project execution, spanning the full spectrum from responsible material sourcing to the delivery of a refined and ethically grounded customer experience. While a formal ESG scorecard is still in development, we currently rely on a set of internal Key Performance Indicators (KPIs) to monitor and guide our sustainability performance. These include sourcing 81% of total purchases from local suppliers to support the domestic economy and reduce emissions from transport, conducting annual energy audits across all projects and our head office to identify efficiency gains, and prioritising employee wellbeing alongside achieving zero instances of environmental non-compliance. Looking ahead, we aim to formalise a robust ESG reporting structure by FY2026, aligned with the Global Reporting Initiative (GRI) Standards, United Nations Sustainable Development Goals (UN SDGs), and emerging SLFRS S1 and S2 sustainability disclosure frameworks.
Refer to Note number 36.4 for more information on Sustainability.

STAKEHOLDER INPUT IN ESG MATTERS

Our approach to sustainability is fundamentally people-centric, recognising that long-term value is created through meaningful engagement with our stakeholders. ESG decisions are shaped by a comprehensive materiality assessment process that helps us identify and prioritise issues with the greatest relevance to both our stakeholders and the business. Stakeholder input is actively gathered through multiple channels, including investor forums, customer relationship management (CRM) feedback tools, and targeted outreach initiatives tailored to specific projects. These mechanisms ensure a continuous feedback loop that informs our strategic direction and operational priorities. The consistent growth in repeat customers and positive engagement metrics serves as a clear indication of the trust and alignment we have built through our sustainability efforts.

STRATEGIC GREEN AND SOCIAL COMMITMENTS

Our strategic green and social commitments reflect a deep-rooted belief that sustainability and community well-being are integral to long-term success. These commitments are embedded across our projects and operations, shaping how we design, build, and engage with the world around us. From environmentally responsible construction practices to inclusive community initiatives, our actions are guided by a holistic vision of value creation that balances economic performance with environmental stewardship and social responsibility. As such, we have adopted a broad suite of sustainability-linked practices spanning:



GREEN MATERIALS AND ECO-FRIENDLY CONSTRUCTION

We emphasise environmentally conscious construction practices by selecting materials and methods that minimise ecological impact. Our projects use eco-friendly concrete solutions, including ready-mix concrete and fly ash, to reduce the carbon footprint and dependence on virgin cement. To address the environmental degradation caused by river sand extraction, we substitute processed sand in our concrete mixes. Additionally, we've moved away from traditional brickwork in favour of low-impact walling systems like Dura panels, while ensuring all finishes from paints to termite treatments are low in toxicity and environmentally safe. Timber conservation is another priority; by using engineered doors and composite wood, we significantly reduce the need for solid timber. Even maintenance routines follow a sustainable path, using biodegradable cleaning products to safeguard both health and the environment.

ENERGY EFFICIENCY IN DESIGN AND OPERATION

Energy conservation is a key pillar of our green strategy. From rooftop solar panels at our head office to solar installations in common areas of projects like The Palace - Gampaha we actively integrate renewable energy solutions. We use 99.9% LED lighting across all developments and employ smart lighting systems, such as sensor-based and automatic controls, to reduce electricity consumption. Advanced VRV air conditioning systems and energy-efficient lifts help further reduce operational costs and energy waste. We also use low-emission glazing, double-glazed windows, and insulated generator enclosures to optimise thermal comfort. Subtle, light-coloured exterior paints reduce heat absorption, contributing to passive cooling, while regular energy audits ensure continual performance improvements.

WATER MANAGEMENT AND CONSERVATION

Recognising the importance of water stewardship, we implement comprehensive systems to reduce, reuse, and recycle water. Rainwater harvesting systems are standard across our developments, and treated greywater is reused for gardening and other non-potable purposes. Eco-flush systems are installed to conserve water within residences. One of Our signature projects, The Palace- Gampaha, features a biomechanical sewage treatment plant that consumes minimal energy while producing discharge water that meets rainwater standards, exemplifying our innovative approach to water reuse and purification.

SMART OPERATIONS AND DIGITAL INTEGRATION

Technology plays a vital role in enhancing sustainability outcomes. Our buildings are equipped with Building Management Systems (BMS) that offer real-time monitoring and control of utilities, helping us minimise waste and maximise efficiency. The adoption of digital tools revolutionised our planning and design phases, enabling paperless workflows and reducing material waste.

NATURE AND COMMUNITY INTEGRATION

We understand that true sustainability extends beyond buildings into the ecosystems and communities around them. That's why we integrate nature-sensitive design in all our projects. Developments such as The Colombo Border and The Palace – Gampaha prioritise green cover through strategic tree planting and preservation. PLR has also introduced "My Green Birthday initiative" which involves gifting a plant to every employee on their birthday, reinforcing a commitment to sustainability and environmental awareness. In designing road networks, we ensure minimal tree removal and preserving the natural landscape. Our landscaping approach emphasises the use of organic fertilisers and sustainable ground treatments, creating environments that are as nurturing to nature as they are to residents.

Through these multifaceted efforts, we reaffirm our commitment to being a catalyst for sustainable urban living, enhancing life not just within our buildings but beyond their boundaries.







Our Approach towards Sustainability

PRINCIPLES THAT DRIVE OUR COMMITMENT TO SUSTAINABLE DEVELOPMENT

Prime Lands Residencies PLC (PLR) is deeply committed to sustainable development. Our sustainability framework is guided by the United Nations Sustainable Development Goals (UN SDGs), driving initiatives that deliver lasting value to the economy, society, and environment. We believe that responsible real estate development must go hand in hand with inclusive growth, innovation, and stewardship of natural resources.

1. NO POVERTY

We prioritize hiring from rural and underdeveloped areas, providing fair wages and long-term employment opportunities.

Skills development programs are conducted for site workers to uplift their earning potential beyond the construction industry.

2. ZERO HUNGER

Our subsidized lunch program ensures employees receive nutritious meals daily.

In December, we provided essential dry rations and food to low-income families as part of our commitment to community support during the festive season.

3. GOOD HEALTH & WELL-BEING

Beyond providing comprehensive insurance packages, regular medical check-ups and wellness workshops are conducted for staff.

Health awareness campaigns were introduced during the year, promoting work-life balance and emotional well-being.

Our construction sites are compliant with international safety standards, with regular training on health and safety protocols.

4. QUALITY EDUCATION

In addition to scholarships, we offer school supply donations to children of low-income families in areas where we operate.

Guest lectures, mentoring, and awareness sessions are conducted in schools and universities on topics like financial literacy, urban sustainability, and real estate.

Provided financial support to several schools throughout the year to facilitate sports and extracurricular activities, fostering holistic child development (Eg, Thurstan College Rugby Team and Gothami Balika Vidyalaya Interact Club).

5. GENDER EQUALITY

Our company is led by a female Chairperson and supported by a well-represented female presence on the Executive Committee, reflecting our commitment to gender-inclusive leadership at the highest level.

Maternity and paternity benefits are provided to ensure gender-sensitive HR practices.

Leadership mentoring programs are introduced to empower aspiring female leaders across all departments.

Awareness campaigns on workplace harassment and gender sensitivity are part of staff onboarding and training.

6. CLEAN WATER & SANITATION

Low-flow water fixtures and dual-flush toilets are used in new developments to reduce water waste.

Use of Rainwater harvesting systems to collect and reuse rainwater.

Water recycling is promoted through greywater reuse for gardening and the use of eco-efficient Sewerage Treatment Plants like the biomechanical system at The Palace, which operates with minimal energy and meets rainwater discharge standards.

7. AFFORDABLE & CLEAN ENERGY

Rooftop solar at the head office and common area solar panels at The Palace project.

Passive solar design techniques such as optimal building orientation and shading devices are integrated into project architecture.

Guided by our regular Energy audits, we have introduced a range of energy efficient technologies, including LED lighting with smart controls, VRV air conditioning, power-saving elevators and thermal insulation with double-glazed windows and low-emission glass

8. DECENT WORK & ECONOMIC GROWTH

We champion ethical employment practices, ensure all legal entitlements are met, and promote workplace dignity.

PLR encourages entrepreneurship by supporting local SMEs and suppliers in our procurement chain.

Performance-linked incentives, annual recognition programs, and international exposure trips are awarded to top performers among the staff.

9. INDUSTRY, INNOVATION & INFRASTRUCTURE

The Revolutionary Prime Max 0.5% payment plan, a pioneering initiative in Sri Lanka's real estate industry, was introduced to make homeownership attainable for everyone.

Enhancing customer accessibility and satisfaction through digital initiatives such as 360° virtual tours and seamless online booking experiences.

We are piloting AI-driven automation in sales and collections to enhance operational efficiency, boost productivity, and elevate the customer experience.

10. REDUCED INEQUALITY

Our recruitment and promotion policies are merit-based, with a strong emphasis on equal opportunity.

Accessibility features are included in all new developments to support residents with disabilities.

11. SUSTAINABLE CITIES & COMMUNITIES

We offer housing solutions tailored to different income groups, supporting inclusive growth and contributing to the creation of sustainable, well-integrated communities.

Disaster-resilient design features are considered in project planning to enhance long-term sustainability.

Public amenities such as community gardens, children's parks, and walking paths are integral to our residential designs.

12. RESPONSIBLE CONSUMPTION & PRODUCTION

Construction waste is sorted and recycled whenever feasible.

Use of sustainable building materials such as fly ash concrete, processed sand, Dura panels, eco-friendly paints, and timber alternatives, while also minimising chemical use through biodegradable cleaners and eco-conscious termite treatments.

Project sites are monitored for environmental compliance, including air and noise pollution limits.

13. CLIMATE ACTION

We have adopted a climate resilience framework that evaluates flood zones, heat islands, and stormwater drainage in site selection.

Promotion of green mobility through bicycle-friendly spaces and EV charging stations is underway in upcoming projects.

We incorporate green building principles in our designs and apply advanced weather analytics to construction planning.

Newly launched projects, including The Seasons Colombo 8 and The Colombo Border, are progressing toward green building certification, reflecting our commitment to sustainable development.

Energy-efficient technologies such as natural ventilation, LED lighting, inverter A/Cs, and motion sensors are standard across developments.

Staff transport services help reduce carbon emissions from individual commuting.

14. LIFE BELOW WATER

Silt fences and sedimentation ponds are used during construction to prevent contamination of nearby waterways.

Awareness campaigns are run for staff and contractors on protecting aquatic ecosystems.

15. LIFE ON LAND

Indigenous flora is prioritised in landscape architecture to preserve biodiversity.

Projects such as The Palace – Gampaha and The Colombo Border maintain low building footprints of 30% and 25% respectively, promoting green space preservation and supporting local biodiversity.

16. PEACE, JUSTICE & STRONG INSTITUTIONS

Our Code of Ethics is enforced across all levels, with an internal audit committee ensuring regulatory compliance.

An Ethics Hotline allows employees to report grievances or unethical practices anonymously and safely.

Transparent supplier and subcontractor vetting processes reduce the risk of corruption in the value chain.

17. PARTNERSHIPS FOR THE GOALS

Established strategic partnerships with banks and financial institutions such as HNB, DFCC, Union Bank and HNB Finance to launch innovative payment and financing solutions, enhancing accessibility to homeownership for a broader segment of society.

Launched Prime Rajya Sewa Abhiman, a series of joint programs with the Ministry of Public Administration aimed at enhancing the soft skills of public sector employees.

We continue to expand collaborations with government bodies, universities, NGOs, and international agencies to accelerate progress across multiple SDGs.

Steering Our Legacy with Integrity and Trust

GOVERNANCE STRUCTURE

GOVERNANCE STRUCTURE

CORPORATE GOVERNANCE DECLARATION BY THE CHAIRPERSON

On behalf of the Board of Directors of Prime Lands Residencies PLC (PLR), I am pleased to reaffirm our steadfast commitment to upholding the highest standards of corporate governance. As stewards of your investment, we recognise that sound governance is foundational to protecting stakeholder interests, ensuring transparency, and driving long-term sustainable value.

At PLR, our Board of Directors, comprising a diverse group of seasoned professionals, provides strategic oversight and leadership to ensure the Company operates with integrity, accountability, and ethical discipline. We are dedicated to fostering a governance culture rooted in fairness, transparency, and responsibility across all levels of our organisation.

We remain fully aligned with applicable laws, regulations, and the corporate governance guidelines issued by relevant regulatory bodies, including the Securities and Exchange Commission of Sri Lanka (SEC) and the Colombo Stock Exchange (CSE). Our governance framework is designed to be dynamic and responsive, allowing us to evolve in line with global best practices and emerging stakeholder expectations.

The Board actively oversees the Company's risk management systems, ensuring robust processes are in place to identify, assess, prioritise and mitigate risks that may affect operational performance or reputational integrity. We maintain strong compliance mechanisms and internal controls to promote adherence to legal and regulatory standards, thus minimising exposure to potential risks and liabilities.

In support of our governance objectives, PLR has instituted several specialised Board committees, including the Audit Committee, Remuneration and Human Resources Committee, Related Party Transaction Review Committee, and the Nominations and Governance Committee. Each committee plays a critical role in reinforcing oversight, enhancing decision-making, and driving performance aligned with the Company's strategic goals.

We are committed to continuous improvement in our governance practices and regularly review our policies and procedures to meet the demands of a dynamic business environment. These efforts reflect our dedication to corporate responsibility and excellence in governance.

I am pleased to confirm that Prime Lands Residencies PLC remained in full compliance with all applicable laws, regulations, and listing rule requirements during the year under review. Furthermore, I affirm that all members of the Board and our employees have discharged their responsibilities in accordance with our Internal Code of Ethics and Conduct, thereby reinforcing our shared commitment to principled leadership and corporate accountability.



Sandamini Perera
Chairperson

04 June 2025
Colombo 05

GOVERNANCE PHILOSOPHY

At PLR, corporate governance is not limited to statutory compliance; it is a strategic enabler that defines the principles and structures we operate under. Our governance philosophy is rooted in ethical leadership, effective risk management, and consistent stakeholder engagement. This has enabled us to safeguard stakeholder interests while positioning the Company for resilient performance and responsible growth. Our governance structures are aligned with the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the relevant Listing Rules of the Colombo Stock Exchange (CSE).

GOVERNANCE FRAMEWORK

Our corporate governance model is founded on a robust and well-integrated structure that combines strategic leadership, functional oversight, and operational execution. At its core, this model brings together a capable and diverse Board of Directors, specialized Board sub-committees, and an experienced Executive Committee and Management Team. These elements are supported by a framework of internal policies and controls that collectively uphold accountability, foster ethical decision-making, and ensure that all areas of the organisation are aligned in pursuit of long-term value creation and stakeholder trust.

The Board of Directors plays a central role in the governance architecture by providing strategic direction, safeguarding the interests of stakeholders, and ensuring that the Company's objectives are met in a responsible and sustainable manner. The Board brings together professionals with a diverse range of expertise in finance, governance, risk Management, engineering, marketing, and law, ensuring a wide spectrum of insight is available to guide the Company's decisions. The Chairperson leads the Board while maintaining a clear division from executive responsibilities, allowing for independent judgment and oversight. Through regular meetings, the Board reviews performance, approves strategic plans, assesses emerging risks, and ensures compliance with applicable laws, regulations, and governance codes.

Supporting the Board's responsibilities are the Sub-Committees, which have been established to provide focused oversight in specific areas of governance. These include the Audit Committee, the Related Party Transactions Review Committee, the Remuneration and Human Resources Committee, and the Nomination and Governance Committee. Each committee operates under a clearly defined charter and is composed of Board members with relevant experience and independence. By enabling more granular scrutiny and specialised review of financial integrity, internal controls, Board nomination, executive remuneration, and Board composition, these sub-committees enhance governance depth and contribute to informed and balanced decision-making at the Board level.

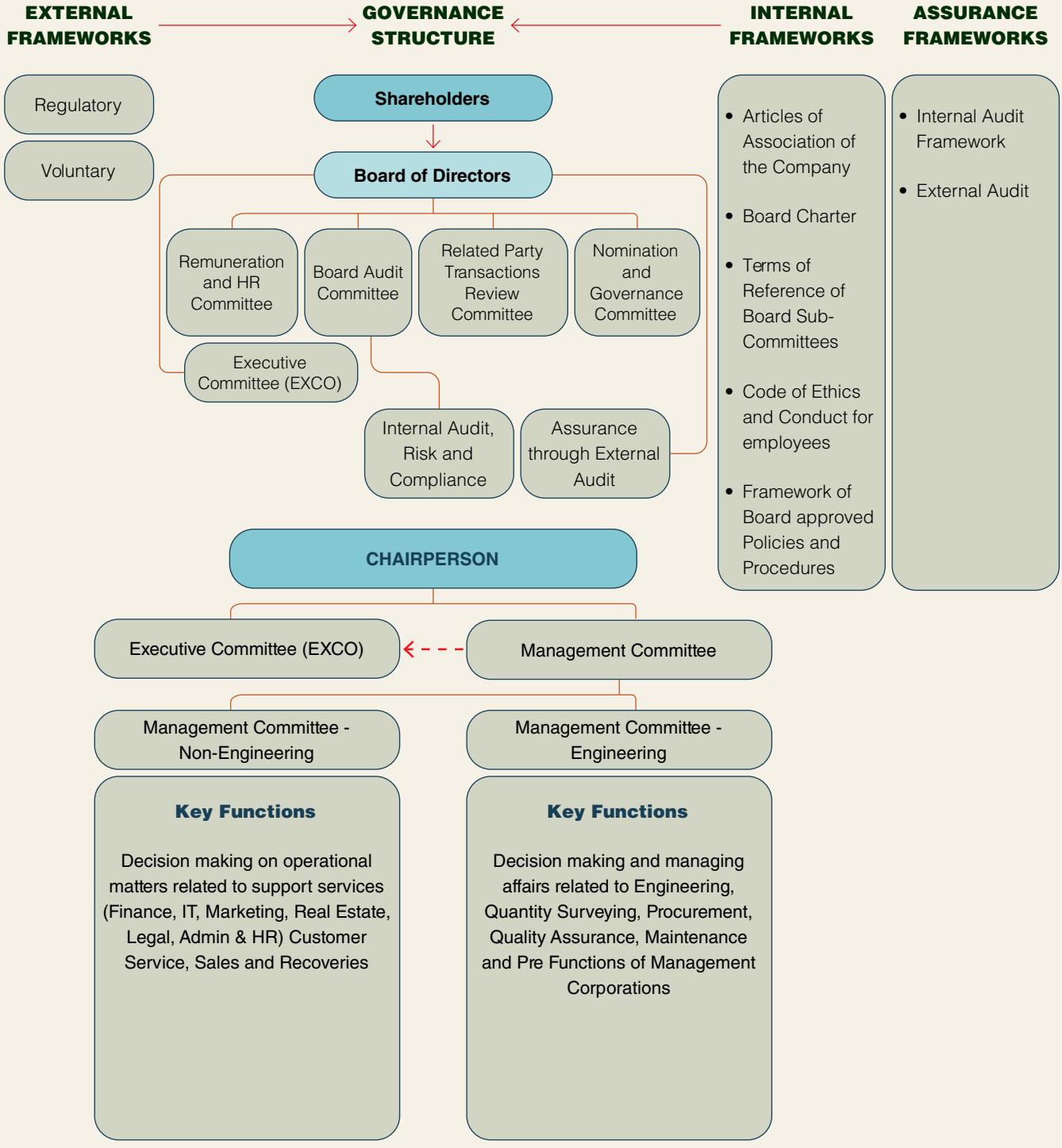
The Executive Committee, led by the Managing Director, is entrusted with the responsibility of translating the strategic direction set by the Board into actionable business plans. This team comprises professionals with domain expertise across key business functions, including finance, legal, quantity surveying, engineering, human resources, information technology, and project management. The Executive Committee ensures the efficient execution of corporate strategies, maintains operational excellence,

GOVERNANCE STRUCTURE

and manages day-to-day affairs of the business while upholding the Company's values and ethical standards. Regular engagement between the Executive Team and the Board ensures a cohesive approach to governance and facilitates transparent reporting, performance monitoring, and course correction when necessary.

Together, these three pillars—Board leadership, committee oversight, and executive execution—form an integrated governance ecosystem that is responsive, transparent, and firmly aligned with the interests of all stakeholders.

CORPORATE GOVERNANCE STRUCTURE AND FRAMEWORK



BOARD COMPOSITION AND BALANCE

As of 31st March 2025, the Board of Directors of Prime Lands Residencies comprised a balanced and effective mix of Executive, and Non-Executive Directors. This composition reflects the Company's commitment to sound governance practices by ensuring that Board deliberations benefit from a wide range of perspectives, extensive sectoral and functional expertise, and the exercise of independent judgment. The presence of Independent Non-Executive Directors, in particular, reinforces the objectivity and impartiality of Board decisions, helping to mitigate conflicts of interest and enhance transparency.

In accordance with best practices in corporate governance, the roles of the Chairperson and the Managing Director are distinctly separated. This separation delineates the responsibilities of leading the Board, which rest with the Chairperson, from the oversight and management of day-to-day business operations, which lie with the Managing Director. This structure is intended to avoid the concentration of authority and to foster an appropriate balance between strategic oversight and executive action.

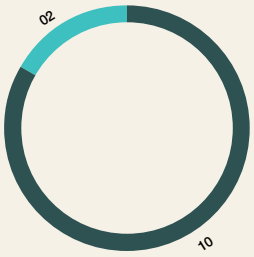
Additionally, the Senior Independent Director (SID) serves as a key point of contact for shareholders and other stakeholders in situations where contact through the usual channels of the Chairperson, Managing Director, or Company Secretary may not be appropriate. Given that the Chairperson holds an executive role, the SID plays a critical role in ensuring balanced governance. The SID facilitates open and transparent communication, promotes effective stakeholder engagement, and upholds the integrity of Board processes, thereby strengthening the Board's overall accountability and independence.

Board Balance



- Independent Non-Executive Director
- Executive Director

Gender Diversity



- Female
- Male

BOARD RESPONSIBILITIES

The Board of Directors is accountable for defining the strategic direction of the Company and ensuring that it is effectively pursued through sound decision-making and oversight. It is responsible for monitoring the Company's financial and operational performance, ensuring that robust internal controls and risk management systems are in place, and upholding the core values and stakeholder commitments of the business. The Board also ensures full compliance with all applicable statutory, regulatory, and corporate governance requirements. Acting in the best interests of all stakeholders, the Board reviews the Company's progress through regular reporting mechanisms and the diligent oversight of its sub-committees.

The following matters are reserved expressly for consideration and approval by the PLR Board:

- Approving the Company's strategy and business plan
- Approving major acquisitions, investments, and capital expenditure
- Dividend policy
- Changes to the capital structure
- Approving and/or amending the Terms of Reference of Board Sub-Committees
- Appointments to the Board and Board committees
- Approving annual budgets and monitoring of performance against budgets
- Amendments to key policies and procedures
- Approval of Interim and Audited Financial Statements

GOVERNANCE STRUCTURE

BOARD COMMITTEES

To ensure effective governance and facilitate detailed attention to specific areas of oversight, the Board has delegated certain responsibilities to well-structured committees. These Committees function under clearly defined terms of reference and operate independently while reporting regularly to the Board on key deliberations and recommendations. Each committee comprises exclusively of Independent Non-Executive Directors with relevant expertise and experience, enabling informed decision-making in alignment with regulatory expectations and best governance practices.

Audit Committee

The Audit Committee is tasked with overseeing the integrity of the Company's financial reporting process, ensuring the adequacy and effectiveness of internal controls, and monitoring the risk management framework. It also reviews compliance with applicable legal and regulatory requirements and evaluates the performance of internal and external audit functions. The Committee plays a critical role in safeguarding shareholder interests and enhancing financial transparency.

Refer to the Audit Committee Report on page 104.

Related Party Transactions Review Committee

This Committee is responsible for reviewing and monitoring all transactions with related parties to ensure they are conducted on arm's length terms and in the best interests of the Company and its shareholders. It ensures that such transactions are transparent, appropriately disclosed, and compliant with the regulatory framework prescribed by the Colombo Stock Exchange and other authorities.

Refer to the Committee Report on page 106.

Remuneration and Human Resources Committee

The Remuneration and Human Resources Committee provides oversight of the Company's remuneration philosophy and policies, ensuring they are aligned with strategic objectives and market practices. It also oversees the implementation of fair and merit-based HR policies that foster employee engagement and organisational growth.

Refer to the Committee Report on page 108.

Nomination and Governance Committee

The Nomination and Governance Committee is responsible for evaluating the composition and performance of the Board, identifying and recommending suitable candidates for Board and senior management positions, and ensuring that the Company adheres to sound corporate governance principles. The Committee also reviews, succession plan for Board of Directors and Key Management Personnel, governance structures and policies to maintain a high standard of accountability and effectiveness at the leadership level.

Refer to the Committee Report on page 110.

Each of these committees contributes significantly to the overall governance framework of the Company by providing focused oversight, promoting transparency, and ensuring that decisions are made with integrity and accountability. Their activities are critical in enabling the Board to discharge its duties effectively and in the best interests of all stakeholders.

RISK MANAGEMENT AND INTERNAL CONTROLS

Our risk management framework enables the proactive identification, assessment, prioritisation and mitigation of strategic, financial, operational, and compliance risks. The Board, through its Audit Committee, oversees the adequacy and effectiveness of internal controls and regularly reviews risk exposures.

In FY 2024/25, special attention was given to risks associated with regulatory changes and operational scalability. Key risk areas were reassessed and control measures recalibrated accordingly.

ETHICS AND COMPLIANCE

PLR operates under a Code of Ethics and Conduct that sets expectations for integrity, professionalism, and legal compliance. All employees and Directors are expected to uphold the highest standards of honesty, accountability, and ethical behaviour. To support this, mechanisms such as a whistleblower policy are in place, enabling the confidential reporting of unethical or unlawful conduct.

We maintain a zero-tolerance stance on bribery and corruption and periodically conduct training to embed ethical awareness across all levels.

STAKEHOLDER ENGAGEMENT

We maintain open and transparent relationships with all our stakeholders, including shareholders, customers, employees, regulators, and community partners. Engagement is facilitated through disclosures, investor forums, digital platforms, and customer service channels.

The Annual General Meeting (AGM) remains a vital forum for shareholder engagement and governance accountability. All shareholders are encouraged to participate and raise queries or offer suggestions.

BOARD AND BOARD SUBCOMMITTEE COMPOSITION AND ATTENDANCE

The Board, the Audit Committee, and the Related Party Transactions Review Committee meet at least once every quarter, whereas the other Board Sub-Committees convene at varying frequencies based on their respective mandates

Details of the number of meetings held by the Board and its Subcommittees, along with the composition and individual attendance of members, are presented on page 75.

BOARD AND BOARD SUBCOMMITTEE ATTENDANCE

The number of meetings of the Board, Subcommittees and the individual attendance by members are as follows:

NUMBER OF MEETINGS HELD

Type of meeting	Number of meetings held
Board meetings	04
Audit Committee meetings	05
Related Party Transactions Review Committee meetings	06
Remuneration and Human Resource Committee meetings	04
Nomination and Governance Committee meetings	02

DATE OF THE MEETINGS HELD

Board meetings	Audit committee meetings	Related party transactions review committee meetings	Remuneration and Human resource committee meetings	Nomination and Governance committee meetings
29th May 2024	17th May 2024	17th May 2024	22nd April 2024	01st October 2024
09th August 2024	26th July 2024	26th July 2024	19th July 2024	27th March 2025
7th November 2024	24th October 2024	24th October 2024	18th October 2024	
13th February 2025	30th January 2025	7th November 2024	31st January 2025	
	27th March 2025	30th January 2025		
		21st March 2025		

THE BOARD COMPOSITION, TOGETHER WITH THE ATTENDANCE OF THE BOARD MEMBERS

The details of the Board meeting attendance of each Board member are disclosed below:

Name of Director	Nature of Directorship	Eligibility	Attended	29th May 2024	09th August 2024	07th November 2024	13nd February 2025
Mrs. Sandamini Perera	Chairperson/Executive Director	4	4	✓	✓	✓	✓
Mr. Premalal Brahmanage	Executive Director	4	4	✓	✓	✓	✓
Mr. Manjula Weerakkody	Executive Director	4	4	✓	✓	✓	✓
Mr. Nalinda Heenatigala	Executive Director	4	4	✓	✓	✓	✓
Mrs. Shehana Brahmanage	Executive Director	4	4	✓	✓	✓	✓
Mr. Anura Pathirage	Executive Director	4	4	✓	✓	✓	✓
Mr. Deepal Sooriyaarachchi	Non-Executive, Senior Independent Director	4	4	✓	✓	✓	✓
Mr. Sanjaya Bandara	Independent Non-Executive Director	4	4	✓	✓	✓	✓
Mr. Mahinda Perera	Independent Non-Executive Director	4	4	✓	✓	✓	✓
Mr. Dhammika Kalapuge	Independent Non-Executive Director	4	4	✓	✓	✓	✓
Mr. Noel Joseph	Independent Non-Executive Director	4	3	x	✓	✓	✓
Prof. Sampath Amaratunge *	Independent Non-Executive Director	✓	n/a	n/a	n/a	n/a	n/a

Snr. Prof. Sampath Amaratunge was appointed to the Board with effect from 27th March 2025. However, no meetings were held between his appointment and the end of the financial year. As such, while Prof. Amaratunge was eligible to attend, he did not attend any meetings during the financial year.

BOARD AND BOARD SUBCOMMITTEE ATTENDANCE

THE SUBCOMMITTEE COMPOSITION, TOGETHER WITH THE ATTENDANCE OF THE MEMBERS

The Board Subcommittees are comprised exclusively of Independent Non-Executive Directors. The membership of the Board Sub-Committees and the individual attendance by members are as follows:

Name of Director	Board Audit Committee		Board Related Party Transactions Review Committee		Board Remuneration and HR Committee		Board Nominations and Governance Committee	
	Status	Attendance	Status	Attendance	Status	Attendance	Status	Attendance
Mr. Sanjaya Bandara	C	5/5	C	6/6	M	3/4	M	2/2
Mr. Deepal Sooriyaarachchi	M	5/5	M	6/6	C	4/4	M	2/2
Mr. Mahinda Perera	M	5/5	M	6/6	n/a	n/a	C	2/2
Mr. Dhammika Kalapuge	n/a	n/a	n/a	n/a	M	4/4	n/a	n/a

Legend

C- *Chairman*

M- *Member*

COMPLIANCE WITH CORPORATE GOVERNANCE FRAMEWORKS

GRI 2.27

The Company is committed to maintain the highest standards of corporate governance. This section outlines the governance practices adopted and implemented by the Company, including our adherence to the Code of Best Practice on Corporate Governance (2023) issued by the Institute of Chartered Accountants of Sri Lanka and compliance with Section 9 of the Listing Rules of the Colombo Stock Exchange, and the Companies Act No. 07 of 2007. These frameworks guide our governance principles, ensuring transparency, accountability, and sustainable value creation for all stakeholders.

SECTION A

This section outlines the Company's level of adherence to the Code of Best Practice on Corporate Governance (2023) issued by the Institute of Chartered Accountants of Sri Lanka, demonstrating our commitment to upholding robust governance standards and best practices.

Level of Compliance with the Code of Best Practice on Corporate Governance as of 31st March 2025

Corporate Governance Principle	Principle No.	Compliance	Level of Compliance and Implementations
The Board	A.1	✓	The Board, led by the Chairperson, comprises twelve directors, including six independent non-executive directors. Comprised of seasoned professionals in business leadership, engineering, finance, sales and marketing, legal and compliance, human resources, corporate governance, and risk management, the Board brings a wealth of diverse expertise to steer the company's strategic direction.
Regular Board meetings, Structure and process of submitting information	A.1.1	✓	The Board convenes quarterly, with additional meetings scheduled as necessary. Throughout the financial year ending on March 31, 2025, the Board held four meetings. Board packs, containing essential information, are sent seven days prior to each session. Typically, these packs encompass: • Financial statements for the relevant quarter and year to date together with comparatives for the corresponding period of the previous financial year and budgets; • Use of common seal and litigation status of the company • Compliance dashboard • Current status of construction Projects • Current status of the sales and recovery performance • Minutes of the Board Subcommittees
Responsibility of the Board	A.1.2	✓	The board is primarily responsible for the company's strategic planning process. This involves being responsible for developing the company's strategic vision and mission. The Board is also responsible for matters including; • Appointing a Chairperson to the Board. • Ensuring an effective succession plan for the MD/CEO and key management personnel. • Approving budgets and major capital. • The Board has delegated the responsibility to the Board Audit Committee to ensure effective systems to secure the integrity of information, internal control, and risk management. • Monitoring the compliance with laws, regulations and ethical standards.

COMPLIANCE WITH CORPORATE GOVERNANCE FRAMEWORKS

Corporate Governance Principle	Principle No.	Compliance	Level of Compliance and Implementations
Act in accordance with the law and obtain independent professional advice.	A.1.3	✓	There is a significant emphasis across the organization on ensuring compliance with applicable laws and regulations. The statutory and regulatory compliance dashboard is presented by the General Manager -Legal and the Manager-Compliance, Respectively, at every board meeting and is monitored at the board level. The Board members are permitted to obtain independent professional advice from a third party, including the company's external auditors, lawyers, and other professional consultants, whenever deemed necessary at the expense of the company.
Access to the advice and services of the company secretary	A.1.4	✓	All Directors have access to the advice and services of the company secretarial function provided by SSP Corporate Services (Private) Limited, which is responsible for ensuring follow-up of Board procedures, ensuring that the company complies with its Articles of Association, Listing Rules and Companies Act, and maintaining minutes and relevant mandatory records. Also, the Company has obtained a Directors' and Officers' Liability insurance from a reputed insurance company in Sri Lanka.
Independent judgement of Directors	A.1.5	✓	All Directors exercise independent judgement in all decisions pertaining to strategy, performance, resource allocation, risk management, compliance, and standards of business conduct. Each director receives a comprehensive set of board papers in advance of every board meeting, allowing sufficient time for directors to evaluate and express their independent judgement.
Dedication of adequate time and effort by Directors	A.1.6	✓	The Board met on four occasions during the year (once in each quarter). The board is satisfied that the chairperson and all other directors committed sufficient time during the financial year 2024/25 to fulfil their duties. The Board papers and the agenda are received by the directors ahead of board meetings, enabling the directors to review the papers and obtain clarifications ahead of the meetings.
Call for resolution by Directors	A.1.7	✓	As per the Articles of Association, resolutions could be passed with majority voting. However, any single director may call for a resolution to be presented to the board if he or she feels it is in the interest of the company.
Training for Directors	A.1.8	✓	The Board acknowledges the importance of continuous learning and skill enhancement to ensure Directors effectively fulfill their responsibilities. To support this, Directors are encouraged to participate in corporate forums and seminars. Some Directors actively engage in sessions conducted by the Sri Lanka Institute of Directors, while the Company also organizes specialized training sessions. For instance, during the year, a session on the implementation of the Data Protection Act was conducted for the Board of Directors and senior management. Additionally, at Board and Audit Committee meetings, members are regularly briefed on regulatory developments that may impact the business, ensuring they remain well-informed and proactive in governance matters.
Separation of the roles of Chairperson and CEO	A.2	✓	The positions of chairperson and CEO are separated to provide a clear separation of responsibility at the apex of the company as well as a balance of power and authority. The Managing Director has the same authority as the CEO.

Corporate Governance Principle	Principle No.	Compliance	Level of Compliance and Implementations
Chairman's role & Conduct of Board Meetings	A.3- A.3.1	✓	The Board is headed by Chairperson, Ms. Sandamini Perera. The Chairperson ensures the following; • Developing an appropriate agenda for Board meetings with the Company Secretaries, taking into consideration the Directors' recommendations. • Sufficient information in board packs and timely availability • Effective participation of Executive and Non-Executive Directors • Sufficient balance of power between Executive and Non-Executive Directors • The views of directors on issues under consideration are obtained, and a record of such deliberations is reflected in the minutes.
Financial acumen	A.4	✓	The Board is made up of directors who are skilled, experienced, and have the expertise and capacity to provide the Board with expert advice on financial concerns. The Board includes a member who is a fellow member of the Institute of Chartered Accountants of Sri Lanka, two members who are a fellow member of the Chartered Institute of Management Accountants (UK), and a fellow member of the Chartered Institute of Taxation of Sri Lanka. Other members of the Board have the ability to offer guidance on matters of finance to the board.
Board balance	A.5	✓	The board has a mix of executive and non-executive directors, ensuring that no individual or small group of individuals may control the board's decision-making. The oversight of the SID further strengthens the independence of the board performance and its decision making process
Majority of Non- Executive Directors	A.5.1	x	The Board of the company has a balanced composition of six Executive Directors and six Non-Executive Directors
Independent Non-Executive Directors	5.2	✓	All six Non-Executive Directors on the Board are independent based on the criteria set by this Code and the Listing Rules of the Colombo Stock Exchange.
Directors independent from management	5.3	✓	The Company maintains the "Interest Register" mandated by the Companies Act No. 07 of 2007, which also includes information on the Director's interest in contracts with the Company. A disclosure on related party transactions is available on pages 164
Annual Declaration of Independence by Non-Executive Director	5.4	✓	Every non-executive director has made a signed declaration regarding their independence or non-independence based on specified criteria set out by the Code. Additionally, at the end of each quarter, all non-executive directors reaffirm whether their declared independence status remains unchanged, ensuring ongoing compliance with governance requirements.

COMPLIANCE WITH CORPORATE GOVERNANCE FRAMEWORKS

Corporate Governance Principle	Principle No.	Compliance	Level of Compliance and Implementations
Determination of Independence of Director	5.5	✓	The Board has determined the independence of the Non-Executive Directors based on the declarations submitted by the Non-Executive Directors. No circumstances have arisen for the determination of independence by the Board, beyond the criteria set out in the Code. Accordingly, Independent Non-Executive Directors of the company are: Mr. Deepal Sooriyaarachchi Mr. Sanjaya Bandara Mr. Mahinda Perera Mr. Noel Joseph Mr. Dhammika Kalapuge and, Snr. Prof. Sampath Amaratunge
Alternate Director	5.6	✓	No alternate Directors were appointed
Appointment of Senior Independent Director	5.7	✓	Mr. Deepal Sooriyaarachchi is appointed as the Senior Independent Director (SID) as the Chairperson is not an independent Director. During the financial year, SID met with Non - Executive Directors twice and with Executive Directors once to discuss and communicate governance-related matters.
Confidential discussion with Senior Independent Director	5.8	✓	The Senior Independent Director is available for confidential meetings if there are any concerns about governance or issues that may have an unfavourable impact on the Company and have not been appropriately addressed by the Board. No confidential meetings were held during the financial year. A report from the senior independent director is included in the annual report on page 103
Chairman's meetings with Non-Executive Directors	5.9	✓	The Chairperson has held a meeting with the Non-Executive Directors without the presence of Executive Directors.
Recording of Concerns raised by Directors in Board Minutes	5.10	✓	Concerns raised by the Directors during the financial year, if any, are adequately recorded in the minutes of Board meetings by the Company Secretary.
Supply of Information	A.6.1	✓	The Company ensures that the Directors receive adequate information on a timely basis. On urgent matters, every effort is made to give information as soon as possible. The Board receives a standard set of documents, which are timely, accurate, and comprehensive. These papers include a detailed analysis of financial and non-financial information. The Board may request additional information or clarify issues with any member of the Executive Committee.
Adequate time for the conduct of Board Meetings	A.6.2	✓	The Agenda for the Board meeting and connected Board papers are ordinarily circulated to the Directors seven (7) days in advance to facilitate the effective conduct of the meeting.
Appointments of Director to the Board	A.7.1	✓	The Nominations & Governance Committee is established. The committee consist of three Independent Non-Executive Directors and the Chairman of the committee is an Independent Non-Executive Director.
Annual assessment of Board composition	A.7.2	✓	The Nominations Committee annually assessed the Board composition against pre-defined criteria to ensure that the combined knowledge and experience of the Board matches the strategic demand facing the company. The outcomes of such assessments are taken into account when new Board appointments are made.

Corporate Governance Principle	Principle No.	Compliance	Level of Compliance and Implementations
Disclose of required details of new Directors to shareholders	A 7.4	✓	All new appointments are communicated to the shareholders by way of announcement through the Colombo Stock Exchange (CSE).
Member of the Committee and the work of the Committee	A 7.5	✓	Refer Nominations and Governance Committee Report on pages 110
Re-election	A.8.1- 8.2	✓	Re-elections take place as per the provisions of the Code of Best Practice on Corporate Governance.
Resignation	8.3	✓	Written communications are provided to the Board by Directors who resign prior to the completion of their appointed term. However, no resignations have taken place during the year under review.
Appraisal of Board Performance	A.9.1-9.4	✓	The performance of the Board and its Sub-committees was evaluated annually. The Board was presented with the evaluation's final results.
Disclosure of information in respect of Directors	A.10	✓	The details in respect of Directors are disclosed in the Annual Report covering: • Name, qualifications and brief profile (Refer page 20) • The nature of his/her expertise in relevant functional areas (Refer page 20) • Whether Executive, Non-Executive and/or independent Director (Refer page 20) • Names of listed companies in Sri Lanka in which the Director concerned serves as a Director (Refer page 20) • Number of Board meetings of the Company attended during the year (Refer page 75) • The total number of Board seats held by each Director indicating listed and unlisted Companies and whether in an executive or non-executive capacity (Refer page .20) • Names of Board Committees in which the Director serves as Chairman or a member - Refer to the "Committee Reports" • Number of committee meetings attended during the year- Refer to the "Committee Reports"
Appraisal of Chief Executive Officer	A.11-A.12	✓	At the commencement of financial year, the Board in consultation with the Managing Director has set short, medium and long-term objectives, and reasonable financial and non-financial targets that should be met by the MD during the year. The performance of the Managing Director has been evaluated by the Board to ascertain whether the targets have been achieved.
Directors' Remuneration	B.1	✓	The Board has implemented a formal and transparent procedure for developing policies on remuneration by setting up a Remuneration Committee. Its purpose is to assist the Board of Directors in matters relating to the compensation of the Company's Directors and Key Management Personnel.
Establishment and composition of the Remuneration Committee	B.2.1- B.2.2	✓	Remuneration and Human Resources Committee consist of three Non-Executive Directors and all of them are independent. The Chairman of the Remuneration and Human Resources Committee –Mr. Deepal Sooriyaarachchi is a Senior Independent Non-Executive Director.
Remuneration of Executive Directors & Senior management	B.2.3	✓	The remuneration Committee consults the Chairperson about its proposals relating to the remuneration of Executive Directors and KMPs.
The Level and Make up of Remuneration	B.2.4- 2.12	✓	The Board ensures that Executive Directors are provided with an attractive remuneration package to attract them and retain them with the company, and the remuneration is designed to promote the long-term success of the company.

COMPLIANCE WITH CORPORATE GOVERNANCE FRAMEWORKS

Corporate Governance Principle	Principle No.	Compliance	Level of Compliance and Implementations
Remuneration of Non-Executive Directors	B.2.13-2.14	✓	The Board as a whole including members of the Remuneration Committee determines the levels of fees for NEDs (who are all INEDs), taking into account the time, commitment, and responsibilities associated with their role and with due consideration of industry best practices and non-discriminatory principles.
Disclosure of Chairman and Members of the Remuneration Committee	B.2.15	✓	Refer page 108 – for details on Remuneration and Human Resources Committee
Disclosure of Remuneration	B.3.1 B.3.2	✓	Annual Report contains a statement of Remuneration & Human Resources Committee, Statement of Remuneration Policy. Please refer page 108 for aggregate remuneration paid to the Executive Directors and the aggregate fee paid to Non-Executive Directors.
Relationship with Shareholders	C.1-C.2	✓	AGM is held on a timely basis for shareholder participation. Notice of the AGM, form of the proxy and related papers sent to shareholders before the meeting in order to provide the opportunity to all the shareholders to attend the AGM. The effective communication with shareholders has been established. The primary means of communication between the Company and its shareholders are CSE announcements. The company used the following channels to provide timely information to all shareholders. • Shareholders meetings • Corporate website • Press notices
Major and Material Transactions	C.3.1-3.3	✓	During the year, there were no major transactions as defined by Section 185 of the Company's Act No. 07 of 2007 which materially affect the Net Assets Base of the Company. Transactions which materially affect the net assets base of the Company will be disclosed in the Interim/Annual Financial Statements, if any. Further, the company complies with disclosure requirements and shareholder approval by special resolution as required in the Section 9.14 (related party transactions) of the listing rules.
Accountability and Audit	D		
Financial and Business Reporting	D.1.1	✓	The Board has presented the Annual Report, which includes the Financial Statements of the Company that is true and fair, balanced & understandable and prepared & presented in accordance with LKASs and SLFRSs as required by statutory requirements. The Annual Report is partially compliant with Integrated Reporting standards.
	D.1.2	✓	The Board recognizes its responsibility to present regulatory and statutory reporting, as well as other price-sensitive information, in a balanced and understandable manner. The company strictly followed the requirements of Companies Act No. 07 of 2007 in the preparation of interim and annual financial statements, which were prepared and presented in accordance with Sri Lanka Accounting Standards. Furthermore, the company has complied with the reporting requirements prescribed by the regulatory authority, such as the Colombo Stock Exchange (listing rules).
	D.1.3	✓	The Director-Finance and CFO review the quarterly and year-end Financial Statements before submitting them to the Audit Committee and Board, ensuring that the entity's financial records have been properly maintained, and that the Financial Statements comply with the appropriate accounting standards and give a true and fair view.
The Directors' Report in the Annual Report	D.1.4	✓	The Annual Report of the Board of Directors on the affairs of the Company given on pages 114 to 119 covers all of these sections.

Corporate Governance Principle	Principle No.	Compliance	Level of Compliance and Implementations
Directors' and Auditors' Responsibility for the Financial Statements	D.1.5	✓	A statement setting out the responsibilities of the Board of Directors for the preparation and presentation of financial statements is given on page 122 A statement by the Auditors about their reporting responsibilities is given on page 122
Management discussion and analysis	D.1.6	✓	Please refer to the chairperson's Statement on pages 30 to 31, MD's review on pages 32 to 33, and Management Discussion and Analysis on pages 38 to 65 of this Annual Report.
Summoning an Extra Ordinary General Meeting (EGM) to notify Serious loss of capital	D. 1.7	✓	Circumstances to summon an EGM did not arise during the financial year 2024/25. However, if the situation arises, an EGM will be called for and shareholders will be notified.
Related party transactions	D.1.8	✓	The transactions entered into by the Company with the related parties are disclosed on Note 31 of the Financial Statements.
Risk Management and Internal Control	D.2	✓	A risk management and internal control system was effected by the Board under the Internal Audit, Risk and Compliance Department which will report to the Board Audit Committee.
	D.2.1	✓	The board has devised a monitoring system to assess the company's risk management and internal control systems. The company's internal audit department evaluates the effectiveness of the internal control system by conducting regular reviews of all processes, including risk assessments, and presenting them to the Board Audit Committee.
Robust assessment of the principal risk	D.2.1.1	✓	The risk assessment conducted by the internal audit, risk, and compliance department is reviewed by the company's Executive Committee, which discusses all of the key risks in depth. The reviewed risk register is presented to the Board Audit Committee, which oversees the effectiveness of the company's risk management and internal control systems.
	D.2.1.2	✓	Please refer pages 92 to 99 in the Risk Management report.
	D.2.1.3	✓	The company does not have a separate risk committee and has combined the audit and risk functions under one committee.
Internal Audit Function	D. 2.2.2	✓	The board has established a process to ensure internal controls are designed, implemented and monitored, to provide reasonable assurance of the achievement of the Company's objectives on reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.
	D. 2.2.2	✓	An internal audit function is established.
	D.2.2.3	✓	The Internal Audit Division of the Company conducts regular reviews of the risk management function and internal control system, including internal control over financial reporting. The Audit Committee monitors, reviews, and assesses the effectiveness of internal control systems, particularly internal controls over financial reporting.
Audit Committee	D.3		
Composition of Audit Committee	D.3.1	✓	The Audit Committee consist of three Non-Executive Directors; of whom all are Independent. The Committee is Chaired by Mr. Sanjaya Bandara, who is an independent non-executive director and a fellow member of the Institute of Chartered Accountants of Sri Lanka. The members of the Committee have expertise in finance, risk, governance, and compliance.
Terms of Reference of the Audit Committee	D.3.2	✓	The Audit Committee has a written Term of Reference covering its purpose, duties and responsibilities.
Activities of the Audit Committee	D.3.3	✓	The Audit Committee Report, describing the scope of the committee in discharging its responsibilities is included in the Annual Report –page 104
Risk Committee	D.4	✓	The company does not have a separate risk committee and has combined the audit and risk functions under one committee in compliance with section D.2.1.3.

COMPLIANCE WITH CORPORATE GOVERNANCE FRAMEWORKS

Corporate Governance Principle	Principle No.	Compliance	Level of Compliance and Implementations
Related Party Transactions Review Committee	D.5		
Definition of Related party and Related Party Transactions	D.5.1	✓	Related party and Related Party Transactions are defined as LKAS 24
Composition of RPTRC	D.5.2	✓	The Related Party Transaction Review Committee (RPTRC) consist of three Non-Executive Directors, of whom all are Independent. The Committee is Chaired by Mr. Sanjaya Bandara, who is an independent non-executive director. The committee meets at least once a calendar quarter, with additional meetings called as and when needed.
Terms of Reference of the RPTRC	D.5.3	✓	The Related Party Transaction Review Committee has a written Term of Reference covering its purpose, duties and responsibilities.
Code of Business Conduct & Ethics	D.6.1	✓	The company has adopted a policy on Code of Business Conduct and Ethics, and the directors, key management personnel, and all employees are committed to upholding the code and its values. There were no recorded instances of noncompliance with the Code of Business Conduct and Ethics by any director, key management personnel, or other employees. The Code of Business Conduct and Ethics includes but is not limited to, the following provisions. • Strictly avoid employees from accepting gifts from partners or service providers including contractors. • Strictly avoid giving or accepting any kind of bribe, either directly or indirectly. • Exercise honesty, objectivity, and diligence when performing one's duties. • Strictly avoid any form of sexual harassment. and discrimination. • Strictly avoid possessing and using prohibited drugs at the workplace. The code of conduct also includes provisions relating to the protection and privacy of whistleblowers, and their identities are never disclosed at any time.
Process for material and price-sensitive information	D.6.2	✓	The company has implemented policies and procedures that ensure that material and price-sensitive information is immediately disclosed to the Colombo Stock Exchange after relevant decisions are made by the Board of Directors.
Policy for monitoring and disclosure of shares purchased by any directors, KMPs and other employees.	D.6.3	✓	A procedure is in place to monitor share acquisitions by directors, and any such purchases will be reported to the company secretary immediately so that the necessary disclosure can be made to the Colombo Stock Exchange immediately. Shares purchased by key management personnel or other employees involved in the financial reporting process will be reported to the compliance department.
Procedure to deal with complaints received from whistle-blowers	D.6.4	✓	The company has a whistle blowing policy which states the procedure to report concerns, to whom it should be reported, how the whistle blower should be protected, how the confidentiality should be maintained regarding the concerns raised.
Training on the code of business conduct and ethics	D.6.5	✓	The Human Resources Department (HRD) provides comprehensive induction training during the onboarding of new employees. Each employee signs the Code of Conduct along with their appointment letter. Additionally, HRD conducts regular training sessions for all employees to ensure continuous professional development.
Affirmative statement by the Chairperson	D.6.7	✓	The chairperson's affirmation in the company's annual report that she is not aware of any violation of any of the provisions of the Code of Business Conduct and Ethics is on pages 71.
Corporate Governance Disclosures	D.7.1	✓	The Corporate Governance Report sets out the manner and extent to which the Company has complied with the principles and provisions of the code is included in the Annual Report –page 71
Institutional investors/ Shareholder Voting	E.1	✓	Institutional shareholders are given the right to use their votes.

Corporate Governance Principle	Principle No.	Compliance	Level of Compliance and Implementations
Communication with Shareholders	E.1.1	✓	The Board engages in discussions with its shareholders at the general meetings to avoid conflicts of interest and foster mutual understanding.
Due weight by Institutional Investors	E.2	✓	The institutional investors have the freedom to give due weight to matters relating to the board structure and composition when they consider resolutions relating to the board structure and composition.
Individual Shareholder's Investing/Divesting decision	F.1	✓	Individual investors are encouraged to carry out adequate analysis or seek independent advice when making investment or divesting decisions.
Individual Shareholder voting	F.2	✓	Individual shareholders are encouraged to participate in general meetings and exercise their voting rights.
Internet of things and Cybersecurity	G	✓	The Board has delegated this responsibility to the Information Technology (IT) Division, with the Chief Information Technology Officer holding primary responsibility for its execution. The Board has approved both the IT Policy and Cybersecurity Policies to ensure a structured governance framework. As part of the organization's risk management approach, the Board Audit Committee periodically reviews the IT function's risk register. This register is reassessed annually or as needed, based on emerging risks and review requirements.
Environment, Society and Governance	H	✓	The Company is committed to integrating sustainability and ESG principles into its business model, strategy, governance, and risk management framework in accordance with the Code of Best Practice. The Board considers ESG risks and opportunities in decision-making, ensuring resilience and long-term value creation. Regular engagement with stakeholders helps identify and address material sustainability concerns. The Company has established governance structures and policies for environmental and social governance, with measurable financial and non-financial indicators. ESG disclosures are incorporated into the Annual Report, aligning with recognized reporting frameworks, including the Integrated Reporting Framework and the Global Reporting Initiative Guidelines.
Establishment and maintenance of Policies	I.1	✓	The company has established and implemented the following policies. 1. Policy on the matters relating to the Board of Directors 2. Policy on Board Committees 3. Policy on Corporate Governance, Nominations and Re-election 4. Policy on Remuneration 5. Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities 6. Policy on Risk management and Internal controls 7. Policy on Relations with Shareholders and Investors 8. Policy on Environmental, Social and Governance Sustainability 9. Policy on Control and Management of Company Assets and Shareholder Investments. 10. Policy on Corporate Disclosures 11. Policy on Whistleblowing 12. Policy on Anti-Bribery and Corruption Also, the details relating to these policies are uploaded in the corporate website of the company which can be accessed via; https://www.primeresidencies.lk/corporate-governance
Policy on matters relating to the Board of Directors	I.2	✓	The company has established and implemented a policy governing matters related to the Board of Directors, ensuring full compliance with the provisions outlined in this section and the Listing Rules.

LEVEL OF COMPLIANCE WITH MANDATORY REGULATIONS

SECTION B

This section provides a summary of the level of compliance with the Companies Act on Annual report disclosure.

DISCLOSURES REQUIRED BY THE COMPANIES ACT NO. 07 OF 2007

Section Reference	Requirement	Compliance Status	Annual Report Reference (Page)
168 (1) (a)	The nature of the business of the Company together with any change thereof, if any, during the accounting period	Compliant	About the company – Page 07 Notes to the Financial Statements on Pages 130 to 177
168 (1) (b)	Signed Financial Statements of the Company for the accounting period	Compliant	Audited Financial Statements-Page 121 to 177
168 (1) (c)	Auditors' Report on Financial Statements of the Company	Compliant	Independent Auditor's Report – Page 121
168 (1) (d)	Accounting Policies and changes thereto, if any	Compliant	Notes to the Financial Statements– Page 130
168 (1) (e)	Particulars of the entries made in the Directors' Interests Register during the accounting period	Compliant	Annual Report of Directors on the State of Affairs of the Company- Page 114
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company during the accounting period	Compliant	Annual Report of Directors on the State of Affairs of the Company- Page 114
168 (1) (g)	The total amount of donations made by the company during the accounting period	Compliant	Social capita l-Page 59
168 (1) (h)	Information on the Directorate of the Company and its Subsidiaries during and at the end of the accounting period	Compliant	Annual Report of Directors on the State of Affairs of the Company- Page 114
168 (1) (i)	Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered by them during the accounting period	Compliant	Notes to the Financial statements-Page 146
168 (1) (j)	Auditors' relationship or any interest with the Company and its Subsidiaries	Compliant	Annual Report of Directors on the State of Affairs of the Company- Page 114
168 (1) (k)	Acknowledgment of the contents of this Report and Signatures on behalf of the Board (Annual Report of the Board of Directors)	Compliant	Annual Report of Directors on the State of Affairs of the Company- Page 114

SECTION C

DISCLOSURES REQUIRED BY THE LISTING RULES OF THE COLOMBO STOCK EXCHANGE

This section outlines the Company's level of compliance with the Continuous Listing Requirements – Section 9 on Corporate Governance Rules for Listed Companies, as issued by the Colombo Stock Exchange.

Rule No.	Subject	Applicable Requirement	Compliance Details	Status
9.2.1	Policies	Establish and maintain the policies and disclose the fact of existence of such policies together with the details relating to the implementation of such policies in the website.	The company has established the following policies and implemented with effect from 1st October 2024. Also, the details relating to these policies are uploaded in the corporate website of the company which can be accessed via https://www.primeresidencies.lk/corporate-governance • Policy on the matters relating to the Board of Directors • Policy on Board Committees • Policy on Corporate Governance, Nominations and Re-election • Policy on Remuneration • Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities • Policy on Risk management and Internal controls • Policy on Relations with Shareholders and Investors • Policy on Environmental, Social and Governance Sustainability • Policy on Control and Management of Company Assets and Shareholder Investments. • Policy on Corporate Disclosures • Policy on Whistleblowing • Policy on Anti-Bribery and Corruption	Compliant

LEVEL OF COMPLIANCE WITH MANDATORY REGULATIONS

Rule No.	Subject	Applicable Requirement	Compliance Details	Status
9.3.1	Board Co	Listed Entities shall ensure that the following Board committees are established and maintained at a minimum and are functioning effectively. • Nominations and Governance Committee • Remuneration Committee • Audit Committee • Related Party Transactions Review Committee.	Refer to sub-committee reports on pages 104, 106, 108, and 110	Compliant
9.3.2	Composition, responsibilities and disclosures	Listed Entities shall comply with the composition, responsibilities and disclosures required in respect of the Board committees as set out in the listing Rules	Refer to sub-committee report on pages 104, 106, 108, and 110	Compliant
9.3.3	Chairperson of Board Committees	The Chairperson of the Board of Directors of the Company shall not be the Chairperson of the Board Committees.	Chairperson of Board Committees is not the Chairperson of the Board	Compliant
9.4.1	Adherence to principles of democracy	Listed Entities shall maintain records of all resolutions and the other information upon a resolution being considered at any General Meeting of the Entity.	The company secretaries maintain records of all resolutions and the other information upon a resolution being considered at any General Meeting of the company.	Compliant
9.5	Policy on matters relating to the Board of Directors	Listed Entities shall establish and maintain a formal policy governing matters relating to the Board of Directors.	The Company has established and maintain a Policy on Matters relating to the Board of Directors.	Compliant
9.6.1	Chairperson and CEO	The Chairperson of every Listed Entity shall be a Non-Executive Director and the positions of the Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed by such Entity	The chairperson is an executive director and a SID has been appointed. The position of chairperson and CEO has not been held by the same person.	Compliant
9.6.2		Where the Chairperson of a Listed Entity is an Executive Director and/or the positions of the Chairperson and CEO are held by the same individual, such Entity shall make a Market Announcement within a period of one (1) month.	The market announcement has been made within one month.	Compliant
9.6.3(a)	The Requirement for a SID	Listed Entity shall appoint an Independent Director as the SID if the Chairperson is an Executive Director.	A SID has been appointed and the market announcement has been made.	Compliant
9.6.3(b)		The Independent Directors shall meet at least once a year or as often as deemed necessary at a meeting chaired by the SID without the presence of the other Directors.	SID has met the independent directors twice this year.	Compliant
9.6.3(c)		The SID shall chair a meeting of the Non-Executive Directors without the presence of the Chairperson at least annually, to appraise the Chairperson's performance	SID has met Non-Executive Directors without the presence of the Chairperson twice this year.	Compliant
9.6.3(e)		The SID shall make a signed explanatory disclosure in the Annual Report demonstrating the effectiveness of the duties of the SID.	Senior independent director's report on page 103	Compliant

Rule No.	Subject	Applicable Requirement	Compliance Details	Status
9.7.1	Fitness of Directors and CEOs	Listed Entities shall take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons as required in terms of the Listing Rules	The Company ensures that the persons recommended by the Nominations and Governance Committee fulfill the assessment criteria set out in the Listing Rules.	Compliant
9.7.2		Listed Entities shall ensure that persons recommended by the Nominations and Governance Committee as Directors are fit and proper as required in terms of the Listing Rules before such nominations are placed before the shareholders' meeting or appointments are made.	The Nomination and Governance evaluate the fit and proper of the proposed director in terms of the Listing Rules before recommending the same for the approval of the Board.	Compliant
9.7.4		Listed Entities shall obtain declarations from their Directors and CEO on an annual basis confirming that each of them has continuously satisfied the Fit and Proper Assessment Criteria set out in these Rules during the financial year concerned and satisfies the said criteria as at the date of such confirmation.	The Directors and the MD (Managing Director the same authority as CEO) has provided the declaration confirming that they satisfy the Fit and Proper Assessment Criteria during the financial year and as at the date of such confirmation.	Compliant
9.8.1	Board Composition	The Board of Directors of a Listed Entity shall, at a minimum, consist of five (05) Directors.	The Board consisted of 12 Directors as of 31st March 2025.	Compliant
9.8.2	Independent Directors	Minimum Number of Independent Directors: • The Board of Directors of Listed Entities shall include at least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors of the Listed Entity at any given time, whichever is higher. • Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change.	The Board consist of six Independent Directors out of total 12 Board of Directors. There is no change to the required threshold.	Compliant
9.8.5(a)	Independence declarations	Each Independent Director is to submit a signed and dated declaration annually of his or her "independence" or non-independence"	The Non-Executive Directors have submitted the signed and dated declarations in the prescribed format.	Compliant
9.8.5(b)	Disclosure of independent directors	Disclose the names of Directors determined to be 'independent' in the Annual Report.	Board profile – pages 20- 25	Compliant
9.9 (a)-(e)	Alternate Directors	Appointment of Alternate Directors	No alternate director is appointed	Compliant

LEVEL OF COMPLIANCE WITH MANDATORY REGULATIONS

Rule No.	Subject	Applicable Requirement	Compliance Details	Status
9.10.2	Disclosures relating to Directors	Listed Entities shall, upon the appointment of a new Director to its Board, make an immediate Market Announcement	An immediate market announcement is made upon the appointment of new directors to the Colombo Stock Exchange. The announcement provides details regarding the director's brief resume, their capacity in directorship, and whether they have any relevant interest in the company's shares. Additionally, the announcement includes a statement about whether the appointments are reviewed by the Nominations and Governance Committee and recommended to the Board.	Compliant
9.10.3		Listed Entities shall make an immediate Market Announcement regarding any changes to the composition of the Board Committees.	No changes to the composition of board subcommittees.	Compliant
9.10.4		Listed Entities shall also disclose the following in relation to the Directors in the Annual Report. (a) name, qualifications and brief profile; (b) the nature of his/her expertise in relevant functional areas; (c) whether either the Director or close family members has any material business relationships with other Directors of the Listed Entity; (d) whether Executive, Non-Executive and/or Independent Director; (e) the total number and names of companies in Sri Lanka in which the Director concerned serves as a Director and/ or Key Management Personnel indicating whether such companies are listed or unlisted Companies and whether such Director functions in an Executive or Non-executive capacity (f) number of Board meetings of the Listed Entity attended during the year; (g) names of Board Committees in which the Director serves as Chairperson or a member; (h) Details of attendance of Committee Meetings of the Audit, Related Party Transactions Review, Nominations and Governance and Remuneration Committees; and, (i) The terms of reference and powers of the SID.	Refer to; (i)Board profile – pages 20- 25 (ii)Corporate governance report (Board attendance)- page 71 (iii)Sub-committee reports-pages 104, 106, 108 and 110 (iv)Senior independent director's report - page 103	Compliant
9.11.1-9.11.5	Nominations and Governance Committee	Listed Entities shall have a Nominations and Governance Committee that conforms to the requirements set out in Rule 9.11	Refer to the report of the Board Nominations and Governance Committee – Page 110	Compliant
9.11.6	Disclosures in Annual Report	The Annual Report of Listed Entities shall contain a report of the Nominations and Governance Committee signed by its Chairperson.	Refer to the report of the Board Nominations and Governance Committee – Page 110	Compliant
9.12.1-9.12.6	Remuneration Committee	Listed Entities shall have a Remuneration Committee that conforms to the requirements set out in Rule 9.12	Refer to the report of the Remuneration and Human Resources Committee- Page 108	Compliant

Rule No.	Subject	Applicable Requirement	Compliance Details	Status
9.12.8	Disclosure in Annual Report	The Annual Report should set out the following: (a) Names of the Chairperson and members of the Remuneration Committee and the nature of directorships held by such members (b) A statement regarding the remuneration policy; and, (c) The aggregate remuneration of the Executive and Non-Executive Directors.	Refer to the report of the Remuneration and Human Resources Committee- Page 108 Annual Report of Directors on the State of Affairs of the Company- Page 114	Compliant
9.13.1-9.13.4	Audit Committee	Where Listed Entities do not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee of such Listed Entities shall additionally perform the Risk Functions set out in Rule 9.13	Audit Committee additionally perform the Risk Functions set out in Rule 9.13 Refer to the report of the Board Audit Committee- page 104	Compliant
9.14.1-5	Related Party Transactions Review Committee	Listed Entities shall have a Related Party Transactions Review Committee that conforms to the requirements set out in Rule 9.14	Refer to the report of the Board RPTR Committee- page 106	Compliant
9.14.7	Disclosures	Immediate Disclosures	No such events that require immediate disclosure have occurred during the financial year.	Compliant
9.14.8 (1) & (2)	Disclosures in the Annual Report	Recurrent/Non-recurrent transaction	Notes to the Financial Statements– Page 167 (Related party transactions)	Compliant
9.14.8 (3)		The Annual Report shall contain a report by the Related Party Transactions Review Committee	Report of the Board RPTR Committee- page 106	Compliant
9.14.8 (4)		An affirmative declaration by the Board of Directors	Refer to the Annual Report of Directors on the State of Affairs of the Company- Page 114	Compliant
9.16	Additional disclosures	The following declarations by the Board of Directors to be included in the Annual Report: (i) They have declared all material interests in contracts involving in the Entity; (ii) they have conducted a review of the internal controls covering financial, operational and compliance controls and risk management; (iii) they made arrangements to make themselves aware of applicable laws, rules and regulations; (iv)disclosure of relevant areas of any material non-compliance with law or regulation	Refer to the Annual Report of Directors on the State of Affairs of the Company- Page 114 There were no material non-compliances during the financial year.	Compliant

RISK MANAGEMENT REVIEW

GRI 207-2

INTRODUCTION

At Prime Lands Residencies PLC (PLR), risk management is a cornerstone of sustainable business success and long-term value creation. As a leading property developer in Sri Lanka, PLR operates in a dynamic and often uncertain environment. Therefore, identifying, assessing, prioritising, and mitigating risks is fundamental to ensure financial stability, preserving brand reputation, safeguarding people and assets, and ensuring compliance with laws and regulations.

PLR has adopted a proactive, structured risk management framework aligned with international best practices and Environmental, Social, and Governance (ESG) principles. This enables the company to build resilience, support investor confidence, and align with evolving stakeholder expectations.

RISK MANAGEMENT OBJECTIVES

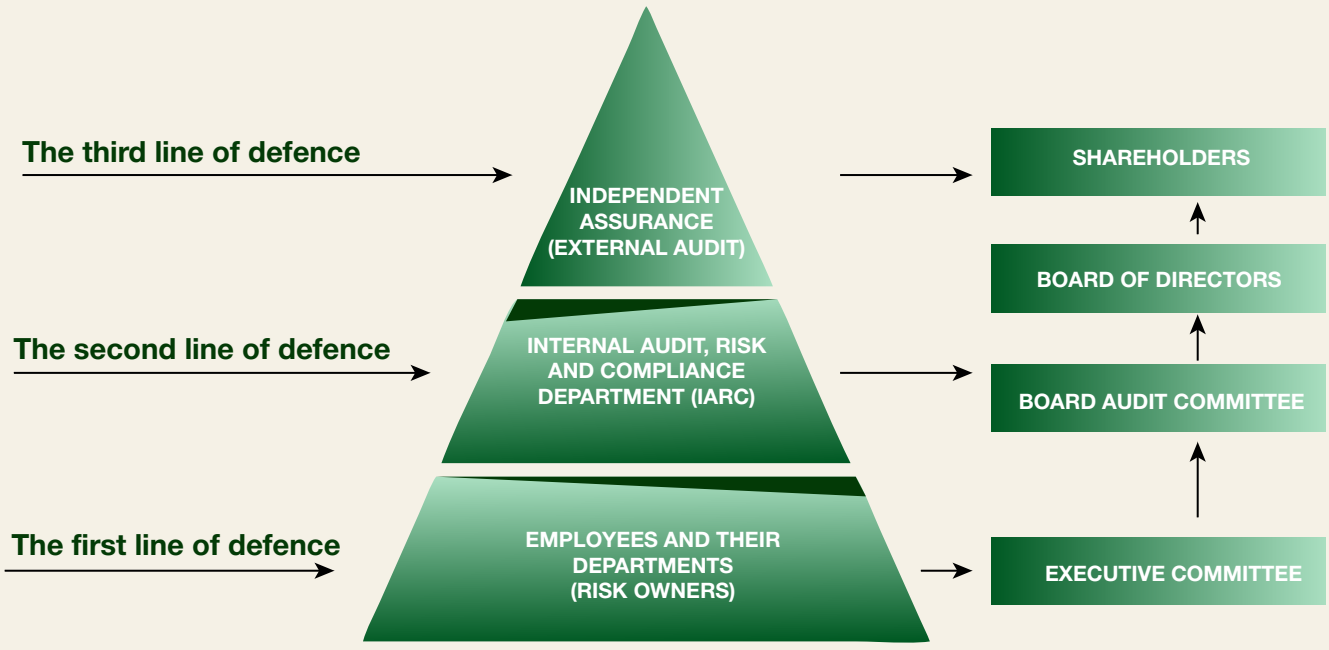
Our risk management strategy is guided by a set of core objectives designed to support the long-term sustainability and integrity of Prime Lands Residencies PLC. Foremost among these is the preservation of our corporate reputation, achieved through transparent and accountable risk governance that fosters stakeholder trust. We are equally committed to protecting our financial stability by proactively managing market volatility and liquidity risks to safeguard margins and capital resources. Enhancing operational resilience is another critical focus, with real-time response mechanisms in place to minimise project delays and cost overruns. In addition, we prioritise the safety and well-being of our people and assets by upholding a zero-harm culture across all sites and operations. Lastly, unwavering adherence to regulatory and industry standards ensures we maintain full compliance, reinforcing our commitment to responsible and ethical business practices.

RISK GOVERNANCE STRUCTURE

PLR's risk governance is grounded in the widely recognised Three Lines of Defence model, which ensures accountability and clarity in managing risks across all operational levels. The first line of defence comprises Department Heads and Operational Teams, who are tasked with identifying, evaluating, and managing risks within their respective areas. These teams implement and maintain internal controls and are responsible for reporting risk developments on a periodic or ad hoc basis.

The second line of defence is the Internal Audit, Risk and Compliance (IARC) Department. This department plays a critical role in supporting the risk management process through independent evaluations and targeted audits. It maintains the central Risk Register, ensures uniformity across assessments, and leads training initiatives to enhance risk awareness throughout the organisation.

The third line of defence includes External Auditors who provide independent assurance to shareholders and the Board by evaluating the overall effectiveness of the company's risk framework. Strategic oversight is provided by the Board of Directors, which defines the company's risk appetite and policy framework. The Audit Committee conducts quarterly reviews and evaluates the adequacy of controls, while the Executive Committee (EXCO) oversees departmental performance and ensures sufficient resources are allocated for risk mitigation.



Effective risk governance at Prime Lands Residencies PLC is underpinned by clearly defined roles and responsibilities across all levels of the organisation. This structured oversight ensures accountability, consistency, and a proactive approach to risk management. The following outlines the key responsibilities assigned to each governance layer involved in the risk oversight process.

Role	Responsibility
Board of Directors	Sets risk appetite; approves risk strategy.
Audit Committee	Reviews risk framework; monitors top-tier risks quarterly.
Executive Committee	Embeds risk culture; allocates resources.
Head of Risk	Maintains register; coordinates risk reviews; escalates emerging high risks.
Department Heads	Take accountability and manage risks within their functions; report issues.

RISK MANAGEMENT FRAMEWORK

PLR has developed a comprehensive risk management process that is both structured and dynamic. The process begins with risk identification, which involves gathering input from interviews, workshops, and internal reviews. Risks are identified from both internal operations and the broader external environment, covering financial, operational, regulatory, technological, and ESG-related concerns.

Following identification, each risk is assessed using a 5x5 scoring matrix that evaluates both the likelihood of occurrence and the potential severity of impact. This standardised scoring ensures consistency and objectivity in the evaluation process. Risks are then prioritised through a visual Risk Heat Map, which categorises risks based on their inherent exposure. This prioritisation allows the organisation to allocate resources effectively and address high-risk areas promptly.

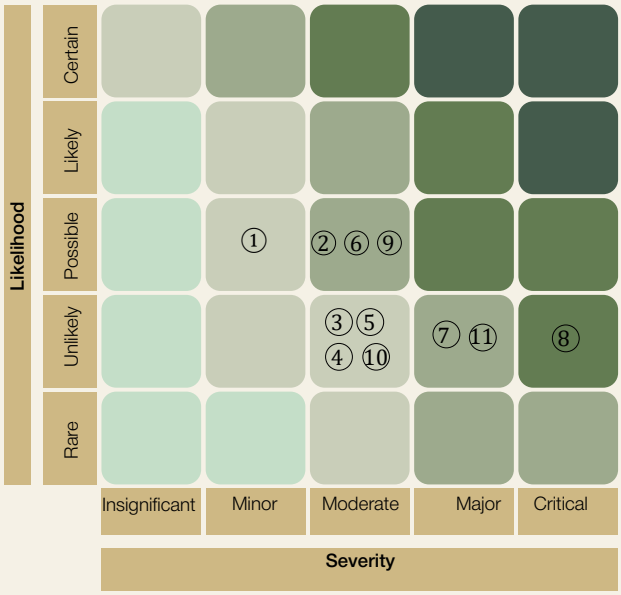
Mitigation strategies are then developed for each prioritised risk. These strategies are designed with defined actions, accountable individuals, timelines, and budgetary provisions. All mitigation efforts are recorded in the Risk Register, which serves as a living document that evolves with the company's risk landscape.

Monitoring and review form an integral part of the framework. Mitigation measures are tracked through internal audits, site inspections, and project reviews. The IARC department conducts an annual review of the risk framework, which is reported to the Audit Committee and subsequently to the Board. Quarterly reports provide high-level summaries and risk heat maps, while the annual report offers a comprehensive overview of the company's risk profile.

RISK REPORTING

An integrated Risk Report is compiled and submitted annually to the Audit Committee and Board of Directors. This report outlines the company's overall risk profile, updates on mitigation progress, and any significant shifts in the risk landscape that may affect strategic or operational priorities.

The following table outlines the key risk factors identified during the period under review, along with the corresponding mitigation measures implemented. Each risk is assessed based on its severity of impact and likelihood of occurrence. In addition, forward-looking risk ratings are provided for these key risks, based on reasonable and supportable assumptions.



Risks that exceed PLR's Risk Appetite
1Currency Risks/Foreign Exchange Risk
2 Interest Rate Risk
3 Operational Risk
4 Legal, compliance and regulatory Risk
5 Reputation Risk
6 Strategic Risk
7 IT & Data Security Risks
8 Data Privacy risk
9 Disruption in Supply Chain Management Risks
10 Climate Related Risks
11 Health and Safety Risk

Risk Management Review

#	Risk Category	Description of the Risk	Impact on PLR
1	Currency Risks/ Foreign Exchange Risk	Unusual depreciation/appreciation of the Rupee against foreign currencies.	• Possibilities for the rupee to be depreciated against hard currencies during the latter part of the year resulted from the lifting of import restrictions especially on vehicles and other non-essential items.
2	Interest Rate Risk	The potential adverse impact on the value of financial instruments or investments resulting from fluctuations in interest rates	• PLR's exposure to the risk of changes in market interest rates relates primarily to short term/ long term floating rate based debt and investments. • Increased construction costs as a result of fluctuations in high market interest rates. • High interest rates also affect potential customers' affordability
3	Operational Risk	The risk of loss resulting from inadequate or failed internal processes, people, systems, or external events.	• Disruption to the normal course of business due to non availability of key resources such as construction materials, skilled employees and adequate suppliers/ contractors in the market.
4	Legal, compliance and regulatory Risk	Non-compliance with legal and regulatory requirements	• No non-compliance with legal and regulatory requirements has been identified during the year. However, if this occurs, it can lead to loss of reputation, and consequently impact sales.

During the financial year 2024-25		Forward looking		Mitigating Strategy
Severity of Impact	Likelihood	Severity of Impact	Likelihood	
Minor	Possible	Moderate	Possible	• Regular price revision on unsold units in order to match the cost overrun due to exchange rate fluctuation and currency volatilities • Closely monitor currency rate fluctuations & currency trading. • Identify and onboard Local supplies as an alternative for foreign suppliers for future procurements. • Enter into a Forward Exchange Contract with the banks after taking an assessment, in order to hedge the exchange risk. • Build up foreign currency reserve from the money received from sales.
Moderate	Possible	Moderate	Possible	• Enforce stringent controls over treasury management practices in alignment with prevailing bank borrowing rates. • Continuously engage with banks and financial institutions to secure optimal rates for the Group's borrowing and investments. • Establish long-term interest rate agreements with grace periods to manage interest rate risks effectively. • Actively pursue overdue payments from customers to minimise finance costs and improve cash flow. • Offer flexible payment options to customers opting for bank loans to enhance affordability and encourage timely settlements. • Collaborate with banks to negotiate favourable banking facilities based on AWPLR plus a margin (AWPLR + x) and fixed rates. • Establishing POD facilities in lien over the fixed deposit (local and foreign currency) (FD + x), and prioritising POD utilisation for PODs on FD lien.
Moderate	Unlikely	Minor	Unlikely	• Enter into long-term fixed-price contracts with suppliers to mitigate cost fluctuations and uncertainties. • Incorporate mandatory clauses in construction contracts outlining project milestones to ensure adherence to timelines. • Conduct monthly monitoring of project timelines against expected milestones to identify and address any significant deviations promptly. • Develop proactive strategies to attract potential candidates, ensuring a steady influx of talent. • Create talent pipelines within the organisation to foster internal growth and succession planning.
Moderate	Unlikely	Moderate	Unlikely	• The Company regularly reviews the laws and regulations applicable to the business to ensure compliance. • Provide periodic reports on internal and external regulatory compliance to the Board for oversight. • Engage external audit, tax, and legal consultants as needed to address legal, regulatory, and compliance matters. • Ensure prompt and timely payment of all taxes and other obligations. • Maintain strict adherence to the company's Code of Business Ethics and Conduct to uphold ethical standards and integrity.

Risk Management Review

#	Risk Category	Description of the Risk	Impact on PLR
5	Reputation Risk	The potential for negative publicity or damage to a company's good standing can harm its profitability, customer base, and overall success.	• Negative client and public opinion regarding the Company / Group and its actions, and the damage caused by the failure in managing customer, shareholder and public expectations. • Loss of customer satisfaction will negatively impact the current and future performance of the Company
6	Strategic Risk	The potential for adverse outcomes stemming from inadequate or failed strategic decisions, actions, or responses to changes in the business environment.	• Changes in Government legislation affecting the strategies and planning of the organisation • Competition from the multinational construction development companies involved in the local construction industry.
7	IT & Data Security Risks	Disruptions to IT systems, caused by cyberattacks, infrastructure failures, or other unforeseen events, can lead to significant business disruptions.	• IT system failures, ransomware attacks, or data breaches can disrupt business operations, leading to downtime, loss of productivity, and delays in delivering services.
8	Data Privacy Risk	Breach of data confidentiality in stakeholder information by unauthorised access or misuse.	• Unauthorised access to proprietary information or intellectual property can result in competitive disadvantage, loss of market share, and damage to the operation.
9	Disruption in Supply Chain Management	This risk of interruptions in the flow of materials, equipment, or services is essential for construction projects.	• The interruptions in the flow of materials, equipment, or essential services will significantly impact the project's progress, which may lead to delays in the expected date of completion of the project.

During the financial year 2024-25		Forward looking		Mitigating Strategy
Severity of Impact	Likelihood	Severity of Impact	Likelihood	
Moderate	Unlikely	Moderate	Unlikely	• Implement sound HR practices and robust governance measures to foster a culture of shared values and integrity, prioritising stakeholder interests. • Ensure strict adherence to statutory and regulatory requirements, particularly as a listed company, through dedicated controls. • Address customer complaints promptly to enhance satisfaction and maintain goodwill. • Effectively address shareholder concerns and promptly escalate issues to the Board when necessary. • Monitor and respond to feedback received through the corporate website in real-time to demonstrate responsiveness and accountability.
Moderate	Possible	Moderate	Unlikely	• Implement portfolio diversification strategies to broaden revenue streams across various sectors, including lands, housing, apartments, and investments. • Offer a diverse range of products spanning from affordable luxury to ultra-luxury segments to cater to different market segments. • Leverage industry networks and the company's stability to negotiate favourable terms with suppliers and contractors, thereby enhancing bargaining power. • Capitalise on the company's long-standing history, strong reputation, and industry expertise to command premium prices from customers, reflecting the value proposition offered. • Continuous innovation in product offerings, product design, development and financing.
Major	Unlikey	Major	Unlikey	• Implement stringent cybersecurity measures, including robust firewalls, antivirus software, and spam filters to safeguard against cyber threats. • Utilise advanced technologies such as SPF, DKIM, and DMARC to authenticate legitimate senders and prevent email spoofing. • Employ SSL/TLS protocols to ensure secure end-to-end communication and protect sensitive data from interception or tampering. • Enforce strict IT security policies to govern the usage of technology resources and promote adherence to best practices for information security.
Critical	Unlikey	Critical	Unlikey	• Identify the location of confidential information to ensure proper safeguarding. • Conduct staff training on data privacy protocols to enhance awareness and compliance. • Enforce adherence to IT policies and processes among users. • Establish a password-protected system with enforced password policies for enhanced cybersecurity measures. • Implement system validations, such as NIC number and mobile number validations, to minimise human errors.
Moderate	Possible	Moderate	Unlikey	• Diversify suppliers and maintain buffer stocks of critical materials while fostering strong relationships with reliable suppliers to mitigate supply chain risks. • Utilize technology for real-time monitoring of supply chain activities, enabling proactive identification and response to potential disruptions. • Develop contingency plans and alternative scenarios to ensure resilience and adaptability in the face of supply chain disruptions.

Risk Management Review

#	Risk Category	Description of the Risk	Impact on PLR
10	Climate Related Risks	The potential hazards and challenges posed by changes in weather patterns and extreme weather events.	• Rising temperatures and heatwaves can impact construction activities and pose health risks to workers, hence leading to labour shortages. • Changes in rainfall patterns, including increased rainfall intensity or prolonged droughts, can lead to soil erosion and waterlogging at construction sites, affecting site stability and project progress.
11	Health and Safety Risk	Risk of possible threats to the health and safety of customers, employees and any person within the office premises or construction sites	• Non-adherence to health and safety regulations or any major safety measures at the construction site could result in legal issues, fines, or project stoppages and reputational damage. • Breeding grounds for mosquitoes within office premises and construction sites pose a significant risk of disease transmission.

RISK CULTURE AND AWARENESS

PLR has successfully cultivated a culture of risk awareness across all levels of the organisation. Regular training sessions led by the IARC department equip employees with the knowledge and tools required to identify and mitigate risks effectively. Accountability is embedded within job roles, with risk management responsibilities clearly delineated. Feedback from internal audits is used to drive improvements and foster a culture of continuous learning and risk responsiveness.

ESG INTEGRATION IN RISK MANAGEMENT

A defining feature of PLR's risk management framework is the integration of Environmental, Social, and Governance (ESG) principles. Environmental considerations include assessing climate-related risks, resource usage, and ecological impacts of development projects. On the social front, PLR emphasises employee health and safety, customer satisfaction, and community engagement. Governance is upheld through strict compliance with legal requirements, ethical business practices, and transparent communication with stakeholders. This ESG integration not only strengthens PLR's resilience but also aligns its risk management approach with investor and stakeholder expectations.

FUTURE OUTLOOK

Looking ahead, PLR remains vigilant as Sri Lanka recovers from economic instability. The company is committed to strengthening its risk prediction capabilities through advanced data analytics and expanding its ESG risk assessment framework. Future plans include adaptive planning strategies, scenario testing, and the integration of risk management insights into all facets of strategic decision-making. This forward-looking approach ensures PLR can anticipate and adapt to emerging risks while capitalizing on new opportunities.

During the financial year 2024-25		Forward looking		Mitigating Strategy
Severity of Impact	Likelihood	Severity of Impact	Likelihood	
Moderate	Unlikely	Moderate	Possible	• Conduct a comprehensive analysis of climate-related risk factors in advance and integrate them into the project program. • Maintain transparent communication with customers in case of unforeseen delays resulting from factors beyond our control, offering detailed explanations for any extensions to the project completion timeline due to such unavoidable circumstances.
Major	Unlikely	Major	Unlikely	• Implement stringent health and safety guidelines, including mandatory usage of safety equipment and regular awareness programs. • Enforce compulsory vaccination and adhere to Government directives regarding health measures. • Obtain workman's compensation insurance to cover workplace injuries and accidents, in addition to providing personal accident coverage for all employees • Provide medical cover for permanent employees and contract employees with more than two years of service, along with life cover for all employees. • Ensure regular disinfection and sanitisation of work floors. Conduct continuous inspections and implement regular pest control measures.

STAKEHOLDER ENGAGEMENT

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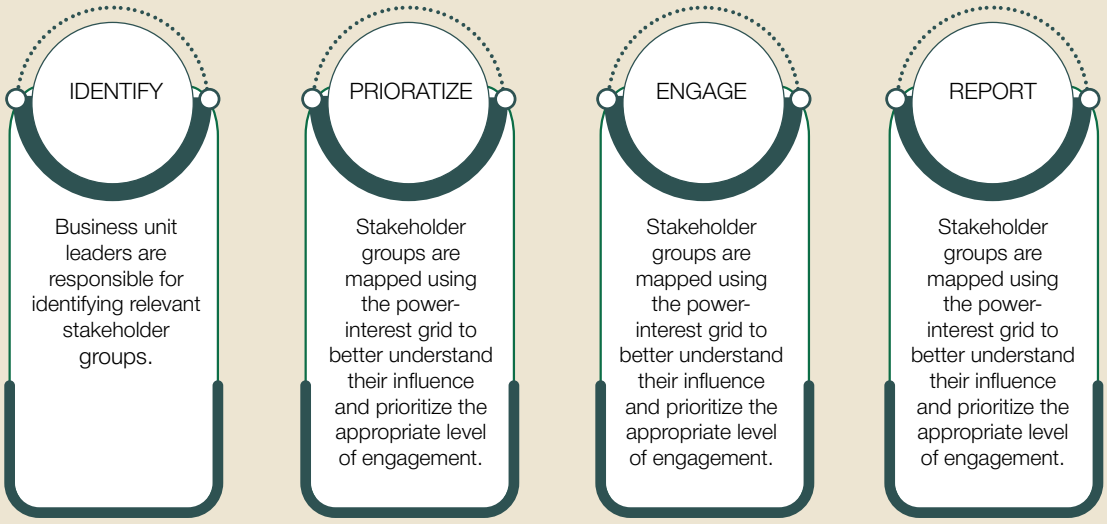
Fostering meaningful relationships with our stakeholders enables us to proactively manage risks, strengthen our reputation, uncover opportunities for innovation, and drive sustainable growth within an increasingly complex and interconnected business landscape. Our stakeholder relationships are guided by a focused approach to addressing core Environmental, Social, and Governance (ESG) concerns, ensuring that we remain responsive and responsible in all our interactions.

OUR STAKEHOLDER GROUPS

- Shareholders & Potential Investors
- Customers
- Employees
- Government & Interested Regulatory Bodies
- Contractors and Suppliers
- Providers of Debt Capital
- Community & Society

Embedding Environmental, Social, and Governance (ESG) principles into our stakeholder engagement practices allows us to assess and address stakeholder expectations through a broader lens of long-term value creation and accountability. This integrated approach strengthens brand reputation, builds trust, and ensures alignment with our overall business strategy. It also supports the identification of emerging risks and opportunities, enabling us to remain responsive to stakeholder priorities while reinforcing our commitment to responsible and sustainable business conduct.

Our four-pronged stakeholder identification methodology allows us to remain in line with ESG concerns.



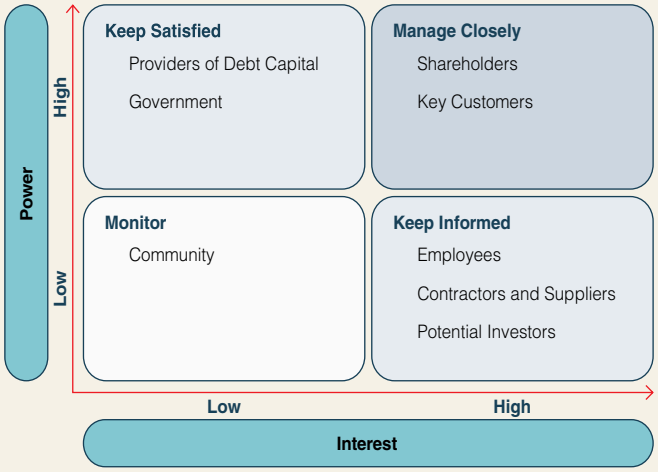
FOUR-PRONGED STAKEHOLDER IDENTIFICATION APPROACH:

We assess stakeholder influence and the appropriate level of engagement using the power-interest grid framework.

POWER INTEREST GRID

Stakeholders with high power possess the ability to directly influence business outcomes.

In contrast, interest-based stakeholders may not exert direct influence, but their concerns and perceptions have an indirect impact on the long-term sustainability and resilience of our business.



Our stakeholder engagement process emphasises transparent communication and active collaboration, aiming to empower each stakeholder group to meaningfully contribute to our value creation journey.

The table below presents our stakeholder engagement process:

Stakeholder	Engagement Mechanism	Frequency	Key concerns raised	Our response
Shareholders & Potential Investors	Interim Financial Statements	Quarterly	Financial performance	We employ a prudent approach towards managing our financial resources to ensure adequate resources are re-invested in the business, while fully honouring stakeholder obligations.
	Annual Report and AGM	Annually	Business strategies and operational efficiency	
	Announcement to the CSE	As required	Governance stability and sustainability	
	Digital platforms		Risk management	
	Press releases			
Employees	HR Digital platform (HRIS), WhatsApp Groups, Group Email	Continuous & On going	Employee engagement and communication	PLR is committed to assure an excellent employee experience throughout the employee lifecycle. The Company believes a friendly and supportive work environment will be a definite positive impact on productivity and service quality improvement. We make a conscious effort to inculcate the Company's core values among employees to drive the team towards a high performance organization; ultimately meeting the expectations of all the stakeholders.
			Technology collaboration	
	One- on- one discussions	As required	Industrial Harmony	
	Staff meetings			
	Regular performance review	As required	Employee wellbeing	
	Training need analysis	Review and discussions	Growth conducive work environment	
	Remuneration and benefit review	Annually	Career growth, development and remuneration	
			Competitive remuneration benefits	

Stakeholder Engagement

Stakeholder	Engagement Mechanism	Frequency	Key concerns raised	Our response
Customers 	One-one-interaction	As required	Product affordability and quality	PLR consistently provide assurance, transparency, and quality of services to ensure value creation and enhancement on behalf of customers, whilst maintaining our robust reputation through compliance, good governance and pragmatic business progress that ensure sustainability of operations.
	Digital communication	Continuous & On going	Support services	
	Marketing activities		Access to information	
	Press releases		Timely delivery of projects	
Government & Interested Regulatory Bodies 	One-on-one meetings	As required	Regulatory and statutory compliance	We take proactive measures to comply with all applicable regulations and ensure that we remain transparently committed to social and environmental impact enhancement
	Compliance Verification Framework	Continuous & On going	Environmental management and compliance	
	Compliance Audits		Health and safety management	
	Other Correspondence	As required	Concerns about sustainability initiatives and compliance with anti money laundering (AML/ CTF) regulations	
Contractors and suppliers 	One-on-one meetings	As required	Cost effectiveness and the quality of the work performed	PLR strives to build strong trust-based relationships with all suppliers including contractors for progress reviews and timely delivery. Contractors are selected based on a strict tender procedure, while other suppliers are comprehensively vetted to ensure their alignment with PLR's ethical procurement standards.
	Progress reviews	Continuous & On going	Timely delivery of projects	
	Other correspondence		Procurement practices	
			Payment schedule	
			Business ethics and compliance	
			Supply chain management	
Providers of Debt capital 	One-on-one meetings	As required	Financial Stability and liquidity	PLR aims to enhance our credibility among the banking sector by meeting all debt service obligation in a timely manner.
	Project Evaluations			
	Other correspondence	Continuous & On going	Timeliness of debt servicing	
	Annual Report	Annually	Organisational Resilience and Business Continuity	
Community & Social 	Annual Report	Annually	Development opportunities for regional economies	PLR remains committed to contribute towards improving community well-being and the development of sustainable communities across Sri Lanka.
	PLR's Digital platforms	Continuous & On going		
	Press releases & Other Marketing Activities			
	Announcements in CSE	As required		

Through meaningful stakeholder engagement, we continuously strengthen our resilience, enhance our reputation, and expand our positive impact within an evolving business landscape. This approach supports the achievement of our strategic objectives while contributing to broader social, economic, and environmental outcomes.

SENIOR INDEPENDENT DIRECTOR'S STATEMENT



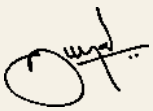
In line with Rule 9.6.3(a).ii of Section 09 of the Listing Rules of the Colombo Stock Exchange and best practices outlined in Section A.5.7 of the Institute of Chartered Accountants of Sri Lanka's Code of Best Practice on Corporate Governance 2023, PLR PLC has appointed a Senior Independent Director (SID) to further strengthen its governance framework, given the presence of an Executive Chairperson.

As the Senior Independent Director, I play a pivotal role in supporting and enhancing the effectiveness of the Board and its leadership. This includes providing a sounding board for the Chairperson, acting as an intermediary for other Directors where necessary, and offering an additional point of contact for shareholders on governance-related concerns.

During the financial year, I worked closely with the Chairperson on matters of Board effectiveness and strategic direction. To promote transparent and constructive dialogue, I convened separate meetings with Non-Executive Directors (on two occasions) and Executive Directors (once), providing a forum to discuss governance issues and performance in an open and candid manner.

I remain accessible to all Directors for confidential discussions regarding any aspect of the Company's operations or governance.

Through these engagements, I continue to promote a culture of openness, accountability, and integrity at all levels of governance.



Deepal Sooriyaarachchi
Senior Independent Director

04th June 2025

AUDIT COMMITTEE REPORT



INTRODUCTION

The Audit Committee is pleased to present its report for the financial year ended 31 March 2025. This report is presented in compliance with Section 9.13 of the Listing Rules of the Colombo Stock Exchange and the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka.

The Committee supports the Board in fulfilling its oversight responsibilities for financial reporting, internal controls, internal audit, external audit, and risk management processes of the Company

COMPOSITION

As at 31st March 2025, the Audit Committee comprised the following members:

Name	Nature of directorships
Mr. Sanjaya Bandara (Chair)	Independent Non-Executive Director
Mr. Deepal Sooriyaarachchi	Senior Independent Director
Mr. Mahinda Perera	Independent Non-Executive Director

The Director – Finance, Chief Financial Officer, Chief Accountant, Head of Internal Audit, External Auditors, and other members of senior management attend meetings by invitation, as necessary.

MEETINGS OF THE COMMITTEE

During the financial year 2024/25, the Committee met on five occasions. Attendance details of individual members are provided on Page 75 of this Annual Report.

STATUS OF RISK MANAGEMENT AND INTERNAL CONTROL

The Committee reviewed the adequacy and effectiveness of the Company's risk management framework and internal control systems. The Committee is satisfied that the existing systems and processes are sound and are subject to continuous monitoring and improvement. No material weaknesses in the control environment were reported during the year.

ASSURANCE FROM MANAGING DIRECTOR AND CFO

The Committee received written assurance from the Managing Director and the Chief Financial Officer that the financial reporting system is reliable and that the financial statements present a true and fair view of the Company's operations and financial position.

COMPLIANCE WITH FINANCIAL REPORTING REQUIREMENTS

The Committee reviewed the financial statements to ensure compliance with the Sri Lanka Accounting Standards, the Companies Act No. 07 of 2007, the Securities and Exchange Commission Act, and other applicable rules and regulations. Based on its review, the Committee confirms that the Company is in compliance with all relevant financial reporting and disclosure requirements.

AUDIT CHARTER

The Company has a formal Audit Committee Charter which clearly defines the Committee's roles and responsibilities. The Charter is reviewed periodically and updated as required.

INTERNAL AUDIT FUNCTION

Internal audit assurance was provided through the in-house Internal Audit function. The Committee reviewed and approved the internal audit plan, evaluated its adequacy, and monitored audit execution and findings. Recommendations from audit reports were discussed and followed up for implementation by management.

SUMMARY OF INTERNAL AUDITS PERFORMED IN 2024/25:

#	Audit area	No. of Audits
01	Review of Controls over Quantity Surveying Function	01
02	Review of Controls over Procurement Function	02
03	Controls over Payroll Process	02
04	Review of Sales and Recovery Function	01
05	Verification of Accuracy of Sales Commission Calculation	02
06	Review of Deed Transfer and Sales & Purchase Agreements Process	02
07	Utilization & Control over Fixed Assets	02
08	Review of Revenue Recognition	02
09	Compliance with VAT and SSCL Laws	01
10	Compliance with AML/CFT Regulations	02
11	Review of IT General Controls	01
12	Payment Voucher Review	06
13	Review of Main Cash & Petty Cash	02
14	Review of Bank Reconciliations	12

DISCHARGE OF DUTIES

During the year under review, the Committee discharged its responsibilities effectively, including:

- Reviewing quarterly and annual financial statements
- Monitoring the effectiveness of internal audit
- Overseeing internal controls and risk management
- Engaging with the external auditor on the audit scope, approach, and findings

Key Areas Reviewed by Meeting:

Meeting No. & Date	Areas Covered
01 – 17th May 2024	②③④⑤
02 – 26th July 2024	①②③④
03 – 24th October 2024	②③④
04 – 30th January 2025	①②③④
05 – 27th March 2025	①②③⑤

Legend:

① Risk Management
② Internal Audit
③ Compliance and Governance
④ Financial Reporting
⑤ External Audit

EXTERNAL AUDIT

The Committee reviewed and discussed the external audit scope and approach with the external auditors and management before the commencement of the audit. Upon completion of the audit, the Committee held closed-door discussions with the auditors to address any observations and issues arising during the engagement.

EXTERNAL AUDITOR INDEPENDENCE

The Committee obtained written assurance from the external auditors confirming that they remained independent throughout the audit, in line with applicable professional and regulatory requirements.

DETERMINATION OF AUDITOR INDEPENDENCE

The Committee assessed the independence of the external auditors considering the duration of their engagement, provision of non-audit services, and compliance with rotation policies. As at 31st March 2025, Messrs BDO Partners has been the Company's external auditor for 10 years. Partner rotation takes place periodically, with a rotation having occurred in the financial year 2024/25.

Where non-audit services were provided, the Committee evaluated whether auditor objectivity was maintained, taking into account the nature of services and associated fees.

COMMITTEE EVALUATION AND EFFECTIVENESS

The Committee conducted a self-evaluation and concluded that it had effectively discharged its responsibilities for the year. The outcome of the evaluation was formally reported to the Board.

REPORTING TO THE BOARD

Minutes of the Audit Committee meetings were submitted to the Board, promoting transparency and alignment with the Company's broader governance framework.

CONCLUSION

The Audit Committee is satisfied that it has effectively fulfilled its responsibilities during the year and remains committed to supporting the Board in ensuring sound financial reporting, internal controls, and good governance.

S. Bandara

Sanjaya Bandara
Chairman – Audit Committee

04th June 2025
Colombo

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT



INTRODUCTION

The Related Party Transactions Review Committee (RPTRC) is pleased to present its report for the financial year ended 31 March 2025. This report is presented in compliance with Section 9.14 of the Listing Rules of the Colombo Stock Exchange and the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka.

The primary responsibility of the Committee is to ensure that all related party transactions (RPTs) of the Company are carried out in a fair, transparent, and independent manner, in the best interests of the Company and its shareholders.

COMPOSITION

As at 31st March 2025, the Related Party Transactions Review Committee comprised the following members:

Name	Nature of directorships
Mr. Sanjaya Bandara (Chair)	Independent Non-Executive Director
Mr. Deepal Sooriyaarachchi	Senior Independent Director
Mr. Mahinda Perera	Independent Non-Executive Director

The Director Finance, Chief Financial Officer, Chief Accountant, Company Secretary, and relevant members of the management team attend meetings by invitation to provide necessary clarifications.

MEETINGS OF THE COMMITTEE

During the financial year 2024/25, the Committee met on six occasions. Details of individual attendance are provided on Page 75 of this Annual Report.

ACTIVITIES IN THE FY 2024/25

During the year under review, the Committee carried out the following key activities:

- Reviewed all related party transactions to ensure compliance with applicable Listing Rules and the Company's internal policies.
- Ensured that all transactions were conducted on an arm's length basis and in the ordinary course of business.
- Periodically reviewed and updated internal policies and procedures governing RPTs.
- Submitted quarterly reports to the Board summarizing the Committee's observations and recommendations.

REVIEW OF RELATED PARTY TRANSACTIONS

- There were no non-recurrent related party transactions during the year that exceeded the thresholds stipulated in the Listing Rules requiring specific disclosure in the Annual Report.
- Recurrent related party transactions that exceeded the respective thresholds are disclosed on page 167 of this Annual Report.
- All recurrent transactions exceeding internal thresholds set by the Committee were submitted for its prior review and approval.
- Additional details of related party transactions entered into during the year are disclosed in Note 31 to the Financial Statements.

POLICIES AND PROCEDURES FOR REVIEWING RELATED PARTY TRANSACTIONS

The Company maintains a formal policy on related party transactions, which is periodically reviewed by the Committee. The following procedures are in place to ensure robust governance over RPTs:

- Identification of related party transactions based on the definitions in the Listing Rules and recording them in a central register.
- Prior review of all related party transactions by the Committee before being presented to the Board for final consideration.
- Maintenance of a compliance checklist and declaration system to proactively identify and monitor potential RPTs.

COMMITTEE EVALUATION AND EFFECTIVENESS

The Committee conducted a self-evaluation and concluded that it had effectively discharged its responsibilities during the year. The results of the evaluation were formally reported to the Board.

REPORTING TO THE BOARD

Minutes of the RPTRC meetings were submitted to the Board, ensuring transparency and alignment with broader governance processes.

CONCLUSION

The Committee remains committed to ensuring that all related party transactions are conducted with integrity and in compliance with applicable regulations, thereby protecting the interests of all stakeholders.

S. Bandara

Sanjaya Bandara
Chairman – Related Party Transaction Review Committee

04th June 2025
Colombo

REMUNERATION AND HUMAN RESOURCES COMMITTEE REPORT



INTRODUCTION

The Remuneration and Human Resources Committee (R&HRC) is pleased to present its report for the financial year ended 31st March 2025. This report is prepared in compliance with Section 9.12 of the Listing Rules of the Colombo Stock Exchange and the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka.

The Committee is responsible for establishing a framework and recommending remuneration policies that attract, retain, and motivate competent leadership, while ensuring alignment with the Company's strategic objectives and shareholder interests.

COMPOSITION OF THE COMMITTEE

As at 31 March 2025, the Remuneration and Human Resources Committee comprised the following members:

Name	Nature of directorships
Mr. Deepal Sooriyaarachchi (Chair)	Senior Independent Director
Mr. Sanjaya Bandara	Independent Non-Executive Director
Mr. Dhammika Kalapuge	Independent Non-Executive Director

The Chairperson, Chief Human Resources Officer, and when necessary, relevant Operational Directors and Managers attend the meetings by invitation.

ROLES AND RESPONSIBILITIES

- The Committee's responsibilities, as outlined in its Terms of Reference, include:
- Developing and recommending remuneration policies for the Board and Key Management Personnel
- Reviewing and recommending performance-based incentives and compensation structures
- Ensuring that remuneration remains aligned with market trends, company performance, and individual contributions
- Monitoring compliance with statutory and regulatory requirements related to remuneration and human resources

REMUNERATION POLICY

The Company's remuneration policy is designed to attract, retain, and motivate a highly qualified and experienced executive team. It aims to ensure that remuneration is performance-driven and competitive within the industry, while being fair and consistent with the level of expertise and contribution of each individual.

Compensation structures are closely aligned with both short-term and long-term strategic objectives of the Company and are linked to individual performance and company outcomes.

All Non-Executive Directors receive a fixed fee for their service on the Board and its subcommittees. They do not receive performance-based incentive payments.

The aggregate remuneration of the Executive and Non-Executive Directors for the Financial Year amounted to Rs. 85.21Mn.

ACTIVITIES IN THE FY 2024/25

The Committee met four times during the year and undertook the following key activities:

- Reviewed and recommended strategic human resource policies
- Considered succession planning for Key Management Personnel (KMPs)
- Reviewed and approved the remuneration structure for Executive Directors and senior management
- Recommended bonuses and annual increments for Executive staff based on the Company's Performance Management System
- Evaluated training and development programs for staff

COMMITTEE EVALUATION AND EFFECTIVENESS

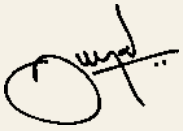
The Committee conducted a self-evaluation and concluded that it had effectively discharged its responsibilities during the year. The results of the evaluation were formally reported to the Board.

REPORTING TO THE BOARD

Minutes of the R&HRC meetings were submitted to the Board, ensuring transparency and alignment with broader governance processes.

CONCLUSION

The Remuneration and Human Resources Committee remains committed to upholding transparent, fair, and competitive remuneration and HR practices that support the strategic priorities of the Company and drive long-term stakeholder value.



Deepal Sooriyaarachchi
Chairman – Remuneration and Human Resources Committee

04th June 2025
Colombo

NOMINATION AND GOVERNANCE COMMITTEE REPORT



INTRODUCTION

The Nomination and Governance Committee (N&GC) is pleased to present its report for the financial year ended 31 March 2025. This report is prepared in compliance with Section 9.11 of the Listing Rules of the Colombo Stock Exchange and the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka.

The Committee is responsible for ensuring that the Board is appropriately structured with individuals possessing the required competencies, experience, and independence to guide the Company's strategic direction. The Committee also oversees governance policies and practices, succession planning, and Board effectiveness.

COMPOSITION

As at 31st March 2025, the Nomination and Governance Committee comprised the following members:

Name	Nature of directorships	Date of appointment to the Committee
Mr. Mahinda Perera (Chair)*	Independent Non-Executive Director	08th November 2023
Mr. Deepal Sooriyaarachchi *	Senior Independent Director	08th November 2023
Mr. Sanjaya Bandara	Independent Non-Executive Director	08th November 2023

*Note: During the financial year under review, Mr. Mahinda Perera served as the Chairman of the Committee. However, with effect from 29th May 2025, Mr. Deepal Sooriyaarachchi was appointed as the Chairman of the Committee, and Mr. Mahinda Perera continues as a member. This change took place prior to the authorization of the Annual Report.

The Finance Director, Chief Human Resources Officer, Manager-Internal Audit, Risk and Compliance and when necessary, relevant Operational Directors and Managers attend the meetings by invitation.

MEETINGS OF THE COMMITTEE

During the financial year, the Committee met two times. The attendance of the Committee meetings held during the financial year ended 31st March 2025, is given on page 75 of this Annual Report.

ACTIVITIES IN THE FY 2024/25

The Nomination and Governance Committee convened two time during the financial year. During the meeting, the committee evaluated the following:

- Level of compliance with the Code of Best Practice on Corporate Governance.
- Level of compliance with mandatory regulations such as the Listing Rule and the Companies Act.
- Policy documents prepared by the management as required by the revised listing rule.
- Procedure for the evaluation, selection, appointment, and re-appointment of Directors.

POLICY AND PROCESSES FOR DIRECTOR NOMINATIONS

A documented policy and formal processes are in place for the nomination and appointment of Directors. The Committee ensures that all appointments are made following a transparent and merit-based process, evaluating candidates based on their experience, integrity, qualifications, diversity, and alignment with the Company's long-term strategy.

All Non Exective Directors are subject to re-election at regular intervals and at least once every three (3) years, in accordance with best governance practices.

BOARD DIVERSITY

The Committee recognizes that diversity in experience, skills, age, and gender is essential for effective Board performance. As of 31st March 2025, the Board collectively comprises individuals with Expertise in Finance, Law, Human Resources, Strategy, Operations, and Risk Management, representing a mix of age groups and professional backgrounds. The Company remains committed to enhancing gender diversity on the Board.

Brief profiles of the Directors are given on pages 20 to 25 of this Annual Report.

IMPLEMENTATION OF POLICIES AND PROCESSES

During the year under review, the Committee implemented the following measures to support the effective nomination and reappointment process:

- Reviewed the Board skill matrix to identify potential gaps
- Assessed the performance and independence of Directors eligible for re-election

- Recommended re-appointments based on performance evaluations, attendance, and continued contribution
- Maintained a succession plan for key leadership roles

DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION IN FY 2024/25

The following disclosures are made in respect of Directors proposed for re-election during the year:

Name	Committees Served (as of 31/03/2025)	First appointed to the Board	Last re-appointed to the Board	Other Directorships/Positions (Last 3 Years)	Relationship
Mr. Sanjaya Bandara	Board Audit Committee-Chair Board RPTR Committee-Chair Board N&G Committee-Member Board R&HR Committee-Member	3rd February 2021	30th June 2022	B R De Silva & Company-Senior Partner Nexia Management Services (Pvt) Limited-Director Nexia BPO (Pvt) Limited-Director CL Synergy (Pvt) Ltd-Directror Abans Finance PLC-Independent Non Executive Director** Luminex PLC-Independent Non Executive Director The Nuwara Eliya Hotels Company PLC-Independent Non Executive Director Agalawatte Plantations PLC-Independent Non Executive Director	None
Mr. Deepal Sooriyaarachchi	Board R&HR Committee-Chair Board N&G Committee-Member Board Audit Committee-Member Board RPTR Committee-Member	3rd February 2021	30th June 2022	AIA Insurance Lanka PLC- Independent Non-Executive Director Pan Asian Power PLC- Non-Executive Director Siyapatha Finance PLC- Independent Non-Executive Director Kelani Cables PLC- Independent Non-Executive Director Lanka Shipping & Logistics (Private) Ltd-Independent Non-Executive Director Singer Sri Lanka PLC- Independent Non-Executive Director SATI Human Development Institute (Private) Ltd-Managing Director Medapp (Private) Ltd - Independent Non Executive Director Post Graduate Institute of Management- UGC appointed Board Member	None
Mr. Noel Joseph	Nil	29th October 2021	n/a	NJ Consultants- Proprietor Cadteam- Managing Partner Regnis (Lanka) PLC - Independent Non-Executive Director* Singer Industries (Ceylon) PLC- Independent Non-Executive Director* On'Ally Holdings PLC- Independent Non-Executive Director	None

Nomination and Governance Committee Report

* Following the amalgamation with Singer (Sri Lanka) PLC, Mr. Noel Joseph no longer serves as a Director of either company.

** Resigned effective 31st December 2024.

There are no close family relationships between the proposed Directors and other members of the Board, the Company, or any shareholder holding more than 10% of the Company's shares.

PERFORMANCE EVALUATIONS

In accordance with Rule 9.11.5, performance evaluations of the Board of Directors were conducted. The results were reviewed by the Committee and reported to the Board. The evaluations confirmed the effectiveness of the leadership and governance structures.

ENGAGEMENT WITH INDEPENDENT DIRECTORS

Independent Directors are regularly updated on major business issues, strategic developments, and regulatory changes. They are provided with comprehensive board papers ahead of meetings and have direct access to the Company Secretary and senior management.

DIRECTOR INDUCTION AND TRAINING

During the year, a structured induction program was conducted for newly appointed Directors covering:

- Corporate Governance principles
- Colombo Stock Exchange Listing Rules
- Securities market regulations
- Relevant laws and regulatory frameworks

INDEPENDENCE OF DIRECTORS

The Board confirms that all Independent Non-Executive Directors meet the criteria set out in the Listing Rules of the Colombo Stock Exchange for determining independence.

COMPLIANCE WITH CSE CORPORATE GOVERNANCE REQUIREMENTS

The Company confirms that it has complied with the Corporate Governance requirements stipulated under the Listing Rules of the Colombo Stock Exchange. There were no instances of non-compliance during the year under review.

COMMITTEE EVALUATION AND EFFECTIVENESS

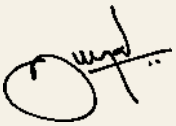
The Committee conducted a self-evaluation and concluded that it had effectively discharged its responsibilities during the year. The results of the evaluation were formally reported to the Board.

REPORTING TO THE BOARD

Minutes of the N&GC meetings were submitted to the Board, ensuring transparency and alignment with broader governance processes.

CONCLUSION

The Nomination and Governance Committee remains committed to upholding the highest standards of governance and to supporting a capable, diverse, and forward-looking Board that drives long-term value creation for stakeholders.



Deepal Sooriyaarachchi
Chairman – Nomination and Governance Committee

04th June 2025
Colombo

Numbers That Build Nations and Beyond

FINANCIAL REPORTS

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE STATE OF AFFAIRS OF THE COMPANY

Annual Report of the Board of Directors on the Affairs of the Company as required by section 168 of the Companies Act No. 07 of 2007 as amended ("the Companies Act")

GENERAL

The Board of Directors of Prime Lands Residencies PLC is pleased to present this report to the shareholders, accompanied by the Audited Financial Statements for the financial year ended 31st March 2025 and the Independent Auditor's Report. This report has been prepared in accordance with the provisions of the Companies Act No. 07 of 2007, including its subsequent amendments, and aligns with recommended best practices in corporate governance. The Report was formally approved by the Board of Directors on 04th June 2024.

COMPANY OVERVIEW

Prime Homes International (Private) Limited was originally incorporated in May 2005 as a private limited company under the Companies Act No. 17 of 1982. The Company was subsequently re-registered under the Companies Act No. 07 of 2007, bearing the registration number PV 7540.
In 2015, the Company's name was changed to Prime Lands Residencies (Private) Limited, reflecting its focus on residential real estate development. It was later converted to a public limited liability company with effect from 12th February 2021, in accordance with the provisions of the Companies Act.
The Company's ordinary voting shares were officially listed on the Diri Savi Board of the Colombo Stock Exchange (CSE) on 08th June 2021, following the issuance of Rs. 937,500,000 in fully paid ordinary voting shares. Subsequently, the Company adopted the name Prime Lands Residencies PLC, effective from 17th July 2021, and was assigned the new registration number PQ00234680.

The registered office and principal place of business of the Company is located at No. 75, D. S. Senanayake Mawatha, Colombo 08.

PURPOSE AND VALUES

The Company's Vision and Core Values are outlined on pages 6 of this Annual Report. In pursuit of its strategic goals and objectives, the Company ensures that all Directors, members of the Management team, and Employees operate in alignment with the highest standards of ethics and integrity, as articulated in the Company's formal Code of Ethics. These guiding principles form the foundation of our corporate culture and are consistently upheld across all levels of the organization.

PRINCIPLE BUSINESS ACTIVITIES

Prime Lands Residencies PLC stands as a leading residential real estate developer in Sri Lanka, committed to creating long-term value through the development and sale of high-quality residential apartments and residential lands. The Company's projects are strategically positioned across key urban and suburban locations, as well as prominent tourist destinations, enabling it to serve a diverse customer base. These developments cater to a broad spectrum of housing needs, from affordable to premium segments, targeting both end users and real estate investors, including those capitalizing on the country's growing tourism-driven demand.

PLR continues to operate under a vertically integrated business model, delivering end-to-end value across the property development lifecycle, from land acquisition and project conceptualization to construction, sales, and post-handover customer support. This integrated approach enables the Company to deliver residential solutions that are closely aligned with evolving customer aspirations and dynamic economic conditions.

CHANGES TO THE COMPANY STRUCTURE

There were no changes to the Company structure during the year under review.

REVIEW OF OPERATIONS AND FUTURE DEVELOPMENTS

A comprehensive evaluation of Prime Lands Residencies PLC's financial position, operational performance, key milestones, and strategic priorities for the year ended 31st March 2025 is presented across several key sections of this Annual Report. These include commentary on financial outcomes, significant events during the reporting period, and an outlook on the Company's forward strategy.

A high-level summary of these aspects is provided in the Chairperson's Message (pages 30 to 31) and the Managing Director's Review (pages 32 to 33). These sections offer insight into the broader market dynamics, leadership perspectives, and the Company's response to emerging challenges and opportunities.

Further, detailed information on the Company's operational execution, project portfolio, capital allocation, and performance across key business drivers is provided in the, Business Report (pages 41 to 43) and Capital Management Reports (pages 47 to 64)

Together, these sections form an integral part of the Directors' Report and, alongside the Audited Financial Statements, collectively represent the state of affairs of the Company for the financial year under review.

This integrated presentation not only reflects the Company's historical performance but also sets the foundation for evaluating its future trajectory in a dynamic and evolving real estate landscape.

FINANCIAL STATEMENTS OF THE COMPANY

The financial statements of the Company have been prepared in accordance with Sri Lanka Accounting Standards (SLFRSs/LKASs) laid down by the Institute of Chartered Accountants of Sri Lanka, and comply with the requirements of Companies Act No. 7 of 2007.

The financial statements of the Company, which are duly certified by the Director Finance and Chairperson, approved by the Board of Directors, and signed, by the Executive Director (Mr. Premalal Brahmanage) and the Board Audit Committee Chairman, are shown on Pages 121 to 177 of this Annual Report.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors are responsible for the preparation of the financial statements of the Company, which reflect a true and fair view of the state of its affairs. The Directors are of the view that the statement of comprehensive income, statement of changes in equity, statement of cash flow, significant accounting policies and notes for the year ended 31st March 2025, and statement of financial position as at that date have been prepared in conformity with the requirements of the Sri Lanka Accounting Standards, the Companies Act No. 07 of 2007, the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995.

The "Statement of Director's Responsibility for Financial Reporting" is provided on Page 121 and forms an integral part of this report.

AUDITOR'S REPORT

The Company's Auditors, BDO Partners (Chartered Accountants) have performed a comprehensive audit of the financial statements for the year ended 31st March 2025 and the Auditor's Report issued thereon is given on Page 121 of this Annual Report.

ACCOUNTING POLICIESAND CHANGES DURING THE YEAR

Significant new accounting policies adopted in preparation of the financial statements of the Company are given on Pages 130 to 144. These financial statements comply with the requirements of Sri Lanka Accounting Standards on "Presentation of Financial Statements" (LKAS 01) and comply with Section 168 (1) (d) of the Companies Act No. 07 of 2007.

ACCOUNTING PERIOD

The financial accounting period reflects the information from 1st April 2024 to 31st March 2025.

FINANCIAL RESULTS

REVENUE

Total Revenue of the Company for the FY 2024/25 was Rs. 8,260 Mn (Rs. 8,090 Mn for the FY 2023/24) A more descriptive analysis of Revenue is given in Note 04 to the Financial Statements on Page 155.

FINANCIAL RESULTS

	2024/25 Rs. Mn	2023/24 Rs. Mn
Revenue	8,260	8,090
Operating profit	1,592	1,735
Profit before taxation	1,803	1,590
Profit after taxation	1,231	1,129
Profit brought forward from the previous year	6,125	5,936
Dividend proposed/paid for the year	563	563

The Company recorded a Net Profit of Rs. 1,231 Mn for the FY 2024/25 (Rs. 1,129 Mn for the FY 2023/24). The Company's performance and details of appropriation of profit relating to the Company are tabulated as above.

PROVISION FOR TAXATION

The income tax rate applicable on the profits and income earned during the year was 30%, according to the Inland Revenue Act, No 24 of 2017, and the amendments thereto.

Accordingly, the current year income tax expense of the Company is Rs. 572 Mn, A more descriptive note on income tax charged and differed tax assets/liability of the Company is disclosed in Note 08 to the Financial Statements.

DIVIDEND

An Interim Dividend of Rs. 0.60 per share has been declared to be paid on 27th June 2025 to the holders of the ordinary shares.

The Board of Directors remains satisfied that the Company will meet the requirement of the Solvency Test in terms of Section 56 (3) of the Companies Act No. 07 of 2007 immediately after the payment of said Interim Dividend. Accordingly, the Board of Directors has obtained a Certificate of Solvency from the External Auditors in respect of Dividend payment in conformity with the statutory provision.

PROPERTY, PLANT AND EQUIPMENT/ RIGHT-OF-USE ASSETS/ INTANGIBLE ASSETS

The total capital expenditure incurred on Property, Plant, and Equipment including intangible assets and Right-of-use Assets of the Company in the year ended 31st March 2025 amounted to Rs.35 Mn (Rs. 25 Mn as at 31st March 2024). The details of Property, Plant, and Equipment are presented in Notes 10, 11, and 13 on Pages 148 to 153 of the Financial Statements.

The Directors confirm that there is no other significant changes in the Company's Fixed Assets, which substantially differs from book value.

INVESTMENT PROPERTY

The value of Investments Properties as at 31st March 2025 amounted to Rs. 1022 Mn (Rs. 766 Mn as at 31st March 2024). The figure includes the fair value gain of Rs. 44 Mn that was recognized in the current financial year.

Extents, locations, valuations, and the number of buildings of the Entity's land holding and investment properties are detailed in Note 12 in the Financial Statements.

INVENTORY PROPERTY

Total Inventory Property was valued at Rs. 14,320 Mn (Rs. 10,020 Mn as at 31st March 2024), of which Rs. 2,080 Mn is attributed to the lands segment.

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

INVESTMENTS

Details of investments held by the Company are disclosed in Notes 14 and 16 on Pages 153 to 156 of the Financial Statements.

STATED CAPITAL AND SHAREHOLDERS' FUNDS

In compliance with the Companies Act, the Financial Statements reflect the Stated Capital of the Company. The Stated Capital is the total of all amounts received by the Company in respect of the shares in issue.

The Stated Capital and Retained Earnings stood at Rs. 3,450 Mn and Rs. 6,491 Mn respectively as at 31st March 2025 (Rs. 3,450 Mn and Rs. 6,124 Mn as at 31st March 2024).

Details of the movement of Retained Earnings and Stated Capital are provided in the Statement of Changes in Equity on Page 135 of the Financial Statements.

DEBT CAPITAL

The Company has not issued any rated, unsecured, subordinated, redeemable debentures which are listed on the Colombo Stock Exchange during the Financial year.

SHARE INFORMATION

The five-year financial summary is given on Page 181 and shareholder information and information on trading have been provided under the title Share Information on Page 179 of this Annual Report and is presented with the purpose of providing more price-sensitive information to the shareholders which ncludes;

- Number of shares representing the entity's stated capital
- A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holding
- The ratio of Dividend Per Share, Dividend Payout, and Net Assets Per Share
- Market Value per share recorded as at the end of the financial year (2021 onwards after the listing)

SUBSTANTIAL SHAREHOLDINGS

Parent Company, Prime Lands (Private) Limited is the majority shareholder, holding 80% of the Company's ordinary voting shares as at 31st March 2025. The list of the Company's top 20 shareholders, number of shares held by them, percentage of their respective holding, and Public holding percentages are given under the title 'Shareholder Information' on Page No. 179.

INFORMATION TO SHAREHOLDERS

The Board strives to be transparent and provide accurate information to shareholders in all published material.

BOARD OF DIRECTORS

As at 31st March 2025, the Directorate of Prime Lands Residencies PLC consisted of 12 Directors with wide financial, commercial knowledge and experience. The qualifications and experience of the Directors are provided on Page 20 - 25 of this Annual Report.

The following Directors held office as at the end of the financial year.

Mrs. Sandamini Perera	Executive	Non- Independent
Mr. Premalal Brahmanage	Executive	Non- Independent
Mr. Manjula Weerakkody	Executive	Non- Independent
Mr. Nalinda Heenatigala	Executive	Non- Independent
Mrs. Shehan Brahmanage	Executive	Non- Independent
Mr. Anura Pathirage	Executive	Non- Independent
Mr. Dhammika Kalapuge	Non-Executive	Independent
Mr. Mahinda Perera	Non-Executive	Independent
Mr. Sanjaya Bandara	Non-Executive	Independent
Mr. Deepal Sooriyaarachchi	Non-Executive	Senior Independent
Mr. Noel Joseph	Non-Executive	Independent
Snr. Prof. Sampath Amaratunge	Non-Executive	Independent

RESIGNATIONS AND APPOINTMENTS

Snr. Prof. Sampath Amaratunge was appointed to the Board on 27th March 2025. He serves as a Non - Executive Independent Director.

INTEREST REGISTER

In compliance with the Companies Act, the Company maintains an interest register which is available for inspection with the Secretary of the Company.

DIRECTORS' INTEREST IN TRANSACTIONS

The Directors of the Company have made general declarations as provided in sections 192 (1) and 192 (2) of the Companies Act No. 07 of 2007 of their interests in contracts or proposed contracts with the Company. Details of the interest disclosed therein are given on Page 165 under related party transactions. Furthermore, the Chairperson and the Board of Directors have made general declarations that there is no financial,business, family, or other material/relevant relationship between themselves as required to be disclosed by the Listing Rules of the Colombo Stock Exchange and with the Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission.

DIRECTORS' REMUNERATION

The details of Directors fees and director's emoluments paid during the year are stated below:

	FY 2024/25	FY 2023/24
Executive Director's Remuneration	42,000,000	42,000,000
Non-Executive Directors Fees	6,345,700	5,121,800

DIRECTORS' INTEREST IN SHARES

In compliance with section 200 of the Companies Act, the Directors have disclosed to the Board their shareholding in the Company and any acquisitions or disposals thereof.

The Directors' individual shareholdings in the Company as at 31st March 2024 and 31st March 2025 are given on Page 79 of this Annual Report.

DIRECTOR'S MEETINGS

The details of Directors' meetings are presented in the Corporate Governance Report on page 75 of this Annual Report.

BOARD SUB-COMMITTEES

BOARD AUDIT COMMITTEE

All the members of the Audit Committee are Independent Non-Executive Directors. Senior Management Committee members, and Internal and External Auditors attend the meetings by invitation. The Board Audit Committee Report is given on Pages 104 to 105 of this Annual Report.

REMUNERATION AND HUMAN RESOURCES COMMITTEE

The Report of the Remuneration and Human Resources Committee is given on Page 108 to 109 of this Annual Report.

NOMINATION AND GOVERNANCE COMMITTEE

The Report of the Nomination and Governance Committee is given on Page 110 to 113 of this Annual Report.

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The Report of the Related Party Transactions Review Committee is given on Page 106 to 107 of this Annual Report.

RELATED PARTY TRANSACTIONS

The Company has complied with the requirements of the Code of Best Practice on Related Party Transactions in respect of requisite disclosures. The Directors have disclosed the transactions that could be classified as related party transactions which are adopted in the presentation of the Financial Statements and accordingly given in Note 31 on Pages 164 of this Annual Report.

SYSTEM OF INTERNAL CONTROLS

The Board of Directors has instituted a robust and comprehensive system of internal controls to ensure the effective management of the Company's financial, operational, and compliance-related activities. These controls are designed to facilitate orderly and efficient operations, safeguard the Company's assets, and promote the integrity, accuracy, and reliability of financial and non-financial information.

The Board affirms that the Company's financial reporting system has been structured to provide reasonable assurance regarding the reliability of internal and external financial reporting. The preparation of financial statements for external disclosure has been carried out in compliance with relevant accounting standards and applicable regulatory requirements.

Oversight of internal controls is a critical governance function, and the Board Audit Committee Report, which appears on pages 104 to 105, forms an integral part of this Annual Report. It outlines the Committee's role in monitoring internal control systems and assessing their adequacy and effectiveness.

To further strengthen this framework, the Board has entrusted the internal audit function to the Manager – Internal Audit, Risk, and Compliance, who conducts independent reviews and evaluations of the Company's financial, operational, and compliance controls. Findings and recommendations are regularly reported to the Audit Committee, ensuring a continuous improvement cycle and strong risk mitigation practices across the organization.

CORPORATE GOVERNANCE

The Board of Directors of Prime Lands Residencies PLC is firmly committed to upholding and continuously advancing the Company's corporate governance framework. In this regard, the Board has adopted a comprehensive Corporate Governance Charter that outlines the procedures, responsibilities, and interactions among the various governance participants, including the Board itself, senior management, shareholders, and other stakeholders.This framework is designed to ensure that the highest standards of accountability, transparency, fairness, and ethical conduct are embedded across all levels of the organization.

In adopting the Corporate Governance Charter, the Board has ensured alignment with the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka). The Company maintains full compliance with the key recommendations and principles outlined in this Code.

The Board further affirms the following:

- The Company has not engaged in any activity that contravenes applicable laws and regulations.
- All reasonable measures have been taken to ensure the equitable treatment of shareholders.
- The Company operates on the assumption of being a going concern.
- The internal control and risk management systems are effective, rigorously applied, and consistently monitored.

Further elaboration on the governance mechanisms, structures, and principles applied throughout the year is provided in the Corporate Governance Report, spanning pages 71 to 91 of this Annual Report.In accordance with regulatory expectations and good governance principles, the following Board Subcommittees have been established and function with clear mandates: Audit Committee, Remuneration and Human Resources Committee,

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

Nomination and Governance Committee, Related Party Transactions Review Committee. Each committee is composed of Directors who possess the requisite qualifications, expertise, and independence to effectively discharge their responsibilities. Details of the composition of these committees are provided on pages 104.106,108,110 of this Annual Report.

HUMAN RESOURCES

Prime Lands Residencies PLC continues to place strategic emphasis on human capital development as a key enabler of long-term success. During the year under review, the Company actively invested in building a skilled, motivated, and performance-driven workforce through the implementation of robust human resource management policies and capacity-building initiatives.
These efforts were directed towards fostering an agile, efficient, and future-ready workforce capable of delivering on the Company's strategic priorities and contributing meaningfully to its growth trajectory. Key focus areas included leadership development, employee engagement, performance management, training, and workplace well-being.

The Company remains committed to creating an inclusive, ethical, and empowering work environment that enables individuals to reach their full potential while aligning their efforts with broader corporate objectives.

Further information on the Company's human resource initiatives and outcomes is provided in the Human Capital Report on pages 54 to 58 of this Annual Report.

STAKEHOLDER MANAGEMENT / CORPORATE SOCIAL RESPONSIBILITY

Prime Lands Residencies PLC remains committed to building and sustaining strong, mutually beneficial relationships with all stakeholders. The Company adopts a proactive and structured approach to stakeholder engagement, ensuring the timely identification of expectations, concerns, and opportunities for value creation across its stakeholder network, including customers, suppliers, and the broader community.

As part of its commitment to Corporate Social Responsibility (CSR), the Company continued to implement initiatives that deliver meaningful social impact, support community development, and align with national priorities. These efforts are embedded within the Company's strategic decision-making and reflect its role as a responsible corporate citizen.

Further details of stakeholder engagement practices, key initiatives, and the outcomes achieved during the year are outlined in the Social and Relationship Capital Report, found on pages 59 to 62 of this Annual Report.

ENVIRONMENTAL PROTECTION GRI 2.14

To the best of the Board's knowledge, Prime Lands Residencies PLC has remained fully compliant with all applicable environmental laws and regulations during the financial year under review. The Company has not engaged in any operations, developments, or business activities that are harmful, hazardous, or detrimental to the environment.

In alignment with its values as a responsible developer, the Company continues to implement environmentally conscious practices that support sustainable land use, resource efficiency, and ecosystem preservation. These initiatives are integrated into project planning, construction processes, and post-development operations. A detailed overview of the Company's environmental initiatives and sustainability commitments is provided in the Natural Capital Report on pages 63 to 64 and Our Approach to Sustainability section on pages 65 to 70 of this Annual Report.

COMPLIANCE WITH LAWS AND REGULATIONS

The Company has not engaged in any activity contravening any laws and regulations.

STATUTORY PAYMENTS

To the best of their knowledge and belief, the Directors are satisfied that all statutory payments due to the Government, other regulatory institutions and in relation to the employees have been made within the due date

.OUTSTANDING LITIGATION

In the opinion of the Directors formed in consultation with the Company lawyers, litigation currently pending against the Company will not have a material impact on the reported financial results or future operations of the Company.

EVENTS AFTER THE REPORTING DATE

Details of events after the reporting date are reflected in Note 34 Page 169 to the Financial Statements.

GOING CONCERN

After considering the financial position, the Company's Corporate / Business plans, operating conditions, regulatory and other factors and such matters required to be addressed in the Code of Best Practice on Corporate Governance, issued by the Institute of Chartered Accountants of Sri Lanka, the Directors have a reasonable expectation that the Company possesses adequate resources to continue in operation for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Financial Statements.

AUDITORS

The Company's Auditors during the year under review were BDO Partners. (Chartered Accountants)

Based on the declaration made by BDO Partners, and as far as the Directors are aware, the auditors do not have any relationship or interest in the Company or its subsidiaries other than to the extent disclosed.

REMUNERATION

BDO Partners, Chartered Accountants were paid a sum of Rs. 1.7 Mn (Rs. 1.7 Mn for the FY 2023/24) by the Company for audit and related services during the year under review.

RE-APPOINTMENT

The retiring Auditors, BDO Partners have expressed their willingness to continue in office and a resolution to re-appoint them as Auditors, and authorizing the Directors to fix their remuneration will be proposed at the forthcoming Annual General Meeting.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held at Prime Lands Residencies PLC on the 27th June 2025 at 10.00 am.

NOTICE OF MEETING

Notice of the meeting relating to the Twentieth Annual General Meeting is provided on Page 183 of this Annual Report.

ACKNOWLEDGMENT OF THE CONTENTS OF THE REPORT

As required by Section 168(1)(k) of the Companies Act No 07 of 2007, the Board of Directors hereby acknowledges the responsibility for the contents of this report.

By order of the Board of Directors of

Prime Lands Residencies PLC

SSP Corporate Services (Private) Limited
Company Secretaries

On behalf of the Board;



Sandamini Perera
Chairperson

Colombo
04th June 2025

FINANCIAL CALENDAR

Description	Due Date	Complied Date
Submission of unaudited interim financial statements to the Colombo Stock Exchange (Rule-7.4 (a))		
Three months ended 30th June 2024	14-Aug-2024	9-Aug-2024
Six months ended 30th September 2024	14-Nov-2024	7-Nov-2024
Nine months ended 31st December 2024	14-Feb-2025	13-Feb-2025
Twelve months ended 31st March 2025	30-May-2025	29-May-2025
Audited Financial Statements and Annual Report		
Authorisation for issue of Audited Financial Statements for 2024/25		30 June 2025
Publication of Annual Report for the financial year ended 31 March 2025		04 June 2025
20th Annual General Meeting to be held on		27 Jun 2025
Dividends		
First interim dividend (final dividend) for 2023/24 paid on		26-Jun-2024
First interim dividend for 2024/25 - Declared on		29 - May-2025

INDEPENDENT AUDITOR'S REPORT

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+94-11-2387002-03
Fax : +94-11-2336064
E-mail : bdopartners@bdo.lk
Website : www.bdo.lk

Chartered Accountants
"Charter House"
65/2, Sir Chittampalam A Gardiner Mawatha
Colombo 02
Sri Lanka

TO THE SHAREHOLDERS OF PRIME LANDS RESIDENCIES PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the Financial Statements of Prime Lands Residencies PLC (the "Company"), which comprise the statement of financial position as at 31st March 2025 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the Financial Statements, including a summary of material accounting policy information as set out on pages 124 to 177.

In our opinion, the accompanying Financial Statements give a true and fair view of the financial position of the Company as at 31st 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 Company 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 the 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. We do not provide a separate opinion on these matters.

KEY AUDIT MATTER

Measurement of Inventory Properties

As disclosed in Note: 15 to the Financial Statements, the Company's Inventory Properties including work-in progress, completed apartments and lands amounted to Rs. 14,319,934,392/- as at 31st March 2025. Inventory Properties account for 65% of the Company's total assets and are measured at the lower of cost and Net Realisable Value (NRV).

Measurement of Inventory Properties was considered as a Key Audit Matter due to the following factors:

- Inventory properties are significant and determining cost of sales relating to revenue recognised and carrying value involves complex calculations.
- Estimates and assumptions are applied in determining the carrying amount and Net Realisable Value which are impacted by market conditions and the economic conditions of the country.

The disclosures associated with measurement of Inventory Properties are set out in the Financial Statements in the following notes:

- Note 3.8 - Material accounting policy information: Inventory Properties
- Note 15 - Inventory Properties

Partners : Sujeewa Rajapakse FCA, ACCA, FCMA, MBA. Ashane J.W. Jayasekara FCA, FCMA (UK), MBA. H. Sasanka Rathnaweera FCA, ACMA.
F. Sarah Z. Afker FCA, FCMA (UK), CGMA, MCSI (UK). Dinusha C. Rajapakse FCA, LLB (Hons)(Colombo), CTA, Attorney at Law.
Nirosha Vadivel Bsc (Acc.), FCA, ACMA. R. D. Chamika N. Wijesinghe FCA, BBA (Acc.) Sp. H. M. R. Thilina Ranaweera FCA, BBMgt (Acc.) Sp.

BDO Partners, a Sri Lankan Partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Independent Auditor's Report

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

In establishing whether the Inventory Properties – work-in-progress, completed apartments and lands for sale were stated at the lower of cost and NRV, our procedures included the following.

- evaluating and testing the management process to estimate the future costs for the completion of the Inventory Properties – work-in-progress, on a sample basis, by comparing them to the actual development cost of similar completed properties of the Company
- test-checking the appropriateness of the NRV of the Inventory Properties – work in progress, completed apartments and lands for sale, by comparing the NRV to market prices achieved in the same projects or comparable properties and our knowledge of the Company's business
- assessing the impact of economic conditions and market conditions on inventory properties and evaluating whether it was required to adjust the carrying value of the inventory prior to reflecting them at the lower of cost or net realisable value, and checking the adjustments made where applicable
- assessing the appropriateness of the amount recognised in cost of sales relevant to revenue by performing re-computation tests on cost of sales transfers
- assessing the adequacy of the related financial statement disclosures

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the information included in the Annual Report. The Annual Report is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance for conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above when it becomes available, and in doing so, consider whether the other information is materially consistent with the Financial Statements and the knowledge obtained in our audit, or otherwise whether it appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- 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 Company's ability to continue as a going concern. If we conclude that 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 Company 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.

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 ethical requirements regarding independence and have agreed to communicate to 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 related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of the 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 it 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 1961.



CHARTERED ACCOUNTANTS
Colombo
30th May 2025
SR/dm

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March 2025	Note	For the year ended 31.03.2025 Rs.	For the year ended 31.03.2024 Rs.
Revenue	4	8,259,800,877	8,090,379,095
Cost of sales		(5,835,901,479)	(5,865,399,938)
Gross profit		2,423,899,398	2,224,979,157
Other income	5	82,974,996	58,395,791
Gain on fair valuation of investment properties	12	43,761,069	31,000,000
Distribution expenses		(457,734,706)	(189,581,128)
Administrative expenses		(501,110,029)	(389,547,711)
Operating profit		1,591,790,728	1,735,246,109
Finance income	6.1	455,045,589	546,336,159
Finance expenses	6.2	(243,428,552)	(690,988,983)
Profit before taxation	7	1,803,407,765	1,590,593,285
Tax expenses	8	(572,329,013)	(461,591,584)
Profit for the year		1,231,078,752	1,129,001,701
Other comprehensive income			
Items that will not be re-classified to profit or loss			
Actuarial loss on retirement benefits obligation	21.3	(775,358)	(4,366,979)
Tax on other comprehensive income		232,607	1,310,094
Other comprehensive income for the year, net of tax		(542,751)	(3,056,885)
Total comprehensive income for the year		1,230,536,001	1,125,944,816
Earnings per share	9	1.31	1.20

Figures in brackets indicate deductions.

The accounting policies and notes on pages 130 to 177 form an integral part of these Financial Statements.

Colombo
30th May 2025

STATEMENT OF FINANCIAL POSITION

As at 31st March 2025	Note	31.03.2025 Rs.	31.03.2024 Rs.
ASSETS			
Non-current assets			
Property, plant and equipment	10	26,936,599	13,453,906
Right-of-use assets	11	8,435,874	11,170,749
Investment properties	12	1,022,000,000	766,000,000
Intangible assets	13	245,567	302,655
Financial assets at amortised cost	14	411,813,982	419,055,321
Total non-current assets		1,469,432,022	1,209,982,631
Current assets			
Inventory properties	15	14,319,934,392	10,019,522,244
Financial assets - Fair value through profit or loss	16	413,177,844	195,000
Advance paid to contractors	17	394,966,117	533,606,944
Advances, deposits and other receivables	18	108,247,079	44,494,500
Cash and cash equivalents	19	5,354,050,349	3,952,333,509
Total current assets		20,590,375,781	14,550,152,197
Total assets		22,059,807,803	15,760,134,828
EQUITY AND LIABILITIES			
Equity			
Stated capital	20	3,450,000,000	3,450,000,000
Retained earnings		6,491,472,687	6,124,741,476
Total equity		9,941,472,687	9,574,741,476
Non-current liabilities			
Retirement benefits obligation	21	43,608,689	32,418,497
Interest bearing borrowings	22	358,298,333	485,114,217
Lease liabilities	23	-	1,608,101
Deferred tax liabilities	24	114,472,857	67,339,381
Total non-current liabilities		516,379,879	586,480,196

Statement of Financial Position

As at 31st March 2025	Note	31.03.2025 Rs.	31.03.2024 Rs.
Current liabilities			
Trade and other payables	25	774,724,134	634,343,023
Amount due to related party	26	2,213,640	5,311,172
Interest bearing borrowings - current portion	22	446,815,884	399,325,212
Lease liabilities - current portion	23	2,264,106	6,687,480
Customer advance collection	27	8,691,345,748	3,526,713,007
Income tax payable	28	530,493,253	219,989,096
Bank overdraft	19	1,154,098,472	806,544,166
Total current liabilities		11,601,955,237	5,598,913,156
Total liabilities		12,118,335,116	6,185,393,352
Total equity and liabilities		22,059,807,803	15,760,134,828
Net assets value per ordinary share	38	10.60	10.21

Figures in brackets indicate deductions.

The accounting policies and notes on pages 130 to 177 form an integral part of these Financial Statements.

Certification

We certify that the above Financial Statement have been prepared in compliance with the requiements of the Companies Act No.07 of 2007.

Mr. Pathirage Anura W. Perera
Director - Finance

Ms. H.K. Sandamini R. Perera
Chairperson

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

Approved and signed for and on behalf of the Board.

Mr. Brahmanage Premalal
Director

Mr. Sanjaya Bandara
Director

Colombo
30th May 2025
SR/dm

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March 2025	Stated capital	Retained earnings	Total
	Rs.	Rs.	Rs.
Balance as at 01st April 2023	3,450,000,000	5,936,296,661	9,386,296,661
Profit for the year	-	1,129,001,700	1,129,001,700
Other comprehensive income for the year, net of tax	-	(3,056,885)	(3,056,885)
Dividend paid	-	(937,500,000)	(937,500,000)
Balance as at 31st March 2024	3,450,000,000	6,124,741,476	9,574,741,476
Profit for the year	-	1,231,078,752	1,231,078,752
Other comprehensive income for the year, net of tax	-	(542,751)	(542,751)
Adjustment on Surcharge Tax levied under the Surchage Tax Act No. 14 of 2022	-	(301,304,790)	(301,304,790)
Dividend paid	-	(562,500,000)	(562,500,000)
Balance as at 31st March 2025	3,450,000,000	6,491,472,687	9,941,472,687

Figures in brackets indicate deductions.

The accounting policies and notes on pages 130 to 177 form an integral part of these Financial Statements.

Colombo
30th May 2025

STATEMENT OF CASH FLOWS

For the year ended 31st March 2025	Note	For the year ended 31.03.2025 Rs.	For the year ended 31.03.2024 Rs.
Cash flows from operating activities			
Profit before taxation		1,803,407,765	1,590,593,285
Adjustment for:			
Depreciation and amortisation	10/11	7,275,934	5,955,303
Amortisation	13	57,088	57,087
Provision on retirement benefits obligation	21	9,254,800	6,825,688
Overdraft interest	6.2	22,790,377	389,423,860
Lease interest	6.2	408,544	2,968,666
Loan interest	6.2	97,783,694	210,606,148
Interest on debentures	14	(23,558,629)	(24,036,001)
Fair value gain on share investment	16.4	(105,000)	(1,500)
Fair value gain unit trust investment	16.4	(12,877,844)	-
Exchange gain on investment in debenture	14	30,799,968	58,812,065
Fair value gain on investment properties	12	(43,761,069)	(31,000,000)
		88,067,863	619,611,316
Operating cash flows before change in working capital		1,891,475,628	2,210,204,601
Changes in working capital			
Decrease/(increase) in inventory properties	15	(4,512,651,080)	2,368,908,271
(Increase)/decrease in contractor advances	17	138,640,827	(142,074,719)
Decrease/(increase) in advances, deposits and other receivables	18	(80,852,006)	190,695,216
Increase/(decrease) in trade and other payables	25	140,381,111	(531,045,494)
(Decrease)/increase in amounts due to related parties	26	896,152	(2,555,884)
Increase/(decrease) in customer advance collection	27	5,164,632,741	1,159,846,227
Cash generated from operations		2,742,523,373	5,253,978,218
Income tax paid	28	(498,664,135)	(670,470,689)
Interest paid	6.2	(22,790,377)	(389,423,860)
Gratuity paid	21	(2,833,650)	(1,100,250)
Net cash generated from operating activities		2,218,235,211	4,192,983,419
Cash flows from investing activities			
Interest received from debentures	14	-	76,883,944
Acquisition of property, plant and equipment	10	(18,023,752)	(9,364,253)
Investment in unit trust	16.3	(400,000,000)	-
Net cash generated from/(used in) investing activities		(418,023,752)	67,519,691
Cash flows from financing activities			
Lease instalments paid	23	(6,440,019)	(21,571,040)
Dividends paid		(562,500,000)	(937,500,000)
Proceeds from interest bearing borrowings	22	720,000,000	250,000,000
Repayment of interest bearing borrowings	22	(799,325,212)	(769,370,714)
Loan interest paid	6.2	(97,783,694)	(210,606,148)
Net cash used in financing activities		(746,048,925)	(1,689,047,902)
Net increase in cash and cash equivalents during the year		1,054,162,534	2,571,455,208
Cash and cash equivalents at the beginning of the year (Note A)		3,145,789,343	574,334,135
Cash and cash equivalents at the end of the year (Note B)	19	4,199,951,877	3,145,789,343

Statement of Cash Flows

For the year ended 31st March 2025	Note	For the year ended 31.03.2025 Rs.	For the year ended 31.03.2024 Rs.
Note A			
Cash and cash equivalents at the beginning of the year			
Short-term deposit		3,811,550,110	3,013,414,074
Cash in hand		60,599,887	79,301,773
Cash at bank		80,183,512	97,939,946
Bank overdraft		(806,544,166)	(2,616,321,658)
		3,145,789,343	574,334,135
Note B			
Cash and cash equivalents at the end of the year			
Short-term deposit		4,442,798,390	3,811,550,110
Cash in hand		80,356,035	60,599,887
Cash at bank		830,895,924	80,183,512
Bank overdrafts		(1,154,098,472)	(806,544,166)
		4,199,951,877	3,145,789,343

Figures in brackets indicate deductions.

The accounting policies and notes on pages 130 to 177 form an integral part of these Financial Statements.

Colombo
30th May 2025

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1 General Information

Prime Lands Residencies PLC ("the Company") is a public limited liability company, incorporated on 15th September 2008 in Sri Lanka under the Companies Act No. 07 of 2007 ("the Act") as a private limited liability company, and was converted to a public limited liability company with effect from 12th February 2021 in accordance with the provisions of the Act. Ordinary shares of the Company have been listed on the Colombo Stock Exchange with effect from 08th June 2021. The Company changed its name from "Prime Lands Residencies Limited" to "Prime Lands Residencies PLC" with effect from 17th July 2021. The registered office and the principal place of business are situated at No. 75, D.S. Senanayake Mawatha, Colombo 08.

1.2 Principal Business Activities and Nature of Operations

The principal activities of the Company are purchasing lands and constructing residential apartment complexes and developing and selling land plots for residential purpose.

1.3 Parent Enterprise and Ultimate Parent Enterprise

The Company's immediate and ultimate parent undertaking as at 31st March 2025 was Prime Lands (Private) Limited which has been incorporated in Sri Lanka.

1.4 Subsidiaries and Associates

The Company has no subsidiaries or associates.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The statement of financial position, statement of comprehensive income, changes in equity and statement of cash flows, together with accounting policies and notes ("Financial Statements") of Prime Lands Residencies PLC as at 31st March 2025 and for the year then ended, comply with the Sri Lanka Accounting Standards (hereinafter referred to as SLFRS/LKAS) issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and are in compliance with the requirements of the Companies Act No. 07 of 2007 and Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995.

2.2 Current Versus Non-Current Classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification.

As asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle
- held primarily for the purpose of trading
- expected to be realised within twelve months after the reporting period or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle,
- it is held primarily for the purpose of trading,
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counter-party, result in its settlement by the issue of equity instruments, do not affect its classification.

The Company classifies all other liabilities as non-current.

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

2.3 Responsibility for Financial Statements

The Board of Directors is responsible for the preparation and presentation of these Financial Statements as per the provisions of the Companies Act No. 07 of 2007 and Sri Lanka Accounting Standards (SLFRS/LKAS).

2.4 Date of Authorisation for Issue

The Financial Statements of Prime Lands Residencies PLC for the year ended 31st March 2025 were authorised for issue on 30th May 2025 in accordance with a resolution of the Board of Directors.

2.5 Basis of Measurement

The Financial Statements of the Company have been prepared on the historical cost basis, except for the following material items in the statement of financial position.

Item	Basis of measurement	Note number
Investment property	Measured at cost at the time of acquisition and subsequently, at revalued amounts which are the fair values at the date of valuation	3.7
Financial assets classified as fair value through profit or loss	Measured at fair value	3.2.3
Retirement benefits obligation	Recognised based on actuarial valuation	3.11

2.6 Functional and Presentation Currency

Items included in these Financial Statements are measured using the currency of the primary economic environment in which the Company operates (the functional currency), which is the Sri Lankan Rupee.

These Financial Statements have been presented in Sri Lankan Rupees (Rs.). All financial information presented have been rounded to the nearest rupee except where it is otherwise indicated as permitted by the Sri Lanka Accounting Standard – LKAS 01 on "Presentation of Financial Statements".

2.7 Foreign Currency Transactions

Transactions in foreign currencies are translated to Sri Lankan Rupees at the exchange rate prevailing at the dates of the transactions.
Monetary assets and liabilities denominated in foreign currencies are translated to Sri Lankan Rupees at the exchange rate prevailing as at the reporting date. The foreign currency gains or losses on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities which are measured at historical cost denominated in foreign currencies are translated to Sri Lankan Rupees at the exchange rate prevailing at the dates of the transactions. Non-monetary assets and liabilities that are measured at fair value denominated in foreign currencies are translated to Sri Lankan Rupees at the exchange rate prevailing at the dates that the fair values were determined.

2.8 Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of a dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard – LKAS 01 on 'Presentation of Financial Statements' and amendments to the LKAS 1 on 'Disclosure Initiative' which was effective from 01st January 2016.

Notes to the Financial Statements have been presented in a systematic manner which ensures the understandability and comparability of the Financial Statements of the Company. Understandability of the Financial Statements is not compromised by obscuring material information with immaterial information or by aggregating material items that have different nature or function.

2.9 Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position, only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously. Income and expenses are not offset in the income statement unless it is required or permitted by Sri Lanka Accounting Standard and as specially disclosed in the material policy information of the Company.

2.10 Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Financial Statements of the Company in conformity with SLFRS/LKAS requires the management to make judgments, estimates and assumptions, which may affect the amounts of income, expenditure, assets, liabilities and the disclosure of contingent liabilities, at the end of the reporting period. In the process of applying the Company's accounting policies, key assumptions were made relating to the future and the sources of estimation at the reporting date together with the related judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Actual results may differ from these estimates.

Accounting judgments, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future periods affected.

2.10.1 Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Financial Statements.

Notes to the Financial Statements

i) Classification of property

The Company determines whether a property is classified as investment property or owner occupied property for significant judgment as disclosed in note 3.3 and note 3.7.

Investment property comprises land and buildings which are not occupied substantially for use by, or in the operations of the Company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation.

The Company determines whether a property qualifies as investment property by considering whether the property generates cash flows largely independently of the other assets held by the entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions can be sold separately (or leased out separately under a finance lease), the Company accounts for the portions separately. If the portions cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Company considers each property separately in making its judgment.

ii) Revenue from contracts with customers

The Company applied the following judgments that significantly affect the determination of the amount and timing of revenue from contracts with customers:

In recognising the revenue from the sale of properties, management applies judgment ascertaining when the controls have passed to the buyers. In this regard, the management recognises revenue over a period of time (percentage of completion method) as the Company's performance does not create an asset with an alternative use to it and the Company has an enforceable right to payment for performance completed to date.

The Company determined that the input method is the best method in measuring progress of the construction because there is a direct relationship between the Company's effort and the transfer of control to the customer. The Company recognises revenue on the basis of the total cost incurred relative to the total expected cost to complete the construction.

2.10.2 Accounting Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation of uncertainty at the reporting date, that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below. The respective carrying amounts of assets and liabilities are given in related notes to the Financial Statements.

i) Estimation of fair value of investment properties

The Company carries its investment properties at fair value, with changes in fair value being recognised in the statement of profit or loss. The Company engaged an independent valuer to determine the fair value as at 31st March 2025. The valuation of investment property requires making significant estimates such as current market price per perch and yield rate which are based on current and future market or economic conditions.

The value of investment property of the Company has been ascertained by an independent valuer and due consideration has been given to recommended best practice in the valuation of real estate in uncertain times.

ii) Principal assumptions for management's estimation of fair value

If information on current or recent prices of assumptions underlying the discounted cash flow approach of investment properties is not available, the fair values of investment properties are determined using the discounted cash flow valuation techniques. The Company uses assumptions that are mainly based on market conditions existing at each reporting date.

The principal assumptions underlying the management's estimation of fair value are those related to: future rentals, maintenance requirements, and appropriate capitalisation rates/yields and voids. These valuations are regularly compared to actual market yield data and actual transactions by the Company and those reported by the market.

Further information about critical judgments, estimates and assumptions in applying the accounting policies that have the most significant effect on the amounts recognised in the Financial Statements is included in the following notes to these Financial Statements.

Critical accounting estimate / judgment	Disclosure note
Going concern	2.11
Fair value measurement	3.12
Useful life of property, plant and equipment	3.3.3
Fair value of investment property	3.7.2
Useful life of intangible assets	3.5.1
Retirement benefits obligations	3.11.2
Impairment losses on financial assets	3.2.6
Provision for liabilities, commitment and contingencies	3.19
Net realisable value of inventory	3.8
Income tax (Current tax and Deferred tax)	3.16

2.11 Going Concern

The Company has prepared the Financial Statements for the year ended 31st March 2025 on the basis that it will continue to operate as a going concern.

In determining the basis of preparing the Financial Statements for the year ended 31st March 2025, based on available information, the Board of Directors and the management has assessed the current macroeconomic conditions and its effect on the Company and the appropriateness of the use of the going concern basis.

It is the view of the Board that the scenarios prepared by the management that there are no material uncertainties that may cast significant doubt on the Company's ability to continue to operate as a going concern. In determining the above, significant management judgments, estimates and assumptions including the impact of the current macroeconomic challenges have been considered as of the reporting date and specific disclosures have been made under the relevant notes to the Financial Statements. The Board of the Company is satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future and hence, has adopted the going concern basis in preparing and presenting these Financial Statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information that has been used in the preparation of these Financial Statements are summarised below.

3.1 Foreign Currency Transactions and Balances

Transactions in foreign currencies are translated to the respective functional currency, the Sri Lankan Rupee (Rs.), at the exchange rates prevailing at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are re-translated to the functional currency at the spot rate of exchange at that date. The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and the payments made during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are re-translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on re-translation are recognised in the statement of comprehensive income.

3.2 Financial Instruments

3.2.1 Initial Recognition, Classification and Subsequent Measurement

Date of recognition

All financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes "regular way trades": purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on the purpose and the management's intention for which the financial instruments were acquired and their characteristics. All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

3.2.2 Classification and Subsequent Measurement of Financial Instruments

On initial recognition, a financial asset is classified as measured at: amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL).

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL.

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely the payments of principal and interest ("SPPI").

A debt instrument is measured at FVTOCI only if it meets both of the following conditions and is not designated as at FVTPL.

- the asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling the financial assets
- its contractual terms give rise on specified dates to cash flows that are solely the payments of principal and interest on the principal amount outstanding

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment by investment basis. All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Notes to the Financial Statements

Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to Management.

The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether Management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's Management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected);
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Financial assets - assessment whether contractual cash flows are solely the payments of principal and interest
For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs) as well as a profit margin.

In assessing whether the contractual cash flows are solely the payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows as such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows
- terms that may adjust the contractual coupon rate, including variable-rate features
- prepayment and extension features
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features)

A prepayment feature is consistent with 'solely the payments of principal and interest criterion' if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains or losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVTOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are re-classified to profit or loss.
Equity investments at FVTOCI	These assets are subsequently measured at fair value. Dividend is recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never re-classified to profit or loss.

3.2.3 Financial Assets

Financial assets are classified appropriately as financial assets recognised through profit or loss, financial assets measured at fair value through other comprehensive income and financial assets at amortised cost.

All the financial assets are recognised at fair value at their initial recognition.

Financial assets measured at fair value through profit or loss
A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or

investment strategy. Upon initial recognition, transaction costs are recognised in profit or loss as incurred.

Financial assets at fair value through profit or loss are measured at fair value, and subsequent therein are recognised in Profit or Loss.

The following assets represent financial assets at fair value though profit or loss.

- Investment in quoted shares

Amortised cost

A financial asset is measured at amortised cost if both of the following conditions are met.

a. the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows
b. the contractual terms of the financial assets give rise on specified dates to cash flows that are solely the payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost of the Company comprise the following.

- Investment in debentures
- Other receivables
- Cash and cash equivalents

Financial assets measured at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income (FVTOCI) are non-derivative financial assets that are designated FVTOCI and that are not classified in any of the previous categories of financial assets. FVTOCI are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, these are measured at fair value and changes therein other than impairment losses are recognised in other comprehensive income and presented within equity in the fair value reserve. When an investment in debt instrument is derecognised, the cumulative gain or loss in other comprehensive income is transferred to profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and cash at banks and other highly liquid financial assets which are held for the purpose of meeting short-term cash commitments with original maturities of less than three months which are subject to insignificant risk of changes in their fair value.

Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

3.2.4 Financial Liabilities

The Company initially recognises debt securities and borrowings on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instruments.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

Financial liabilities comprise:

- Interest bearing borrowings
- Lease liabilities
- Other payables
- Amount due to related party
- Amount due to directors
- Bank overdraft

Recognition and measurement of financial liabilities

The Company classifies financial liabilities other than financial guarantees and loan commitments, into one of the following categories.

- financial liabilities at amortised cost
- financial liabilities at fair value through profit or loss

A financial liability is measured initially at fair value plus, transaction costs that are directly attributable to its acquisition or issue. Subsequent measurement of financial liability is at fair value or amortised cost. The amortised cost of a financial liability is the amount at which the financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount.

Classification and subsequent measurement of financial liabilities

The subsequent measurement of financial liabilities depends on their classification.

Financial liabilities at amortised cost

Financial liabilities issued by the Company that are not designated at fair value through profit or loss are recognised initially at fair value plus any directly attributable transaction costs, by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Notes to the Financial Statements

The effective interest rate amortisation is included in "Interest Expense" in the statement of profit or loss. Gains or losses too are recognised in the income statement when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include derivative liabilities held for risk management purposes.

3.2.5 Re-Classification of Financial Assets and Liabilities

Financial assets are not re-classified subsequent to their initial recognition, except and only in those rare circumstances when the Company changes its objective of the business model for managing such financial assets. Financial liabilities are not re-classified as such re-classifications are not permitted by SLFRS 9.

3.2.6 Impairment of Financial Assets

The Company recognises a loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortised cost or at fair value through other comprehensive income. The Company, at each reporting date, measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since the initial recognition.

For trade and other receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. However, there are no trade and other receivables as at the reporting period.

3.2.7 Derecognition of Financial Assets and Financial Liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired,
- the Company 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:
- the Company has transferred substantially all the risks and rewards of the asset, or
- the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred the control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a "pass–through" arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuous involvement in the asset. In that case, the Company 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 Company has retained. Continuous 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 Company could be required to repay.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where 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 derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

3.2.8 Off-Setting Financial Instruments

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

3.2.9 Amortised Cost Measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

3.3 Property, Plant and Equipment

Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services or for administrative purposes and are expected to be used during more than one period.

3.3.1 Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

If significant parts of an item of property or equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment.

Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised within other income in profit or loss.

3.3.2 Subsequent Cost

Subsequent expenditure is capitalised only when it is probable that the future economic benefits of the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

3.3.3 Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives of significant items of property, plant and equipment are as follows:

Type of assets	Year
Computer and equipment	05 years
Motor vehicle	08 years
Office equipment	04 years
Plant and machinery	08 years
Furniture and fittings	04 years

The assets' useful lives and depreciation methods are reviewed if there is an indication of a significant change since the last annual reporting date.

3.3.4 Derecognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised.

When replacement costs are recognised in the carrying amount of an item of property, plant and equipment, the remaining carrying amount of the replaced part is derecognised.

3.3.5 Capital Work-In-Progress

Capital expenses incurred for the year which are not completed as at the reporting date are shown as capital work-in-progress, whilst the capital assets which have been completed and in use have been transferred to property, plant and equipment.

3.4 Leases

At the inception of a contract, the Company assesses to ascertain whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in SLFRS 16.

i) As a lessee

Right-of-use assets and Lease liabilities

The Company recognises the right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at, or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers the ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining the interest rates from debt financing arrangements at the inception of the lease period.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate.

When the lease liability is re-measured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low value assets
The Company elected not to recognise right-of-use assets and lease liabilities for lease of low value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on the straight-line basis.

ii) As a lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain

Notes to the Financial Statements

indicators such as whether the lease is for the major part of the economic life of the asset.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "other income".

3.5 Intangible Assets

3.5.1 Software

All licensed software acquired by the Company is measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Software is amortised on a straight-line basis in profit or loss over its estimated useful life, from the date on which it is available for use. The estimated useful life of software is 10 years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

3.5.2 Derecognition

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gains and losses arising from derecognition of an intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

3.6 Impairment of Non-Financial Assets

The Company assesses at each reporting date, whether there is any indication that an asset may be impaired.

If any indication exists, or when the annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less cost 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 a group 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 the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. In determining the fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses of continuous operations are recognised in the Statement of Profit or Loss in those expense categories consistent with the function of the impaired asset, except for the property previously revalued where the revaluation was taken to equity. In this case, the impairment is also recognised in equity up to the amount of any previous revaluation.

For assets, an assessment is made at each reporting date to ascertain as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of the recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot 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 Statement of Profit or Loss unless the asset is carried at the revalued amount, in which case, the reversal is treated as a revaluation increase.

3.7 Investment Property

3.7.1 Basis of Recognition

Investment properties are the properties held either to earn rental income or for capital appreciation or both but not for sale in the ordinary course of business, used in the production in the ordinary course of business, used in the production or supply of goods or services or for administrative purposes. Investment properties are recognised if it is probable that future economic benefits that are associated with the investment property will flow to the Company and the cost of the investment property can be reliably measured.

Investment property comprises freehold land, freehold buildings together with the integral parts of such properties.

3.7.2 Basis of Measurement

Fair value model

Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment property is carried at fair value.

The fair value of investment property reflects, among other things, the rental income from current leases and assumptions about rental income from future leases in the light of current market conditions, as appraised by an independent valuer, annually.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of profit or loss during the financial period in which they are incurred.

Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the period in which they arise. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the SLFRS 13.

If an investment property becomes owner occupied, it is re-classified as property, plant and equipment and its fair value at the date of re-classification becomes its cost for accounting purposes.

3.7.3 Derecognition

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of comprehensive income in the year of retirement or disposal.

3.7.4 Subsequent Transfers to / from Investment Property

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation, commencement of an operating lease to another party or completion of construction or development.

Transfers are made from investment property when, and only when, there is a change in use, evidenced by the commencement of owner occupation or commencement of development with a view to sale.

For a transfer from investment property to owner occupied property or inventories, the deemed cost of property for subsequent accounting is its fair value. If the property occupied by the Company as an owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

3.8 Inventory Property – Apartments and Lands

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, and completed properties are shown as inventories and measured at the lower of cost and net realisable value.

Apartment costs include:

- freehold and leasehold rights for land
- amounts paid to contractors for construction
- planning and design costs, costs of site preparation, property transfer taxes, construction overheads and other related costs

Land costs include:

- freehold and leasehold rights for land
- costs of site preparation, property transfer taxes and other related costs

Non-refundable commissions paid to sales or marketing agents on the sale of real estate units are expensed when paid.

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less costs to completion and the estimated costs of sale. The cost of inventory recognised in profit or loss on disposal is determined with reference to the costs incurred on the property sold and an allocation of costs based on the gross floor area of the property developed.

3.9 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.10 Other Liabilities

Other liabilities are recorded at amounts expected to be payable at the reporting date.

3.11 Employee Benefits GRI 201-3

3.11.1 Defined Contribution Plan

A defined contribution plan is a post-employment plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay a further amount. Obligations for contributions to defined contribution plans are recognised as expense in the profit or loss as and when they are due.

Employees' Provident Fund

The Company and employee contribute 12% and 8% respectively of the salary of each employee to an approved Provident Fund.

Employees' Trust Fund

The Company contributes 3% of the salary of each employee to the Employees' Trust Fund maintained by the Employees Trust Fund Board.

3.11.2 Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Gratuity

Gratuity is a Defined Benefit Plan. The liability recognised in the statement of financial position in respect of defined benefit plan is the present value of the defined benefit obligation at the statement of financial position date. The defined benefit obligation is calculated annually by independent actuaries, using projected unit credit method, as recommended by LKAS 19 employee benefit. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that apply to the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related liability. The assumptions based on which the results of the actuarial valuation were determined are included in note 21 to the financial statements. This liability is not externally funded and the item is grouped under non-current liabilities in the statement of financial position.

The Company recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income and expenses related to defined benefit plans in staff expenses in the statement of profit or loss.

Notes to the Financial Statements

According to the payment of the Gratuity Act No.12 of 1983, the liability for gratuity payment to an employee arises only after the completion of 5 years of continuous service.

3.11.3 Short-Term Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.12 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability or
- in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset for its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable for the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above

The Management of the Company determines the policies and procedures for both recurring fair value measurement, such as investment properties, and other investments.

External valuer, Ms. R.M.N. Priyadarshani is involved in valuation of significant assets, such as investment properties.

Involvement of external valuers is annually decided upon by the Management.

At each reporting date, the Management analyses the movements in the values of assets which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management, in conjunction with the Company's external valuer, also compares the change in the fair value of each asset with relevant external sources to determine whether the change is reasonable.

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

Fair value of financial instruments

Financial instruments of the Company include Cash and cash equivalents, other receivables, investments, Interest bearing loans and borrowings, trade and other payables, rentals and customer deposits and bank overdrafts. The fair values of these financial instruments are determined at which determination, the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values.

- cash and short-term deposits, other receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments
- rentals and customer deposits are fair valued by using the appropriate market interest rates
- long-term variable rate as well as fixed rate investments and borrowings approximate their carrying amounts largely due to the market based interest rates

Hence, the carrying amounts of the Company's financial instruments are reasonable approximations of their fair values.

STATEMENT OF COMPREHENSIVE INCOME

3.13 Revenue and Income

3.13.1 SLFRS 15 – Revenue From Contracts with Customers

The Company is in the business of real estate and providing related services. Revenue from contracts with customers is recognised when the control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.10.

A five-step model with reference to SLFRS 15, Revenue from contracts with customers is applied before the revenue is recognised;

1. identify the contract with customers
2. identify the separate performance obligations
3. determine the transaction price of the contract
4. allocate the transaction price to each of the separate performance obligations and
5. recognise the revenue as each performance obligation is satisfied

The following specific criteria are used for the purpose of recognition of revenue in the revenue stream of Sale of Apartments and Lands:

Sale of property – apartments and lands

The Company enters into contracts with customers to sell properties that are either completed or under development, and lands.

Revenue recognised at a point in time

The sale of completed apartments and lands are generally expected to be the single performance obligation and the Company has determined that it will be satisfied at the point in time when the control is transferred. For unconditional exchange of contracts, this is generally expected to be when legal title is transferred to the customer. For conditional exchanges, this is expected to be when all significant conditions are satisfied. The determination of transfer of control for both unconditional and conditional exchanges are not expected to change upon the adoption of SLFRS 15.

Revenue recognised over time

For contracts relating to the sale of apartments under development, the Company is responsible for the overall management of the project and identifies various goods and services to be provided, including the design work, procurement of materials, site preparation and foundation pouring, framing and plastering, mechanical and electrical work, installation of fixtures and finishing work. In such contracts, the Company has determined that the goods and services are not distinct and will generally account for them as a single performance obligation. Depending on the terms of each contract, the Company will determine whether control is transferred at a point in time or over time:

For each performance obligation satisfied over time, the Company recognises the revenue over time by measuring the progress towards complete satisfaction of that performance obligation. For sale of apartments under development, the Company expects to continue recognising revenue over time because it expects that control will be transferred over time. Generally, its performance does not create an asset with alternative use to the Company and the Company has concluded that it has an enforceable right to payment for performance completed to date.

For contracts that meet the over time recognition criteria, the Company's performance is expected to be measured using an input method, by reference to the costs incurred to the satisfaction of a performance obligation (e.g., resources consumed, labour hours expended, costs incurred, time elapsed or machine hours used) relative to the total expected inputs to the completion of the properties. The Company will exclude the effect of any costs incurred that do not contribute to the Company's performance in transferring control of goods or services to the customer (such as unexpected amounts of wasted materials, labour or other resources) and will adjust the input method for any costs incurred that are not proportionate to the Company's progress in satisfying the performance obligation (such as uninstalled material). This will be consistent with current practices.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration due) from the customer. If a customer pays consideration before the Company transfers goods or services 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 Company executes performance obligations under the contract. The Customer deposits disclosed under Note 27 is considered as contract liabilities.

Notes to the Financial Statements

3.13.2 Other Income

Rental income

Rental income includes rental income from properties leased out to tenants under operating leases and income from other related services. Rental income from operating leases is recognised on a straight line basis over the lease term in accordance with the SLFRS 16.

Legal fee income

Legal fee income represents the fee that the Company charges from its clients when they agree to transfer the deeds by taking the legal services provided by the Company instead of obtaining legal services to transfer deeds from outside professionals. All income is recognised on a straight-line basis over the year.

Interest income

Interest income is recognised as it accrues. Interest income is included under finance income in the statement of comprehensive income.

3.14 Expenses Recognition

Expenses are recognised in the statement of comprehensive income 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 income in arriving at the profit for the year.

For presenting of the statement of comprehensive income, the directors are of the opinion that the nature of the expenses method presents fairly the elements of the Company's performance, and hence, this presentation method is adopted.

3.15 Borrowing Cost

Borrowing cost directly attributable to the acquisition or construction or a production of a qualified asset that necessarily takes a substantial period of time to get ready for its intended use or sale is capitalised as part of the cost of the respective assets. All other borrowing costs and borrowing costs incurred after the completion of the underlying construction are expensed and recognised in the statement of comprehensive income 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.

3.16 Tax Expenses

Income tax expense comprises the current and deferred tax. It is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Income tax provisions for the year ended 31st March 2025 have been made as per the provisions of the Inland Revenue Act No. 24 of 2017 and the amendments thereto.

3.16.1 Current Tax Expense

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects the uncertainty related to income taxes, if any. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if certain criteria are met.

Current tax relating to items recognised directly in equity is recognised in equity and not in the statement of 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.

3.16.2 Uncertainty Over Income Tax Treatments

The Company has accounted for the uncertainty over tax treatments under IFRIC 23. An 'Uncertain Tax Treatment' is a tax treatment for which there is uncertainty over whether the relevant taxation authority will accept the tax treatment under tax law. If it is not probable that the taxation authority will accept an uncertain tax treatment, effect of uncertainty shall be reflected in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates. The effect of uncertainty for each uncertain tax treatment shall be reflected by using either of the most likely amount or the expected value methods, depending on which method the Company expects to better predict the resolution of the uncertainty.

3.16.3 Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future
- taxable temporary differences arising on the initial recognition of the goodwill

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset the current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle the current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax assets and liabilities are not discounted.

The net increase in the carrying amount of deferred tax liability net of deferred tax asset is recognised as deferred tax expense and conversely any net decrease is recognised as reversal to deferred tax expense in the statement of comprehensive income.

3.17 Stated Capital

Stated capital consists solely of ordinary share capital. Ordinary shares are classified as equity.
Incremental costs directly attributable to the issue of new shares other than on a business combination, are shown as a deduction, net of tax, in equity from the proceeds.

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Company's shareholders.

3.18 Earnings Per Share (EPS)

The Company presents Basic Earnings Per Share (EPS) data 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 year.

3.19 Contingent Liabilities and Commitments

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be readily measured as defined in the Sri Lanka Accounting Standard - LKAS 37 on 'Provisions, Contingent Liabilities and Contingent Assets'. Contingent Liabilities are not recognised in the statement of financial position but are disclosed unless its occurrence is remote.

Details of the commitments and contingencies are given in Note 29 to the Financial Statements.

3.20 Statement of Cash Flows

The Statement of Cash Flows has been prepared using the "Indirect Method" of preparing Cash Flows in accordance with the Sri Lanka Accounting Standard - LKAS 7 "Statement of Cash Flows". Cash and cash equivalents comprise short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

3.21 Events After Reporting Period

Events after the reporting period are those events, favorable and unfavorable, that occur between the reporting date and the date the Financial Statements are authorised for issue.

All material and important events that occurred after the reporting date have been considered and appropriate disclosures are made in Note 34 to the Financial Statements.

3.22 Comparative Information

Comparative information including quantitative, narrative and descriptive information is disclosed in respect of the previous year in the Financial Statements in order to enhance the understanding of the current year's Financial Statements and to enhance the inter period comparability. The presentation and classification of the financial statements of the previous year are amended where relevant, for better presentation and to be comparable with those of the current year.

3.23 Segment Information

An operating segment is a distinguishable component of the Company that is engaged either in providing products or services (business segment) or in providing products and services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The Company has two reportable segments. These segments offer different products and services and are managed separately as they require different marketing strategies.

Segment results, assets and liabilities include items directly attributable to a segment. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, investment property and intangible assets.

Intersegment pricing is determined on an arm's length basis.

The activities of the Company are within Sri Lanka. Consequently, the economic environment in which the Company operated is not subject to risk and rewards that are significantly different on a geographical basis. Hence, disclosure by geographical region is not provided.

The Company's segments comprise the following.

- sale of apartment properties
- sale of lands

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment.

3.24 New Accounting Standards, Amendments and Interpretations Issued but not yet Effective

The new and amended standards and interpretations that are issued, but are not yet effective, up to the date of issuance of the Company's Financial Statements are disclosed below.

The Company intends to adopt this amended standard and interpretation, if applicable, when it becomes effective.

Notes to the Financial Statements

A) New Standards and Amendments Issued but not yet Effective or Early Adopted in 2025

Lack of Exchangeability

The amendments to LKAS 21 "The Effects of Changes in Foreign Exchange Rates" clarifies the approach that should be taken by preparers of financial statements when they are reporting foreign currency transactions, translating foreign operations, or presenting financial statements in a different currency, and there is a long-term lack of exchangeability between the relevant currencies.

The amendments include both updates to guidance to assist preparers in correctly accounting for foreign currency items and increase the level of disclosure required to help users understand the impact of a lack of exchangeability on the financial statements. The amendments:

- introduce a definition of whether a currency is exchangeable, and the process by which an entity should assess this exchangeability.
- provide guidance on how an entity should estimate a spot exchange rate in cases where a currency is not exchangeable.
- require additional disclosures in cases where an entity has estimated a spot exchange rate due to a lack of exchangeability, including the nature and financial impact of the lack of exchangeability, and details of the spot exchange rate used and the estimation process.
- give additional disclosure requirements providing useful information about the additional level of estimation uncertainty, and risks arising for the entity due to the lack of exchangeability.

The amendments to LKAS 21 are effective for accounting periods on or after 01st January 2025, with earlier application permitted.

Sustainability disclosure standard

SLFRS S1 on "General Requirements for Disclosure of Sustainability-related Financial Information" (SLFRS S1) and SLFRS S2 on "Climate-related Disclosures" (SLFRS S2)

Due to the investors growing demand for ESG information, the International Sustainability Standards Board (ISSB) released its first two sustainability disclosure standards, IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures).

As a local accounting standard setter, CA Sri Lanka issued the localised standards based on these IFRSs designated as SLFRS S1 & SLFRS S2 during the year 2024.

B) The Following Amendments are Effective for the Period Beginning 01st January 2026

Amendments to the classification and measurement of Financial Instruments

Amendments to IFRS 9 "Financial Instruments" clarify that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice to derecognise financial liabilities settled using an electronic payment system before the settlement date.

Other clarifications include the classification of financial assets with ESG linked features via additional guidance on the assessment of contingent features. Clarifications have been made to non-recourse loans and contractually linked instruments.

Additional disclosures are introduced for financial instruments with contingent features and equity instruments classified at fair value through other comprehensive income.

Mandatorily effective for annual reporting periods beginning on or after 01st January 2026.

Contracts referencing nature-dependent electricity

Amendments to IFRS 9 and IFRS 7 are to the own-use requirements, and hedge accounting requirements, together with related disclosures. The scope of the amendments is narrow, and only if contracts meet the specified scoping characteristics will they be in the scope of the amendments. This publication outlines the amendments, together with a summary of the rationale behind the proposals, and considerations for entities when implementing the amendments.

Mandatorily effective for annual reporting periods beginning on or after 01st January 2026.

Insurance contracts (SLFRS 17)

New accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure.

Once effective, SLFRS 17 will replace SLFRS 4 Insurance Contracts (SLFRS 4) that was issued in 2005. SLFRS 17 applies to all types of insurance contracts (i.e., life, nonlife, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. The core of SLFRS 17 is the general model, supplemented by:

- specific adaptation for contracts with direct participation features (the variable fee approach)
- simplified approach (the premium allocation approach) mainly for short-duration contracts

SLFRS 17 is effective for annual reporting periods beginning on or after 01st January 2026, with comparative figures required. Early application is permitted, provided the entity also applies SLFRS 9 and SLFRS 15 on or before the date it first applies SLFRS 17.

The assessment of the impact on the Company does not have any material impact on the Financial Statements of the Company.

4. REVENUE

	For the year ended 31.03.2025 Rs.	For the year ended 31.03.2024 Rs.
Revenue from contracts with customers	8,259,800,877	8,090,379,095

4.1 Revenue Streams

	For the year ended 31.03.2025 Rs.	For the year ended 31.03.2024 Rs.
Revenue from contracts with customers		
Apartment sale	6,147,643,924	6,559,809,529
Land sale	2,112,156,953	1,530,569,566
	8,259,800,877	8,090,379,095

4.2 Disaggregation of Revenue from Contracts with Customers

The Company generates its revenue locally and the following is the revenue from contracts with customers disaggregated by the timing of revenue recognition.

	For the year ended 31.03.2025 Rs.	For the year ended 31.03.2024 Rs.
Timing of revenue recognition		
Revenue recognised at point in time	2,112,156,953	1,530,569,566
Revenue recognised over time	6,147,643,924	6,559,809,529
	8,259,800,877	8,090,379,095

5. OTHER INCOME

	For the year ended 31.03.2025 Rs.	For the year ended 31.03.2024 Rs.
Rent	22,500,000	20,400,000
Fair value gain on investments in quoted shares	105,000	1,500
Legal fee	29,553,496	37,994,291
Commission	17,938,656	-
Fair value gain on investment in unit trusts	12,877,844	-
	82,974,996	58,395,791

Notes to the Financial Statements

6. FINANCE INCOME AND EXPENSES

6.1 Finance Income

	For the year ended 31.03.2025 Rs.	For the year ended 31.03.2024 Rs.
Interest income	442,209,061	537,968,400
Late payment fee	12,836,528	8,367,759
	455,045,589	546,336,159

6.2 Finance Expenses

	For the year ended 31.03.2025 Rs.	For the year ended 31.03.2024 Rs.
Bank loan charges	28,855,288	1,955,865
Loan interest	97,783,694	210,606,148
Lease interest	408,544	2,968,666
Overdraft interest	22,790,377	389,423,860
Interest on customer refunds	6,651,457	37,278,336
Foreign exchange loss	86,939,192	48,756,108
	243,428,552	690,988,983

7. PROFIT BEFORE TAXATION IS STATED AFTER CHARGING ALL EXPENSES INCLUDING THE FOLLOWING:

	For the year ended 31.03.2025 Rs.	For the year ended 31.03.2024 Rs.
Directors' remuneration	48,345,700	47,121,800
Staff salaries, bonus, allowances and incentives	245,653,033	158,077,938
Defined contribution plan costs - EPF and ETF	23,910,645	19,780,245
Depreciation and amortisation	7,333,025	6,012,390
Auditors' remuneration	1,725,000	1,758,900
Provision for retirement benefits obligation	9,254,800	6,825,688

8. TAXATION

	Note	For the year ended 31.03.2025 Rs.	For the year ended 31.03.2024 Rs.
Income tax	8.1	524,962,930	452,433,975
Income tax under provision in previous year	28	-	157,372
Deferred tax provision for the period	24	47,366,083	9,000,237
		572,329,013	461,591,584

8.1 Reconciliation of the Accounting Profit to Current Tax Expense

	For the year ended 31.03.2025 Rs.	For the year ended 31.03.2024 Rs.
Profit before taxation	1,803,407,765	1,590,593,285
Income considered separately - Investment	(521,452,973)	(589,369,898)
Income considered separately - Others	(30,775,184)	(8,367,758)
Disallowable items	119,516,806	65,013,036
Allowable items	(20,105,466)	(27,826,925)
Business income	1,350,590,948	1,030,041,740
Income considered separately - Investment	521,452,973	589,369,898
Exempt income	(152,942,672)	(119,666,145)
Investment income	368,510,301	469,703,753
Income considered separately - Others	30,775,184	8,367,758
Taxable income	399,285,485	478,071,511
Income tax on taxable income		
Income tax rate at the statutory rate of: 30%	524,962,930	452,433,975
Income tax expense for the year	524,962,930	452,433,975

The Company has computed income tax at the enacted rate as at the reporting date as per the Inland Revenue Act No. 24 of 2017 and the amendments thereto.

9. EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. The weighted average number of ordinary shares outstanding during the year and the previous year are adjusted for events that have changed the number of ordinary shares outstanding, without a corresponding change in the resources such as a bonus issue.

	For the year ended 31.03.2025 Rs.	For the year ended 31.03.2024 Rs.
Amounts used as numerator		
Profit attributable to ordinary shareholders (Rs.)	1,231,078,752	1,129,001,701
Number of ordinary shares used as the denominator		
Weighted average number of ordinary shares in issue (No.)	937,500,000	937,500,000
Earnings per share (Rs.)	1.31	1.20

There were no potentially dilutive ordinary shares outstanding at any time during the financial year.

Notes to the Financial Statements

9.1 Dividend Per Share

	For the year ended 31.03.2025 Rs.	For the year ended 31.03.2024 Rs.
Dividend paid for the year (Rs.)	562,500,000	937,500,000
Dividend per share (Rs.)	0.60	1.00

As required by Section 56(2) of the Companies Act No. 07 of 2007 (as amended), the Board of Directors has confirmed that the Company satisfies the solvency test in accordance with Section 57 of the Companies Act No. 07 of 2007 (as amended), prior to recommending the dividend and has obtained a certificate from the auditors, prior to the distribution.

10. PROPERTY, PLANT AND EQUIPMENT

	FREEHOLD ASSETS						
	Office equipment Rs.	Plant and machinery Rs.	Computers and accessories Rs.	Furniture and fittings Rs.	Motor vehicles Rs.	Electrical items Rs.	Total Rs.
10.1 Gross Carrying Amounts							
Balance as at 01.04.2024	23,200	10,976,817	18,924,664	3,203,929	51,000,132	2,701,663	86,830,405
Add : Transferred from right-of-use asset	-	-	-	-	43,125,000	-	43,125,000
Add : Additions during the year	-	-	2,262,000	4,618,854	-	11,142,898	18,023,752
Balance as at 31.03.2025	23,200	10,976,817	21,186,664	7,822,783	94,125,132	13,844,561	147,979,157
10.2 Accumulated Depreciation							
Balance as at 01.04.2024	23,200	4,412,959	13,124,140	3,165,062	50,461,650	2,189,488	73,376,499
Add : Transferred from right-of-use asset	-	-	-	-	43,125,000	-	43,125,000
Add : Depreciation for the year	-	897,807	2,140,693	242,421	162,477	1,097,661	4,541,059
Balance as at 31.03.2025	23,200	5,310,766	15,264,833	3,407,483	93,749,127	3,287,149	121,042,558
10.3 Carrying Amount							
Balance as at 31.03.2024	-	6,563,858	5,800,524	38,867	538,482	512,175	13,453,906
Balance as at 31.03.2025	-	5,666,051	5,921,831	4,415,300	376,005	10,557,412	26,936,599

10.4 During the financial year, the Company acquired property, plant and equipment to the aggregate value of Rs. 18,023,752 (2023/24 – Rs. 9,364,253). The cash payments amounting to Rs. 18,023,752 (2023/24 – Rs. 9,364,253) were made during the year for purchase of property, plant and equipment.

10.5 Borrowing Cost Capitalisation

There were no capitalised borrowing costs relating to the acquisition of property, plant and equipment during the year (2023/24 - Nil).

10.6 Temporarily Idling Property, Plant and Equipment

There were no property, plant or equipment idling and no permanent fall in value of property, plant and equipment which requires a provision for impairment as at 31st March 2025.

10.7 Title Restriction on Property, Plant and Equipment

There was no restriction on the title of property, plant and equipment as at 31st March 2025.

10.8 Property, Plant and Equipment Pledged as Security for Liabilities

There were no items of property, plant and equipment pledged as securities for liabilities as at 31st March 2025.

10.9 Property, plant and equipment of the Company include fully depreciated assets having a gross carrying value of Rs.104,304,088 (2024: Rs.57,845,662).

Freehold assets	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Office equipment	23,200	23,200
Plant and machinery	3,794,367	3,794,367
Computers and accessories	9,729,067	7,779,005
Furniture and fittings	3,162,927	3,162,928
Motor vehicles	85,525,132	42,400,132
Electrical items	2,069,395	686,030
	104,304,088	57,845,662

10.10 There were no compensations received/receivable from third parties for items of property, plant and equipment that were impaired, lost or given up and there were no capitalised borrowing costs related to the acquisition of property, plant and equipment during the year.

11. RIGHT-OF-USE-ASSETS

11.1 Motor Vehicle

	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Cost		
Balance at the beginning of the year	110,338,021	131,438,021
Less: Transferred to property plant and equipment	(43,125,000)	(21,100,000)
Balance at the end of the year	67,213,021	110,338,021
Accumulated amortisation		
Balance at the beginning of the year	99,167,272	117,524,459
Less: Transferred to property plant and equipment	(43,125,000)	(21,100,000)
Add: Amortisation for the year	2,734,875	2,742,813
Balance at the end of the year	58,777,147	99,167,272
Carrying amount at the end of the year	8,435,874	11,170,749

Notes to the Financial Statements

12. INVESTMENT PROPERTIES

	Land	Building	Total
	Rs.	Rs.	Rs.
Balance as at 01.04.2023	548,500,000	186,500,000	735,000,000
Add : Fair value gain during the year	23,100,000	7,900,000	31,000,000
Balance as at 31.03.2024	571,600,000	194,400,000	766,000,000
Add : Transferred from inventory properties	126,108,499	86,130,433	212,238,932
Add : Fair value gain during the year	70,444,663	(26,683,595)	43,761,068
Balance as at 31.03.2025	768,153,162	253,846,838	1,022,000,000

Investment properties consist of freehold land at No 123, Castle Street, Colombo 08, freehold land and building given on rent at No. 61, D. S. Senanayaka Mw, Colombo 08, and freehold land and building given on rent at No. 57, D. S. Senanayaka Mw, Colombo 08.

12.1 The amount recognised to profit or loss on investment property is as follows:

	For the year ended 31.03.2025	For the year ended 31.03.2024
	Rs.	Rs.
Rental income earned	22,500,000	20,400,000
Operating expenditure	(1,034,199)	(36,000)
Fair value gain during the year	43,761,069	31,000,000
	65,226,870	51,364,000

12.2 Fair Value of the Investment Properties

Location of the investment property	Valuer's name and report date	Total extent	Valuation technique	Fair Value	
				As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Bare Land No 123, Castle Street, Colombo 08	R.M.N. Priyadarshani [Incorporated Valuer] - Report date : 31/03/2025	P 33.50	Comparison method	368,000,000	352,000,000
Land and Commercial Building No. 61, D S Senanayaka Mw, Colombo 08	R.M.N. Priyadarshani [Incorporated Valuer] - Report date : 31/03/2025	P 12.20	Comparison/ Investment method	419,000,000	414,000,000
Land and Commercial Building No. 57, D S Senanayaka Mw, Colombo 08	R.M.N. Priyadarshani [Incorporated Valuer] - Report date : 31/03/2025	P 11.65	Comparison/ Investment method	235,000,000	-
				1,022,000,000	766,000,000

12.3 The Company uses unobservable market input in determining the fair value of investment property (Level-3 of fair value hierarchy).

12.4 Valuation Details of Investment Properties

		Total Perches/ Square feet	Value per perch / Square feet (Rs.)	Total value (Rs.)
a)	Bare land at No. 123, Castle Street, Colombo 08	P 33.50	11,000,000	368,500,000
	Land - Lot No. 1 in Plan No. 2074			
	Bare land			
	Rounding effect			500,000
	Fair value of the subject property			368,000,000
b)	Land and commercial building at No. 61, D. S. Senanayaka Mw, Colombo 08			
	Land - Lot A in Plan No. 4751/9000	P 12.20	18,500,000	225,700,000
	Commercial building	13,427	18,000	241,686,000
	Less: 20% for depreciation			(48,337,200)
				193,348,800
	Rounding effect			48,800
	Fair value of the subject property			419,000,000
c)	Land and commercial building at No. 57, D. S. Senanayaka Mw, Colombo 08			
	Land - Lot A in Plan No. 2730	P 11.65	15,000,000	174,750,000
	Commercial building	6,314.00	16,000	101,024,000
	Less: 40% for depreciation			(40,409,600)
				60,614,400
	Rounding effect			364,400
	Fair value of the subject property			235,000,000

12.5 The details of investment properties pledged as security against borrowings are disclosed in Note 30.

12.6 The significant assumptions used by the valuer are as follows :

Assumptions	2025	2024	Sensitivity
Anticipated maintenance cost	20% from annual rent income	25% from annual rent income	Decrease will result in increase in fair value gain
Capitalisation YP rate	6.00%	5.75%	Increase will result in decrease in fair value gain
Price per perch LKR Mn.- No 123, Castle Street, Colombo 08	11.0	10.50	Increase will result in increase in fair value gain
Price per perch LKR Mn.- No. 61, D. S. Senanayaka Mw, Colombo 08	18.5	18.00	Increase will result in increase in fair value gain
Price per perch LKR Mn.- No. 57, D. S. Senanayaka Mw, Colombo 08	15.0	-	-
Future rental income Per Sq.Ft - No. 61, D. S. Senanayaka Mw, Colombo 08	Rs. 2,250	Rs. 2,250	Increase will result in increase in fair value gain
Future rental income Per Sq.Ft - No. 57, D. S. Senanayaka Mw, Colombo 08	Rs. 2,375	-	-

Notes to the Financial Statements

12.7 Sensitivity Analysis of Assumptions Employed in Investment Property Valuation

The table below presents the sensitivity of the valuation to changes in the most significant assumptions underlying the valuation of investment property, in respect of the year 2025.

The sensitivity of the statement of profit or loss and statement of financial position is the effect of the assumed changes in each aspect (taken individually, while other variables are held constant) on the profit or loss and carrying value of investment property for the year.

Capitalisation YP rate increase/ (decrease)	Maintenance cost increase/(decrease)	Investment property valuation (Rs.)	Fair value gain/(loss) on investment property (Rs.)
1%		882,285,714	(139,714,286)
-1%		1,088,000,000	66,000,000
	5%	930,612,500	(91,387,500)
	-5%	1,005,627,500	(16,372,500)

12.8 The valuation of investment properties as at 31st March 2025 has been prepared on the basis of 'material valuation uncertainty' as recommended by The Royal Institution of Chartered Surveyors, a professional body promoting and enforcing international standards in valuation, management and development of land, real estate, construction and infrastructure, in order to highlight the difficulties in undertaking valuations in the current environment.

12.9 A 'material valuation uncertainty' statement implies the valuation is current at the date of valuation only and that less certainty and a higher degree of caution should be attached to the valuation. In addition, the valuation should be kept under frequent review as the assessed value may change significantly and unexpectedly over a relatively short period of time.

12.10 Fair value of the investment property is ascertained by independent valuations carried out by Mrs. R.M.N.Priyadarshani, a chartered valuation surveyor, who has recent experience in valuing properties of similar location and category. In determining the fair value of the building, the capitalisation of net income method has been used, which is based upon assumptions including future rental income, anticipated maintenance costs, appropriate capitalisation rate and in determining the fair value of land, reference has been made to market evidence of transaction prices for similar properties, with appropriate adjustments for size and location. The appraised fair values are approximated within an appropriate range of values.

12.11 The carrying amount of revalued land and buildings under investment property if they were carried at cost less depreciation and impairment, would be as follows:

	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
a) Lot No. 1 in Plan No. 2074 situated at No. 123, Castle Street, Colombo 08		
Bare land	291,000,000	291,000,000
b) Lot A in Plan No. 4751/9000 situated at No. 61, D. S. Senanayaka Mw, Colombo 08		
Land	62,603,760	62,603,760
Commercial building		
Cost	97,162,188	97,162,188
Accumulated depreciation	(42,552,372)	(39,109,848)
	54,609,816	58,052,340
Carrying value	117,213,576	120,656,100
c) Lot A in Plan No. 2730 situated at No. 57, D. S. Senanayaka Mw, Colombo 08		
Land	126,108,499	-
Commercial building		
Cost	86,191,283	-
Accumulated depreciation	(861,913)	-
	85,329,370	-
Carrying value	211,437,869	-

12.12 Leasing Arrangements

Minimum lease payments receivable on leases of investment property is as follows:

	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Less than one year	11,800,000	20,400,000
One to five years	14,700,000	2,303,225
More than five years	-	-
	26,500,000	22,703,225

The investment property is leased to tenants under operating leases with rentals payable as per the lease terms.

13. INTANGIBLE ASSETS

13.1 Software

	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Cost		
Balance at the beginning of the year	572,438	572,438
Balance at the end of the year	572,438	572,438
Amortisation		
Balance at the beginning of the year	269,783	212,696
Add: Amortisation for the year	57,088	57,087
Balance at the end of the year	326,871	269,783
Written-down value at the end of the year	245,567	302,655

13.1.1 There were no restrictions existing on the title of the intangible assets of the Company as at the reporting date. Further, there were no items pledged as security against liabilities.

14. FINANCIAL ASSETS AT AMORTISED COST- INVESTMENTS IN DEBT SECURITIES

14.1 Investment in Unquoted Debentures

	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Balance at the beginning of the year	419,055,321	530,715,330
Add : Exchange loss for the year	(30,799,968)	(58,812,065)
Add : Interest receivable during the year	23,558,629	24,036,000
Less : Interest received during the period	-	(76,883,944)
Balance at the end of the year	411,813,982	419,055,321

Notes to the Financial Statements

	As at 31.03.2025		As at 31.03.2024	
	Number of debentures Nos.	Carrying amount Rs.	Number of debentures Nos.	Carrying amount Rs.
Debt securities - unquoted debenture	2,034	411,813,982	2,034	419,055,321
	2,034	411,813,982	2,034	419,055,321
Maturing within one year	-	-	-	-
Maturing after one year	2,034	411,813,982	2,034	419,055,321
	2,034	411,813,982	2,034	419,055,321

The Company has invested in non-convertible redeemable debentures denominated in Australian Dollar (AUD) amounting to AUD 2,034,000 for a tenor of five years maturing on 22nd December 2027, 13th August 2028 and 22nd January 2029 at an interest rate of 6% per annum as funding for operation of Prime Lands Australia (Pty) Ltd.

Present value of the expected cash flows of debentures issued by Prime Lands Australia (Pty) Ltd is the carrying value and hence, no impairment was recognised.

15. INVENTORY PROPERTIES

15.1 Inventory Properties

	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
- Apartments	12,239,496,367	6,815,071,803
- Lands	2,080,438,025	3,204,450,441
	14,319,934,392	10,019,522,244

15.2 Inventory Properties - Apartments

	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Balance at the beginning of the year	6,815,071,803	8,339,186,848
Add : Cost incurred during the year	9,808,079,135	3,189,723,851
	16,623,150,938	11,528,910,699
Less : Disposals during the year (Recognised in cost of sales)	(4,297,524,138)	(4,713,838,896)
Transferred to investment properties	(86,130,433)	-
Balance at the end of the year	12,239,496,367	6,815,071,803

15.3 Inventory Properties - Lands

	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Balance at the beginning of the year	3,204,450,441	4,049,243,667
Add : Cost incurred during the year	504,948,727	201,399,646
	3,709,399,168	4,250,643,313
Less : Disposals during the year (Recognised in cost of sales)	(1,502,852,644)	(1,046,192,872)
Transferred to investment properties	(126,108,499)	-
Balance at the end of the year	2,080,438,025	3,204,450,441

The details of inventory properties pledged as security against borrowings are disclosed in Note 30.

16. FINANCIAL ASSETS - FAIR VALUE THROUGH PROFIT OR LOSS

	Note	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Quoted equity securities	16.1	300,000	195,000
Unit trusts	16.2	412,877,844	-
		413,177,844	195,000

16.1 Quoted Equity Securities

	As at 31.03.2025			As at 31.03.2024		
	Number of shares Nos.	Cost Rs.	Fair value Rs.	Number of shares Nos.	Cost Rs.	Fair value Rs.
Mahaweli Reach Hotels PLC	15,000	638,740	300,000	15,000	638,740	195,000
	15,000	638,740	300,000	15,000	638,740	195,000

16.2 Unit Trusts

	As at 31.03.2025			As at 31.03.2024		
	Number of units Nos.	Cost Rs.	Fair value Rs.	Number of units Nos.	Cost Rs.	Fair value Rs.
NDB Wealth Money Fund	4,353,631	150,000,000	156,042,839	-	-	-
NDB Wealth Money Plus Fund	6,508,908	250,000,000	256,835,005	-	-	-
	10,862,539	400,000,000	412,877,844	-	-	-

Notes to the Financial Statements

16.3 Financial assets at fair value through profit or loss (FVTPL) comprise quoted equity securities and unit trusts which are held principally for the purpose of trading in the near term and capital appreciation.

	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Quoted equity securities		
Investment in equity securities	195,000	193,500
Increase in market value	105,000	1,500
	300,000	195,000
Unit trusts		
Investment in unit trusts	400,000,000	-
Increase in market value	12,877,844	-
	412,877,844	-

16.4 Amounts Recognised in Profit or Loss

	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Changes in fair value on quoted equity securities	105,000	1,500
Changes in fair value on investment in unit trusts	12,877,844	-
	12,982,844	1,500

17. ADVANCE PAID FOR CONTRACTORS

	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Balance at the beginning of the year	533,606,944	391,532,225
Add : Advance paid for contractors during the year	236,293,022	269,127,485
Less : Transferred to inventory properties during the year	(374,933,849)	(127,052,766)
Balance at the end of the year	394,966,117	533,606,944

18. ADVANCES, DEPOSITS AND OTHER RECEIVABLES

	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Staff advance	3,982,447	3,612,633
Other utility advance	49,652,448	29,655,480
Project advance	15,613,962	8,997,165
Refundable deposits	38,998,222	2,229,222
	108,247,079	44,494,500

19. CASH AND CASH EQUIVALENTS

19.1 Short-Term Deposits

	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Fixed deposits	4,442,798,390	3,811,550,110
	4,442,798,390	3,811,550,110

19.2 Favourable Balances

	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Cash in hand	80,256,035	60,499,887
Petty cash	100,000	100,000
Cash at banks	830,895,924	80,183,512
	911,251,959	140,783,399
Total short-term deposits and favorable balance	5,354,050,349	3,952,333,509

19.3 Unfavourable Balances

	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Bank overdraft	1,154,098,472	806,544,166
	1,154,098,472	806,544,166
Cash and cash equivalents for the purpose of statement of cash flows	4,199,951,877	3,145,789,343

Fixed deposits pledged as security against borrowings are disclosed in Note 30.

20. STATED CAPITAL

20.1 Ordinary Shares

	Note	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Number of shares - Ordinary shares	20.1.1	937,500,000	937,500,000
Value - Ordinary shares (Rs.)	20.1.1	3,450,000,000	3,450,000,000

20.1.1 Movement During the year

	For the year ended 31st March 2025		For the year ended 31st March 2024	
	No. of shares	Rs.	No. of shares	Rs.
Balance at the beginning of the year	937,500,000	3,450,000,000	937,500,000	3,450,000,000
Balance at the end of the year	937,500,000	3,450,000,000	937,500,000	3,450,000,000

Notes to the Financial Statements

20.2 Rights of Shareholders

The holders of ordinary shares confer their rights to receive dividends as declared from time to time and are entitled to one vote per share at the meetings of shareholders.

All shares rank equally and pari passu with regard to the Company's residual assets.

21. RETIREMENT BENEFITS OBLIGATION

21.1 Retirement Benefits Obligation - Gratuity

	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Balance at the beginning of the year	32,418,497	22,326,080
Amount charged for the year	10,030,158	11,192,667
Payments made during the year	(2,833,650)	(1,100,250)
Amount transferred from Prime Lands (Private) Limited	3,993,684	-
Balance at the end of the year	43,608,689	32,418,497

21.2 Amount Recognised in the Statement of Comprehensive Income

	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Current service cost for the year	5,364,580	3,476,776
Interest cost for the year	3,890,220	3,348,912
	9,254,800	6,825,688

21.3 Amount Recognised in other Comprehensive Income

	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Actuarial loss for the year	775,358	4,366,979
	775,358	4,366,979

21.4 Messrs. Actuarial and Management Consultants (Pvt) Ltd, Actuaries, carried out an actuarial valuation of the retirement benefits obligation for Prime Lands Residencies PLC as at 31st March 2025. The valuation method used by the Actuary to value the liability is the 'Projected Unit Credit Actuarial Cost Method' recommended by LKAS 19. Appropriate and compatible assumptions were used in determining the cost of retirement benefits. The principal assumptions used are as follows:

	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Actuarial assumptions		
Discount rate	10%	12%
Salary increment rate	7%	12%
Staff turnover	22%	21%
Retirement age	60 years	60 years
Mortality	A 1967/70 Mortality Table (Institute of Actuaries, London)	

21.5 Sensitivity Analysis

The following table demonstrates the sensitivity to a reasonably possible change in the key assumptions employed with all other variables held constant in the employment benefit liability measurement.

The sensitivity of the statement of financial position is the effect of the assumed changes in discount rate and salary increment rate on the profit or loss and employment benefit obligation for the year.

	2024/2025 Rs.	2023/2024 Rs.
Discount rate		
Effect on retirement benefits obligation due to 5% increase	37,123,998	(5,267,769)
Effect on retirement benefits obligation due to 5% decrease	52,917,609	7,857,415
Salary increment rate		
Effect on retirement benefits obligation due to 1% increase	1,487,796	1,214,214
Effect on retirement benefits obligation due to 1% decrease	(1,409,285)	(1,142,464)

* The figures in brackets indicate decrease

21.6 Maturity Profile of the Defined Benefit Obligation

	2024/2025 Rs.	2023/2024 Rs.
Within the next 12 months	8,710,765	5,875,808
Between 1 and 5 years	25,932,560	17,998,194
Between 6 and 10 years	6,214,331	6,245,748
Beyond 10 years	2,751,033	2,298,747
	43,608,689	32,418,497

22. INTEREST BEARING BORROWINGS

	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Balance at the beginning of the year	884,439,429	1,403,810,143
Loans obtained during the year	720,000,000	250,000,000
	1,604,439,429	1,653,810,143
Repayments during the year	(799,325,212)	(769,370,714)
Balance at the end of the year	805,114,217	884,439,429
Repayable within one year	446,815,884	399,325,212
Repayable between one and five years	358,298,333	485,114,217

Notes to the Financial Statements

Long-term loans	Term of the loan	Maturity period	Interest rate	Facility amount (Rs.)	Capital outstanding as at 31.03.2025 (Rs.)
Seylan Bank PLC	Capital repayment within 60 monthly instalments	Mar-26	AWPLR + Margin	1,500,000,000	300,000,000
DFCC Bank PLC	Capital repayment within 96 monthly instalments	Aug-25	AWPLR + Margin	200,000,000	10,129,217
Commercial Bank of Ceylon PLC	Capital repayment within 41 monthly instalments	Nov-26	AWPLR + Margin	350,000,000	274,985,000
Sampath Bank PLC	Capital repayment within 36 monthly instalments	Nov-28	AWPLR + Margin	220,000,000	220,000,000

Assets pledged as security against borrowings and the facility details are disclosed in Note 30.

23. LEASE LIABILITIES

	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Balance at the beginning of the year	10,081,038	31,652,078
Repayments during the year	(6,440,019)	(21,571,040)
Balance at the end of the year	3,641,019	10,081,038
Interest in suspense		
Balance at the beginning of the year	1,785,457	4,754,123
Charged to the statement of comprehensive income	(408,544)	(2,968,666)
Balance at the end of the year	1,376,913	1,785,457
Net lease creditor at the end of the year	2,264,106	8,295,581
Repayable within one year	2,264,106	6,687,480
Repayable between one and five years	-	1,608,101

23.1 Maturity Analysis of Lease Liability - Discounted

	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Less than 2 years	2,264,106	8,295,581
2- 5 years	-	-
	2,264,106	8,295,581

23.2 Maturity Analysis of Lease Payment - Undiscounted

	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Less than 2 years	3,641,019	10,081,038
2- 5 years	-	-
	3,641,019	10,081,038

23.3 Amount Recognised in Profit or Loss on SLFRS 16 - Leases

	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Lease under SLFRS 16		
Amortisation of right-of-use assets	2,734,875	2,742,813
Interest expense on lease liabilities	408,544	2,968,666
	3,143,419	5,711,479

23.4 Amount Recognised in Cash Flow on SLFRS 16 - Leases

	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Payment of lease liabilities	(6,440,019)	(21,571,040)

24. DEFERRED TAX LIABILITIES

	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
The movement of deferred tax		
Balance at the beginning of the year	67,339,381	59,649,238
Recognised in statement of comprehensive income	47,366,083	9,000,237
Recognised in other comprehensive income	(232,607)	(1,310,094)
Balance at the end of the year	114,472,857	67,339,381

Deferred Tax Provision for the year

Deferred tax assets/(liabilities) are attributable to the following:

	As at 31.03.2025		As at 31.03.2024	
	Temporary difference Rs.	Tax Rs.	Temporary difference Rs.	Tax Rs.
Deferred tax assets				
Employee benefits	43,608,689	13,082,607	32,418,497	9,725,549
	43,608,689	13,082,607	32,418,497	9,725,549
Deferred tax liabilities				
Property, plant and equipment	(136,743,975)	(41,023,193)	(38,886,859)	(11,666,058)
Investment properties	(288,440,903)	(86,532,271)	(217,996,240)	(65,398,872)
	(425,184,878)	(127,555,464)	(256,883,099)	(77,064,930)
Net deferred tax liability	(381,576,189)	(114,472,857)	(224,464,602)	(67,339,381)

Notes to the Financial Statements

NET DEFERRED TAX LIABILITY

Movement In Deferred Tax Balance During The Year

	Balance as at 01.04.2024	Recognised in profit or loss	Recognised in OCI	Balance as at 31.03.2025
	Rs.	Rs.	Rs.	Rs.
Employee benefits	9,725,549	3,124,451	232,607	13,082,607
Property, plant and equipment	(11,666,058)	(29,357,135)	-	(41,023,193)
Investment properties	(65,398,872)	(21,133,399)	-	(86,532,271)
Net deferred tax asset/ (liability)	(67,339,381)	(47,366,083)	232,607	(114,472,857)

Deferred tax has been determined based on the effective tax rate of 30%.

25. TRADE AND OTHER PAYABLES

	As at 31.03.2025	As at 31.03.2024
	Rs.	Rs.
Accrued expenses	150,436,108	42,448,920
Stamp duty	67,531,270	87,816,705
Retention	485,701,107	485,892,285
Contractors payments	4,064,427	-
Dividend	1,294,273	1,643,726
SSCL	5,820,831	10,703,496
Refundable deposits	700,000	700,000
VAT	59,176,118	5,137,891
	774,724,134	634,343,023

26. AMOUNT DUE TO RELATED PARTY

	As at 31.03.2025	As at 31.03.2024
	Rs.	Rs.
Prime Lands (Private) Limited	2,213,640	5,311,172
	2,213,640	5,311,172

27. CUSTOMER ADVANCE COLLECTION

	Note	As at 31.03.2025	As at 31.03.2024
		Rs.	Rs.
Project advance	27.1	8,538,940,294	3,461,944,642
Direct customer deposits		152,405,454	64,768,365
		8,691,345,748	3,526,713,007

27.1 Project Advance

	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Balance at the beginning of the year	3,461,944,642	2,269,118,817
Add: During the year advance received	13,336,796,529	9,266,429,594
	16,798,741,171	11,535,548,411
Less : Transferred to statement of comprehensive income	(8,259,800,877)	(8,073,603,769)
Balance at the end of the year	8,538,940,294	3,461,944,642

28. INCOME TAX PAYABLE

	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Balance at the beginning of the year	219,989,096	467,297,568
Less : WHT credit	(17,099,428)	(29,429,130)
During the year payment	(498,664,135)	(670,470,689)
	(295,774,467)	(232,602,251)
Add : Income tax expense during the year	524,962,930	452,433,975
Add : Under provision in previous year	-	157,372
Add : Adjustment for Surcharge Tax levied under the Surchage Tax Act No. 14 of 2022	301,304,790	-
Balance at the end of the year	530,493,253	219,989,096

28.1 In accordance with the provisions of the Surcharge Tax Act No. 14 of 2022, the Company was liable for surcharge tax on its taxable income for the year of assessment 2020/2021 considered as one-off levy imposed by the Department of Inland Revenue amounting to Rs. 301,304,790.

However, the surcharge tax is not considered an income tax expense under LKAS 12 – Income Taxes, and recognised as a liability during the current financial year based on the legislative enactment and payment requirements. Accordingly, the said amount has been presented as an adjustment in arriving at the income tax payable balance at year-end.

29. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Company makes various commitments and incurs contingent liabilities. No material losses are anticipated as a result of these transactions.

29.1 Commitments

The Company has entered into agreements with contractors to pay Rs. 7,789,529,479 in order to complete the projects included in inventory properties as at the reporting date. The commitment of the Company depends on the successful completion of the project as agreed in the contractors' agreement.

29.2 Contingent Liabilities

The Company does not have significant contingencies as at the reporting date.

Notes to the Financial Statements

30. ASSETS PLEDGED

The following assets have been pledged as security for credit facilities and loans obtained by the Company from respective financial institutions concerned.

Nature of assets	Lender and nature of liabilities	Facility amount Rs.	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Primary mortgage for 200 Mn over Investment property at No.61, D.S Senanayake Mawatha, Colombo 08	DFCC Bank PLC- Term loan	200,000,000	10,129,217	34,439,429
Further mortgage over the land property of Prime Lands (Pvt) Ltd at No.75/1, D.S. Senanayake Mawatha, Colombo 08	DFCC Bank PLC- Overdraft	500,000,000	42,454,482	50,002,559
Lien over Fixed Deposits amounting to LKR. 2,151 Mn of the Company	Seylan Bank PLC- Overdraft	225,000,000	-	16,447,027
Lien over Fixed Deposits amounting to USD 542,583 of the Company	Seylan Bank PLC- Term loan	1,500,000,000	300,000,000	600,000,000
Lien over 400,000,000 Nos. of HNB Finance PLC shares owned by Prime Lands (Pvt) Ltd.,	Seylan Bank PLC- Overdraft	1,972,600,000	743,740,581	439,806,169
Lien over USD A/C amounting to USD 981,310 of the Company Lien over Fixed Deposit amounting to LKR 65 million of the Company., Corporate guarantee of Rs.100 Mn from Prime Lands (Pvt) Ltd	Sampath Bank PLC- Overdraft	400,000,000	51,844,800	107,379,952
Primary mortgage bond over the property at The Border Colombo, Peliyagoda	Sampath Bank PLC - Term loan	1,000,000,000	220,000,000	-
Corporate guarantee from Prime Lands (Pvt) Ltd	Hatton National Bank PLC - Overdraft I	500,000,000	292,451,814	166,068,016
Lien over Fixed Deposits amounting to USD 1,147,959 of the Company	Hatton National Bank PLC - Overdraft II	309,850,000	-	20,484,804
Primary mortgage bond for Rs.175 Mn over the Investment property at No. 123, Castle Street, Colombo 08	Nations Trust Bank PLC Overdraft	175,000,000	-	6,355,639
Primary mortgage for 350 Mn over land property at Chandraleka Mawatha	Commercial Bank of Ceylon PLC - Term loan	350,000,000	274,985,000	250,000,000

31. RELATED PARTY DISCLOSURES

31.1 Parent and Ultimate Controlling Party

The immediate and ultimate parent of the Company as at 31st March 2025 is Prime Lands (Private) Limited

31.2 Transactions with Key Management Personnel

Key management personnel include all the members of the Board of Directors of the Company having the authority and responsibilities for planning, directing and controlling the activities of the Company.

(A) Loans to directors

No loans were advanced to the Directors of the Company.

(B) Key management personnel compensation

The remunerations of directors and other members of the key management during the year under review are as follows:

Key management personnel	Nature of the transaction	For the year ended 31.03.2025 Rs.	For the year ended 31.03.2024 Rs.
Directors	Short-term benefit	48,345,700	47,121,800

(C) Transactions with key management personnel

Related key personnel	Relationship	Nature of the transaction	For the year ended 31.03.2025 Rs.	For the year ended 31.03.2024 Rs.
Mr. B Premalal	Director	Acquisition of apartments at The Colombo Border	11,670,000	19,450,000
Mrs. H K S R Perera	Director	Acquisition of apartments at The Colombo Border	15,880,000	14,770,000
Mr. N L S Joseph	Director	Acquisition of apartment at The Colombo Border	9,151,000	1,000,000
Ms. Shehana Brahmanage	Director	Acquisition of apartment at The Colombo Border	6,880,000	-
Mrs. Dinusha Fernando	GM Legal	Acquisition of apartment at The Colombo Border	656,000	1,000,000

31.3 Related Party Transactions

Related key personnel	Relationship	Nature of the transaction	For the year ended 31.03.2025 Rs.	For the year ended 31.03.2024 Rs.
Prime Lands (Private) Limited	Parent Company	Advances paid to acquire lands for apartment projects	305,807,500	-
		Shared service fee paid to Prime Lands (Pvt) Ltd	30,750,000	30,000,000
		Rent paid to Prime Lands (Pvt) Ltd	6,150,000	6,150,000
		Rent income from Prime Lands (Pvt) Ltd	2,100,000	-
		Commission income from Prime Lands (Pvt) Ltd	17,938,656	-
		Commission expense to Prime Lands (Pvt) Ltd	105,693,621	-
		Intercompany settlements (Net)	3,097,531	2,555,844
HNB Finance PLC	Related Company	Rent income from HNB Finance PLC	20,400,000	20,400,000
		Lease rental paid	6,440,019	21,571,040
		Lease interest paid	408,544	2,968,666
		Loan instalment paid	-	14,300,239
Prime Lands Australia (Pty) Ltd	Related Company	Debenture interest received	-	76,883,944
NJ Consultants	Common Director	MEP Design fee paid to NJ Consultants	11,576,991	14,787,842
Pele Consulting (Private) Limited	Common Director	Secretarial fee paid	-	410,823
Regent Caterers (Pvt) Ltd	Related Company	Payments for catering services for events	7,421,886	7,971,832

Notes to the Financial Statements

Related key personnel	Relationship	Nature of the transaction	For the year ended 31.03.2025 Rs.	For the year ended 31.03.2024 Rs.
Prime Constructions (Pvt) Ltd	Related Company	Construction management services for 43, By the Sea - Marine Drive & The Palace - Gampaha	174,817,101	106,650,000
		Interim Payments made for the constructions works for "The Border Colombo Tower C.	298,825,758	-
Prime Realty (Pvt) Ltd	Related Company	Commission expense to Prime Realty (Pvt) Ltd	22,619,717	-

31.4 Related Party Balances

The following related party balances are shown in the respective notes as stated below.

1. Investment in non-convertible redeemable debentures issued by Prime Lands Australia (Pty) Ltd as given in Note 14.
2. Amount due to Prime Lands (Pvt) Ltd as disclosed in Note 26.

31.5 Terms and Conditions of Transactions with Related Parties

Transactions with related parties are carried out in the ordinary course of the business. Outstanding current account balances at the year end as disclosed in Note 26 are interest free and settled on demand. Investment in unquoted debentures at the year end as disclosed in Note 14 is at an interest rate of 6% per annum and settlement occurs at maturity of five years.

31.6 Recurrent Related Party Transactions.

The following are the recurrent related party transactions which in aggregate value exceeds 10% of the gross revenue of the Company as per 31st March 2024 audited financial statements, which required additional disclosures in the 2024/25 annal report under Colombo Stock Exchange listing Rule 9.14.8(2).

Name of Related the Party	Relationship	Nature of the Transaction(s)	Aggregate value of Related Party Transaction(s) entered into during the Financial Year	Aggregate Value of the Related party transaction(s) as a % of Gross Revenue/ Income	Terms and Conditions of the Related Party Transaction(s)
Prime Constructions (Private) Limited	Related Company	Contruction awarded during the financial year **01.The Colombo Border** **(a). Construction of Boundary Wall** • Contract Value: Rs. 12,939,821 **(b). Main Contract - Tower C** • Constructions commenced: December 2024 • Duration - 30 Months • Contract Value: Rs. 2,638,161,107 **02. The Seasons - Colombo 08.** • Constructions commenced: March 2025 • Duration - 24 Months • Contract Value: Rs. 1,858,841,268	4,509,942,196	56%	Construction of a residential condominium tower including all structural, architectural, MEP, and external works, as per approved plans. Prime Lands Residencies PLC oversees end-to-end construction activites, maintaining strict control over quality and progress status. Fixed-price contract with no escalation unless due to approved changes.

32. ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

32.1 The Analysis of Financial Instruments by Measurement Basis is Shown as Follows:

Balance as at 31.03.2025	Financial assets at fair value through profit or loss Rs.	Financial assets at amortised cost Rs.	Other financial liabilities at amortised cost Rs.	Total Rs.
Financial assets				
Financial investments - unquoted debentures	-	411,813,982	-	411,813,982
Financial investments - quoted equity shares	300,000	-	-	300,000
Financial investments - unit trusts	412,877,844	-	-	412,877,844
Cash and cash equivalents	-	5,354,050,349	-	5,354,050,349
	413,177,844	5,765,864,331	-	6,179,042,175
Financial liabilities				
Interest bearing borrowings	-	-	805,114,217	805,114,217
Lease liabilities	-	-	2,264,106	2,264,106
Amount due to related party	-	-	2,213,640	2,213,640
Trade and other payables	-	-	774,724,134	774,724,134
Bank overdraft	-	-	1,154,098,472	1,154,098,472
	-	-	2,738,414,569	2,738,414,569

Notes to the Financial Statements

Balance as at 31.03.2024	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Other financial liabilities at amortised cost	Total
	Rs.	Rs.	Rs.	Rs.
Financial assets				
Financial investments - unquoted debentures	-	419,055,321	-	419,055,321
Financial investments - quoted equity shares	195,000	-	-	195,000
Cash and cash equivalents	-	3,952,333,509	-	3,952,333,509
	195,000	4,371,388,830	-	4,371,583,830
Financial liabilities				
Interest bearing borrowings	-	-	884,439,429	884,439,429
Lease liabilities	-	-	8,295,581	8,295,581
Amount due to related party	-	-	5,311,172	5,311,172
Trade and other payables	-	-	634,343,023	634,343,023
Bank overdraft	-	-	806,544,166	806,544,166
	-	-	2,338,933,371	2,338,933,371

33. FAIR VALUE MEASUREMENT AND RELATED FAIR VALUE DISCLOSURES

33.1 Determination of Fair Value and Fair Value Hierarchy

As at 31st March 2025, the Company held the following assets carried at fair value on the statement of financial position. The Company uses the following hierarchy for determining and disclosing the fair value of these assets 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 which use inputs that have a significant effect on the recorded fair value are not based on observable market data

	Level 1	Level 2	Level 3	Total
As at 31.03.2025				
Financial assets - Fair value through profit or loss	413,177,844	-	-	413,177,844
Investment property - Land and building	-	-	1,022,000,000	1,022,000,000
As at 31.03.2024				
Financial assets - Fair value through profit or loss	195,000	-	-	195,000
Investment property - Land and building	-	-	766,000,000	766,000,000

33.1.1 Reconciliation of Fair Value Measurement of "Level 3" Assets

The reconciliation from the opening balance to the closing balance for level 3 fair values are shown below:

	Land	Building	Total
	Rs.	Rs.	Rs.
Investment Properties			
Balance as at 01.04.2023	548,500,000	186,500,000	735,000,000
Add : Fair value gain during the year	23,100,000	7,900,000	31,000,000
Balance as at 31.03.2024	571,600,000	194,400,000	766,000,000
Add : Transferred from inventory properties	126,108,499	86,130,433	212,238,932
Add : Fair value gain during the year	70,444,663	(26,683,595)	43,761,068
Balance as at 31.03.2025	768,153,162	253,846,838	1,022,000,000

33.2 Valuation Techniques and Significant Unobservable Inputs

The following table shows the valuation techniques used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Asset	Valuation technique	Significant unobservable inputs
Investment properties	**Comparison and Investment approach**	
Bare land No. 123, Castle Street, Colombo 08	In determining the fair value of Investment Property, the reference to market evidence of transaction prices for similar properties, with appropriate adjustments for size and location were considered. Fair value of building was determined considering the capitalisation of net income method, which is based upon assumptions including future rental income, anticipated maintenance costs and capitalisation rates.	- Anticipated maintenance cost
Land and commercial building 01. No. 61, D. S. Senanayake Mw, Colombo 08		- Discount rate - Future rental income per Sq. Ft.
02. No. 57, D. S. Senanayake Mw, Colombo 08		- Price per perch

34. EVENTS AFTER THE REPORTING DATE

No circumstances have arisen since the reporting date, which would require adjustments or disclosures in the Financial Statements except as given below:

Authorisation of Interim Dividend

The Board of Directors of the Company has authorised an interim dividend of sixty cents (Rs 0.60/-) per ordinary share amounting Rs. 562,500,000/- on 29th May 2025.

35. RISK MANAGEMENT

The Company has the exposure to the following risks from its use of financial instruments and operations:

Credit risk

Liquidity risk

Market risk

Operational risk

This note presents qualitative and quantitative information about the Company's exposure to each of the above risks, the Company's objectives, policies and procedures for measuring and managing risk and the Company's management of capital. Further, quantitative disclosures are included throughout these Financial Statements.

Risk Management Framework

The Board of Directors has the overall responsibilities for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect the changes in market conditions and the Company's activities.

The Audit Committee oversees how management monitors compliance with their risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit Department. Internal Audit Department undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

35.1 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations and arises principaly from the Company's investments and deposits with banks.

The Company is exposed to credit risk from its investing and financing activities, including deposits with banks and other financial assets.

Management of credit risk includes the following components.

The Company does an extensive and continuous evaluation of credit-worthiness of its customers/financial institutions by assessing external credit ratings (if available) or historical information about default rates and changes the credit limits and payment terms where necessary.

Notes to the Financial Statements

In addition, The Company manages its operations to avoid any excessive concentration of counterparty risk and takes all reasonable steps to ensure that the counterparties fulfill their obligations.

35.1.1 Impairment of Financial Assets

The Company does not have trade receivables as at the reporting date and impairment is not applicable to them. Cash and cash equivalents and other financial assets are subject to the impairment requirements as per SLFRS 9.

35.1.1.1 Exposure to Credit Risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Carrying amount	411,813,982	419,055,321
Financial assets at amortised cost	413,177,844	195,000
Financial assets - FVTPL	5,354,050,349	3,952,333,509
Cash and cash equivalents	6,179,042,175	4,371,583,830

35.1 Credit Risk

35.1.1.2 Trade Receivables

The Company does not have trade receivables as at reporting date and hence, no impairment was identified relating to them.

35.1.1.3 Cash and Cash Equivalents and other Financial Assets

The cash and cash equivalents are held with banks and financial institutions which are rated above 'BBB-(lka).
The allowance accounts in respect of cash at bank at financial institutions, and financial assets at FVTPL and other financial assets, are used to record impairment losses unless the Company is satisfied that no recovery of the amount owing is possible.

At that point, the amounts are considered irrecoverable and are written off against the financial assets directly.

35.2 Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets.

Management of Liquidity Risk

The Company manages the liquidity risk by carrying out cash flow forecasts and identifying future cash needs including organic growth and to meet any unforeseen obligations and opportunities. Investments are planned ensuring that money is available for settlements. Adequate banking facilities are approved and kept for use as and when necessary. Strong relationships have been built with banks to ensure that urgent borrowing needs are met at short notice.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted (principle plus interest) payments.

	Carrying amount Rs.	Less than 3 months Rs.	3-12 months Rs.	1-5 years Rs.	More than 05 years Rs.	Total Rs.
Balance as at 31.03.2025						
Non-derivative financial liabilities						
Trade and other payables	774,724,134	151,730,381	622,993,753	-	-	774,724,134
Bank overdraft	1,154,098,472	1,154,098,472	-	-	-	1,154,098,472
Loans and borrowings	805,114,217	118,564,385	382,490,230	386,799,562	-	887,854,177
Lease liabilities	2,264,106	291,818	3,349,201	-	-	3,641,019
Amounts due to related party	2,213,640	2,213,640	-	-	-	2,213,640
	2,738,414,569	1,426,898,696	1,008,833,184	386,799,562	-	2,822,531,442

	Carrying amount Rs.	Less than 3 months Rs.	3-12 months Rs.	1-5 years Rs.	More than 05 years Rs.	Total Rs.
Balance as at 31.03.2024						
Non-derivative financial liabilities						
Trade and other payables	634,343,023	44,092,646	590,250,377	-	-	634,343,023
Bank overdraft	806,544,166	806,544,166	-	-	-	806,544,166
Loans and borrowings	884,439,429	118,285,860	354,857,581	553,668,278	-	1,026,811,720
Lease liabilities	8,295,581	2,553,077	5,777,053	1,750,908	-	10,081,038
Amounts due to related party	5,311,172	5,311,172	-	-	-	5,311,172
	2,338,933,371	976,786,921	950,885,011	555,419,186	-	2,483,091,119

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

35.3 Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control the market risk exposures within acceptable parameters, while optimising the return. Market risk comprises three types of risks;

- Foreign exchange risk
- Interest rate risk
- Equity price risk

35.3.1 Foreign Exchange Risk

Foreign currency risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is exposed to foreign currency risk when future transactions are denominated in a currency that is not the Company's functional currency. The company's functional currency is Sri Lankan Rupee (LKR) and all other currencies are considered as foriegn currencies for reporting purpose. The investments in unquoted debentures are denominated in Australian Dollars (AUD) and bank balances denominated in US Dollars (USD). However, most of the Company's transactions are denominated in LKR.

The exposure to currency risk as at the reporting date is as follows:

	AUD	USD
As at 31st March 2025		
Investments in unquoted debentures	2,034,000	
Bank balances	303	69,414
As at 31st March 2024		
Investments in unquoted debentures	2,034,000	-
Bank balances	302	58,942

There were signs of stabilisation in Sri Lankan rupee during the year due to the control measures taken by the authorities and improvements in foreign currency inflows and reserves. The Company adopted prudent measures, as and when required, to manage the financial impacts arising from the liquidity constraints and currency fluctuations by matching liabilities with corresponding inflows. The Company was able to navigate the liquidity challenges through matching its obligations with foreign currency inflows as far as possible while also using the strength of its financial position to manage the situation.

Notes to the Financial Statements

Sensitivity Analysis

The following table demonstrates the sensitivity of the Company's profits to a reasonable possible change in the US Dollar (USD) and Australian Dollar (AUD) exchange rate with all other variables held constant. The impact on the profit before tax due to change in the fair value of monetary assets and liabilities denominated in foreign currency is as follows:

2025	Increase/ decrease in exchange rate	Effect on profit before tax (Rs.)
US Dollar (USD)		
LKR appreciated against USD by	25%	328,890,398
LKR depreciated against USD by	-25%	(328,890,398)
Australian Dollar(AUD)		
LKR appreciated against AUD by	25%	94,208,571
LKR depreciated against AUD by	-25%	(94,208,571)
2024		
US Dollar (USD)		
LKR appreciated against USD by	25%	4,499,183
LKR depreciated against USD by	-25%	(4,499,183)
Australian Dollar(AUD)		
LKR appreciated against AUD by	25%	102,476,967
LKR depreciated against AUD by	-25%	(102,476,967)

35.3.2 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk arises mainly from the borrowings and investment of excess funds in financial investments. Borrowings at variable rates expose the Company to cash flow interest rate risk. Borrowings and investments at fixed rates expose the Company to fair value interest rate risk.

The Company has cash and bank balances including deposits placed with government and reputed financial institutions. All available opportunities are considered before making investment decisions.

The Company manages its working capital appropriately to ensure that borrowing needs and investment opportunities are foreseen. Market interest rates are monitored closely to ensure that the borrowings and investments are at the best rate for the Company.

The Central Bank of Sri Lanka (CBSL) began to ease the monetary policy during the current financial year amid decelerating inflation, resulting in a downward trend in market interest rates throughout the financial year. The directions issued by the CBSL to licensed banks to reduce interest rates, and the significant reduction of risk premia on government securities, have accelerated the downward adjustment in market interest rates and particularly lending rates.

At the end of the reporting year, the interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company was as follows;

	As at 31.03.2025	As at 31.03.2024
	Rs.	Rs.
Fixed rate instruments		
Financial assets		
Fixed deposit	4,442,798,390	3,811,550,110
Financial assets at amortised cost	411,813,982	419,055,321
	4,854,612,372	4,230,605,431
Financial liabilities		
Lease creditors	(2,264,106)	(8,295,581)
	4,856,876,478	4,238,901,012
Variable rate instruments		
Financial assets		
Bank balance	80,256,035	60,499,887
Financial liabilities		
Loans and borrowings	(805,114,217)	(884,439,429)
Bank overdraft	(1,154,098,472)	(806,544,166)
	(1,959,212,689)	(1,690,983,595)
	(1,878,956,654)	(1,630,483,708)

The following table demonstrates the sensitivity to a reasonably possible change in variable interest, with all other variables held constant.

	Profit or loss		Equity	
	For the year ended 31.03.2025	For the year ended 31.03.2024	For the year ended 31.03.2025	For the year ended 31.03.2024
	Rs.	Rs.	Rs.	Rs.
5% increase	14,600,573	15,068,519	14,600,573	15,068,519
5% decrease	(14,600,573)	(15,068,519)	(14,600,573)	(15,068,519)

35.3.3 Equity Price Risk

Listed equity securities are susceptible to equity price risk arising from uncertainties of future values of the investment securities. The Company manages the equity price risk through diversification of its portfolio to different business segments.

The Company's equity risk management policies adopted are as follows:

- equity investment decisions are based on fundamentals rather than on speculation
- decisions are made based on in-depth industry and macroeconomic analysis as well as on research reports on the Company's performance.

The table below shows the diversification of equity investments.

	2025	2024
	Rs.	Rs.
Trading shares		
Quoted equity securities	300,000	195,000

Sensitivity analysis

Investments in equity shares are subject to the performance of the investee Company and the factors that affect the status of the stock market.

Notes to the Financial Statements

The following table demonstrates the sensitivity of the Company's equity to a reasonably possible change in the market prices of the listed equity securities, with all other variables held constant.

	Change in year share price of all companies in which the Company has invested	Effect on profit before tax as a result of gains/ losses on equity securities classified as at FVTPL
		Rs.
Investments in equity shares	+ 5%	15,000
	- 5%	(15,000)

35.4 Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Company's operations. The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity. The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of the Company's overall standards for the management of operational risk in the following areas.

- requirements for appropriate segregation of duties, including the independent authorisation of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remedial action
- training and professional development
- ethical and business standards
- risk mitigation, including insurance when applicable

Compliance with set procedures is supported by periodic reviews undertaken by the Internal Audit Department. The results of Internal Audit Department reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Audit Committee and Senior Management of the Company.

35.5 Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of stated capital and reserves of the Company. The Board of Directors monitors the return on capital, which the Company defines as a result from operating activities divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure, and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may issue new shares, have a rights' issue or buy back of shares.

The Company's debt to adjusted capital ratio at the end of the reporting period was as follows:

	As at 31.03.2025	As at 31.03.2024
	Rs.	Rs.
Debt to equity ratio	20%	18%

36. PROSPECT OF SUSTAINABILITY RISKS AND OPPORTUNITIES

As a real estate development entity committed to long-term economic growth and value creation, the Company recognises that sustainability is fundamental to the well-being of all stakeholders. In light of evolving Environmental, Social, and Governance (ESG) challenges, the Company is actively integrating sustainability principles into its core business practices and strategic decision-making processes. This includes the adoption of responsible development practices, resource-efficient designs, and ethical governance standards to ensure resilience, environmental stewardship, and stakeholder trust.

The Company undertakes its development of apartments and lands with a focus on responsible and sustainable practices, aiming to generate positive social impact while promoting environmental stewardship. These efforts reflect the Company's commitment to embedding sustainability into its core strategies, ensuring that its operations align with long-term environmental and community well-being particularly in the context of land acquisition, residential apartment construction, and land development activities.

With the widest reach across the island, the Company aspires to be the market leader in sustainable real estate. In pursuit of this ambition, the Company is taking deliberate steps to transition toward carbon neutrality by embedding sustainability across all aspects of its operations, from planning and development to construction and stakeholder engagement. During the year, the Company remained steadfast in its commitment to aligning the impact of its activities with the United Nations Sustainable Development Goals (UN SDGs), while taking a holistic approach to addressing global environmental and social challenges.
The Company has embedded ESG considerations as an organisation-wide discipline, guided by a holistic sustainability policy that outlines the Company's sustainability objectives, governance framework, and reporting mechanisms. This policy supports the integration of ESG principles into strategic planning, operational execution, and stakeholder engagement on following aspects:

- Governance of sustainability related risks and opportunities
- Strategy process for determining actual and potential impacts of sustainability-related risks and opportunities on the Company's businesses, strategy and planning
- Risk management process within the Company to identify, assess and manage sustainability related risks
- Metrics and targets for the Company's performance in relation to sustainability related risks and opportunities

36.1 Governance of Sustainability Related Risks and Opportunities.

The Board of Directors is responsible for monitoring, approving, overseeing, and reviewing the Company's sustainability and climate-related risks and opportunities. In line with the ESG Policy, the Board's oversight governance, strategy, financial performance, risk management, and the establishment of appropriate metrics and targets. This comprehensive approach ensures that the Company remains aligned with global best practices in sustainability and continues to deliver long-term value to its stakeholders.

Recognising the significance and potential implications of climate-related risks on the Company's operations, the Board actively oversees the risk assessment process to identify, evaluate, and respond to such challenges. To support this effort, the Company has implemented a Sustainability Steering Committee designed to assess the potential impacts of various climate scenarios on its operational and financial stability. This proactive approach to risk management enables the Company to effectively anticipate and mitigate climate-related risks, safeguard stakeholder interests, and strengthen long-term organisational resilience.

36.1.1 Role of the Sustainability Steering Committee

Operating under the delegated authority of the Board and chaired by the General Manager – Engineering, the Sustainability Steering Committee (SSC) maintains high-level oversight of sustainability-related risks and opportunities associated with the Company's core business and value chain activities. The SSC continuously monitors these developments and provides feedback and strategic recommendations to the Board to support informed decision-making and long-term value creation.

36.2 Strategy Process for Determining Actual and Potential Impacts of Sustainability-Related Risks and Opportunities on the Company's Businesses, Strategy and Planning

The Company has initiated industry-level climate and sustainability risk reviews to assess the potential business implications of climate change on its operations and asset portfolio. This exercise represents the initial step in establishing a structured and strategic approach to managing climate-related risks. Through this process, the Company aims to evaluate the potential financial impacts of both physical and transition risks, thereby aligning its long-term sustainability strategy with global best practices and emerging regulatory expectations.

The Company adopts a precautionary approach to managing sustainability-related issues, particularly in the context of land acquisition, residential apartment construction, and land development activities. Sustainable development has emerged as a strategic priority, reflecting the Company's commitment to integrating sustainability principles into the planning, design, and execution of its residential projects. By embedding environmental and social considerations into core operations, the Company aims to create long-term value while addressing pressing environmental challenges and contributing to responsible urban growth including;

- transition to low carbon materials and renewal energy sources to reduce corbon emmission
- high energy use in construction and operation of building to enhance the energy effeciency

Notes to the Financial Statements

- resources consumption, waste management and landfill diversion
- consideration of air, noise and water pollution during construction and operation
- displacement of local communities or changes to neighborhood character for community impact and engagement
- consideration for access to affordable housing and integration of mixed income units
- consideration of indoor air quality, natural lighting, green space for health and well being
- Ethical labour practices ad worker safety
- Adherence to compliance and transparency of laws and regulations

To that end, the Company places strong emphasis on sustainable development practices, including integrating environmental considerations into project planning, design, and execution. The Company seeks to incorporate clean energy solutions, reduce reliance on fossil fuels, and adopt resource-efficient construction methods across its residential apartment and land development projects. As part of its broader sustainability strategy, the Company also explores opportunities to promote climate resilience in community infrastructure and support inclusive access to environmentally responsible housing solutions.

Value chain is a key component of the Company's sustainable development strategy. This approach focuses on supporting the growth and development within the real estate sector, as well as across the broader economy. By integrating sustainable solutions into land acquisition, residential construction, and property development projects, the Company aims to support businesses across the value chain ranging from construction materials suppliers to subcontractors and local communities. Through this holistic approach, the Company ensures that all stakeholders in the value chain have access to the capital necessary to grow responsibly and sustainably.

36.3 Risk Management Process within the Company to Identify, Assess and Manage Sustainability Related Risks

The Company's approach to managing sustainability risks is anchored in a robust environmental and social management approach, designed to uphold the highest standards of environmental and social responsibility in all real estate development activities. Central to the environmental and social management approach is a clearly defined aaproach, aligned with best practices to guide the Company to avoide investments or partnerships linked to activities with significant adverse environmental or social impacts.

The Company is ensuring that land acquisition, residential apartment construction, and property development activities remain sustainable and responsible. While the Company maintains strict adherence to these guidelines, limited exceptions may be considered for long-standing stakeholders, subject to risk mitigation measures. This framework reflects the Company's commitment to aligning real estate operations with global sustainability standards while safeguarding the interests of communities and the environment.

The Company has established a rigorous evaluation framework for all high-value project proposals. The environmental and social management evaluation conducting by SSC and responsible for conducting comprehensive assessments of the environmental and social performance of proposed developments based on clearly defined criterias.

All high-risk projects such as large-scale residential apartment developments or major land transformation initiatives are evaluated by SSC. Projects are classified using a risk-based rating scale:

Risk based A projects: High-risk developments requiring enhanced scrutiny

Risk based B projects: Medium-risk projects subject to due diligence and site verification by trained project officers or project managers

Risk based C projects: Low-risk projects that require no additional evaluation

This structured approach ensures that all significant land and residential development projects align with the Company's commitment to sustainable growth and compliance with environmental and social safeguards

36.4 Metrics and Targets for the Company's Performance in Relation to Sustainability Related Risks and Opportunities.

The following metrics and targets were established by the Sustainability Steering Committee (SSC) to minimise sustainability-related risks and to enhance opportunities across the Company's operations in land acquisition, residential apartment development, and land plot sales:

Focus area	Metric	Targets
Energy efficiency	Energy consumption per sq.m.	15 % reduction by diversifying for renewable energy sources
Carbon emmission	Direct and indirect carbon emissions per project	30% reduction by minimizing electrical usage and inorganic materials by 2030
Green buildings	% of new developments with green building certification	75% of new projects certified by 2027
Water management	Recycling of waste water and harvesting of rain water	50% of new projects will complied
Waste management	Usage of well design solid waste management system	100% STP and 40% of solid waste load will converted to organic fertilizer
Local employment	% of construction workforce sourced locally	95% local labour target per project
Board oversight	ESG review frequency by the Board or SSC	Quarterly

37. SEGMENTAL INFORMATION

For management purposes, the Company is organised into two operating segments based on products and services offered to customers as shown below.

The following table presents income and profit and certain asset and liability information regarding the Company's operating segments;

	Apartment Sale		Land Sale		Total	
	For the year ended 31.03.2025 Rs.	For the year ended 31.03.2024 Rs.	For the year ended 31.03.2025 Rs.	For the year ended 31.03.2024 Rs.	For the year ended 31.03.2025 Rs.	For the year ended 31.03.2024 Rs.
Revenue	6,147,643,924	6,559,809,529	2,112,156,953	1,530,569,566	8,259,800,877	8,090,379,095
Cost of sales	(4,333,048,835)	(4,819,207,066)	(1,502,852,644)	(1,046,192,872)	(5,835,901,479)	(5,865,399,938)
Gross profit	1,814,595,089	1,740,602,463	609,304,309	484,376,694	2,423,899,398	2,224,979,157
Other income	74,562,387	53,720,653	8,412,609	4,675,138	82,974,996	58,395,791
Gain on fair valuation of investment property	43,761,069	31,000,000	-	-	43,761,069	31,000,000
Distribution expenses	(415,491,567)	(176,217,860)	(42,243,139)	(13,363,268)	(457,734,706)	(189,581,128)
Administrative expenses	(400,888,023)	(311,638,169)	(100,222,006)	(77,909,542)	(501,110,029)	(389,547,711)
Operating profit	1,116,538,955	1,337,467,088	475,251,773	397,779,021	1,591,790,728	1,735,246,109
Finance income	442,209,061	537,968,400	12,836,528	8,367,759	455,045,589	546,336,159
Finance expenses	(219,085,697)	(621,890,085)	(24,342,855)	(69,098,898)	(243,428,552)	(690,988,983)
Profit before taxation	1,339,662,319	1,253,545,403	463,745,446	337,047,882	1,803,407,765	1,590,593,285
Tax expenses	(425,154,881)	(363,779,990)	(147,174,133)	(97,811,594)	(572,329,013)	(461,591,584)
Profit for the year	914,507,439	889,765,413	316,571,313	239,236,288	1,231,078,752	1,129,001,701
Segmental assets	19,979,369,778	12,555,684,387	2,080,438,025	3,204,450,441	22,059,807,803	15,760,134,828
Segmental liabilities	9,052,557,476	4,746,401,814	3,065,777,640	1,438,991,538	12,118,335,116	6,185,393,352

38. NET ASSETS VALUE PER ORDINARY SHARE

	2025 Rs.	2024 Rs.
Amounts used as numerator		
Equity holders' funds (Rs.)	9,941,472,687	9,574,741,476
Number of ordinary shares used as the denominator		
Total no of ordinary shares issued (No.)	937,500,000	937,500,000
Net assets value per ordinary share (Rs.)	10.60	10.21

39. COMPARATIVE INFORMATION

Comparative figures have been re-classified where necessary in line with the presentation requirements for the current year.

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SUPPLEMENTARY INFORMATION

SHARE INFORMATION

A. TWENTY MAJOR SHAREHOLDERS

Name of the shareholder	As at 31 March 2025		As at 31 March 2024	
	Shareholding	Percentage (%)	Shareholding	Percentage (%)
1. Prime Lands (Pvt) Ltd	749,999,970	80.00%	749,999,970	80.00%
2. Seylan Bank PLC/Phantom Investments (Private) Limited	10,091,337	1.08%	11,351,697	1.21%
3. Mr. D.N.P. Rathnayake	6,792,569	0.72%	2,873,529	0.31%
4. Mr. H.K.C.P. Perera	5,000,000	0.53%	5,000,000	0.53%
5. Ceylinco General Insurance Limited	4,878,426	0.52%	6,700,000	0.71%
6. J B Cocoshell (Pvt) Ltd	4,345,065	0.46%	N/Q	N/Q
7. Thread Capital (Private) Limited	3,836,405	0.41%	N/Q	N/Q
8. Citizens Development Business Finance PLC/S. Vasudeva	3,679,431	0.39%	N/Q	N/Q
9. Mr. A.I. Ramachandra	3,175,000	0.34%	3,175,000	0.34%
10. Mr. B.M.D.S. Thaaruna	2,500,000	0.27%	2,500,000	0.27%
11. Mr. M M Sunil	2,409,000	0.26%	N/Q	N/Q
12. Odyssey Capital Partners (Pvt) Ltd	2,389,051	0.25%	3,381,702	0.36%
13. Hatton National Bank PLC A/C No. 4 (HNB Retirement Pension Fund)	2,361,900	0.25%	3,035,184	0.32%
14. Seylan Bank PLC/A C Senanka	2,346,375	0.25%	N/Q	N/Q
15. Mr. A M Weerasinghe	2,093,478	0.22%	N/Q	N/Q
16. K S N Hidramani	2,000,000	0.21%	N/Q	N/Q
17. Mr. M.A. Jafferjee	2,000,000	0.21%	2,000,000	0.21%
18. Katunayake Garments Limited.	1,923,000	0.21%	1,923,000	0.21%
19. Seylan Bank PLC /Andaradeniya Estate (Pvt) Ltd	1,860,200	0.20%	N/Q	N/Q
20. Mr. H.P.D.W.N. Gunasekara	1,800,000	0.19%	7,300,000	0.78%
	815,481,207	86.98%	799,240,082	85.25%
Others	122,018,793	13.02%	138,259,918	14.75%
	937,500,000	100.00%	937,500,000	100.00%

N/Q- Not qualify for top 20 shareholders as at 31 March 2024

B. PUBLIC AND NON PUBLIC SHAREHOLDINGS

	As at 31 March 2025			As at 31 March 2024		
	No. of shares	No. of shareholders	Percentage %	No. of shares	No. of shareholders	Percentage %
Issued number of ordinary shares and No. of shareholders	937,500,000	5,615	100.00	937,500,000	5,968	100.00
Less:- Shares held by non public	751,300,000	4	80.14	751,300,000	4	80.14
Shares held by the public and No. of shareholders	186,200,000	5,611	19.86	186,200,000	5,964	19.86
"Float adjusted market capitalisation (Under option 5) LKR"	2,215,780,000			1,564,080,000		

Share Information

C. DISTRIBUTION OF SHAREHOLDERS

	As at 31 March 2025			As at 31 March 2024		
	No. of shares	No. of shareholders	Percentage %	No. of shares	No. of shareholders	Percentage %
1 - 1,000	2,308	802,042	0.09	2,105	798,426	0.09
1,001 - 10,000	1,984	8,987,571	0.96	2,250	10,560,069	1.13
10,001 - 100,000	1,079	37,428,614	3.99	1,336	45,326,608	4.83
100,001 - 1000,000	209	54,738,213	5.84	253	62,581,350	6.68
Over 1000,000	35	835,543,560	89.12	24	818,233,547	87.28
Total	5,615	937,500,000	100.00	5,968	937,500,000	100.00

D. CATEGORIES OF SHAREHOLDERS

Categories of Shareholdings	As at 31 March 2025			As at 31 March 2024		
	No. of shares	No. of shareholders	Percentage %	No. of shares	No. of shareholders	Percentage %
Local individuals	5,392	118,328,519	12.62	5,747	133,171,989	14.21
Local institutions	209	815,685,798	87.01	211	800,288,852	85.36
Foreign individuals	11	1,478,692	0.16	9	539,159	0.06
Foreign institutions	3	2,006,991	0.21	1	3,500,000	0.37
	5,615	937,500,000	100 .00	5,968	937,500,000	100.00

E. PERFORMANCE AT THE CSE

Market Price per share	As at 31 March 2025	As at 31 March 2024
Highest	12.00	8.70
Lowest	11.70	6.30
Last Traded Price	11.90	8.40

F. SHAREHOLDINGS OF DIRECTORS

	As at 31 March 2025		As at 31 March 2024	
	No. of shares	Percentage %	No. of shares	Percentage %
Mr. Premalal Brahmanage	1,200,015	0.13%	1,200,015	0.13%
Mr. Noel Joseph	100,000	0.01%	100,000	0.01%
Ms. Sandamini Perera	15	0.00%	15	0.00%
Mr. Manjula Weerakkody	Nil	0.00%	Nil	0.00%
Mr. Nalinda Heenatigala	Nil	0.00%	Nil	0.00%
Ms. Shehana Brahmanage	Nil	0.00%	Nil	0.00%
Mr. Anura Pathirage	Nil	0.00%	Nil	0.00%
Mr. Mahinda Perera	Nil	0.00%	Nil	0.00%
Mr. Dhammika Kalapuge	Nil	0.00%	Nil	0.00%
Mr. Sanjaya Bandara	Nil	0.00%	Nil	0.00%
Mr. Deepal Sooriyaarachchi	Nil	0.00%	Nil	0.00%
Snr. Prof. Sampath Amaratunga	Nil	0.00%	**n/a	**n/a

** Appointed to the Board with effect from March 27, 2025

FIVE YEAR SUMMARY

Income Statement	Year Ended 31 March 2025 Rs.	Year Ended 31 March 2024 Rs.	Year Ended 31 March 2023 Rs.	Year Ended 31 March 2022 Rs.	Year Ended 31 March 2021 Rs.
Revenue	8,259,800,877	8,090,379,095	19,798,684,442	9,510,383,251	7,732,398,134
Gross Profit	2,423,899,398	2,224,979,157	5,420,995,606	2,422,102,250	1,893,518,991
Operating Profit	1,591,790,728	1,735,246,109	4,759,365,480	1,936,561,052	1,585,039,550
Profit before Tax	1,803,407,765	1,590,593,285	3,979,316,420	1,847,921,605	1,277,417,267
Tax Expenses	(572,329,013)	(461,591,584)	(628,084,657)	(165,548,364)	(288,161,691)
Profit for the year	1,231,078,752	1,129,001,701	3,351,231,763	1,682,373,241	989,255,576

Statement of Financial Position	31 March 2025 Rs.	31 March 2024 Rs.	31 March 2023 Rs.	31 March 2022 Rs.	31 March 2021 Rs.
Current Assets	20,590,375,781	14,550,152,197	16,620,245,974	17,723,347,307	11,897,535,916
Current Liabilities	11,601,955,237	5,598,913,156	7,411,117,022	10,387,644,546	7,154,063,213
Net-current Assets	8,988,420,544	8,951,239,041	9,209,128,952	7,335,702,761	4,743,472,703
Non-current Assets	1,469,432,022	1,209,982,631	902,475,682	1,143,134,968	1,102,380,550
Non-current Liabilities	516,379,879	586,480,196	725,307,973	1,786,655,184	2,412,900,605
Net Assets	9,941,472,687	9,574,741,476	9,386,296,661	6,692,182,545	3,432,952,648

Key indicators					
Basic earning per share (Rs.)	1.31	1.20	3.57	1.86	1.32
Net assets per share (Rs.)	10.60	10.21	10.01	7.14	4.58
Return on equity (%)	12%	12%	36%	25%	29%
Return on assets (%)	6%	7%	19%	9%	8%
Debt/equity ratio (%)	8%	9%	15%	51%	124%
Divided per share-(Rs.)	0.60	0.60	1.00	0.70	0.40
Dividend payout (%)	46%	50%	28%	39%	38%
Dividend Cover (Times)	2.18	2.01	3.57	2.66	3.30
Market Value per Share (Rs.)	11.90	8.40	8.00	6.90	-

Aforesaid financials are available at CSE Web site.
https://www.cse.lk/pages/company-profile/company-profile.component.html?symbol=PLR.N0000

GRI CONTENT INDEX

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	403-3 Occupational health services	56
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GRI 404 : Training and Education 2016	404-1 Average hours of training per year per employee	57
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GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments and development programs	59
GRI 414: Suppliers social assessment 2016	414-1 New suppliers that were screened using social criteria	66
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GRI 417: Marketing and labeling 2016	417-1 Requirements for products and services information and labeling	68

ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twentieth Annual General Meeting (AGM) of the shareholders of Prime Lands Residencies PLC will be held as a virtual meeting on 27th June 2025 at 10.00 a.m. to conduct the following business:

AGENDA

1. To receive and consider the Report of the Directors and the Statements of Accounts for the year ended 31st March 2025 together with the Report of the Auditors thereon.

2. To resolve that the interim Dividend of Rs0.60 declared on 29th May 2025 and paid to Shareholders from the profits of the financial year 2024/25 is deemed to be the final dividend for the said financial year.

3. To re-appoint Senior Professor S.P.P. Amaratunge, as an Independent, Non-Executive Director in terms of Article 29(1)(b) of the Articles of Association of the Company.

4. To re-elect Mr. D. Sooriyaarachchi, who retires from the Board by rotation in terms of the Code of Best Practices on Corporate Governance and, being eligible, seeks re-election.

5. To re-elect Mr. S. M. S. S. Bandara, who retires from the Board by rotation in terms of the Code of Best Practices on Corporate Governance and, being eligible, seeks re-election.

6. To re-elect Mr. N.L.S. Joseph, who retires from the Board by rotation in terms of the Code of Best Practices on Corporate Governance and, being eligible, seeks re-election.

7. To re-appoint Messrs. BDO Partners, Chartered Accountants, as the Auditors of the Company for the ensuing year and authorise the Directors to determine their remuneration.

8. To authorise the Board of Directors to determine contributions to charities and other donations for the financial year 2025/26.

By order of the Board of Directors of
Prime Lands Residencies PLC

S S P Corporate Services (Private) Limited



Company Secretaries
Date: 4th June 2025

Notes:

1. A shareholder entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote on his/her behalf.
2. A proxy so appointed need not be a member of the Company.
3. A Form of Proxy accompanies this Notice.
4. To attend the Virtual Annual General Meeting 2025, shareholders are requested to complete and submit the “Registration of Shareholder Details – Online Participation at the AGM 2025” form and refer to the “Guidelines and Registration Process for the AGM via the Online Meeting Platform.” Both documents are available on:

Company website: https://www.primeresidencies.lk/investor-relation or
Colombo Stock Exchange: https://www.cse.lk/pages/company-profile/company-profile.component.html?symbol=PLR.N000

FORM OF PROXY

I/We……of……..... being

member/members of Prime Lands Residencies PLC hereby appoint: …… of ……

…… holder of NIC No. …… or failing him/her

Ms. H. K. S. R. Perera	of Colombo failing her
Mr. B. Premalal	of Colombo failing him
Mr. N. M. Weerakkody	of Colombo failing him
Ms. S. S. A. P. Brahmanage	of Colombo failing her
Mr. H. M. N. U. Kumara	of Colombo failing him
Mr. P. A. W. Perera	of Colombo failing him
Mr. M. Perera	of Colombo failing him
Mr. D. H. Kalapuge	of Colombo failing him
Mr. S. M. S. S. Bandara	of Colombo failing him
Mr. D. Sooriyaarachchi	of Colombo failing him
Mr. N.L.S. Joseph	of Colombo failing him
Snr Prof S.P.P. Amaratunge	of Colombo

as my/our proxy to represent me/us to vote for me/us and on my/our behalf at the 20th Annual General Meeting of the Company to be held on 27th June 2025 and at any adjournment thereof and at every poll which may be taken in consequence thereof.

Agenda Item	For	Against
To receive and consider the Report of the Directors and the Statements of Accounts for the year ended 31st March 2025 together with the Report of the Auditors thereon.	☐	☐
To resolve that the interim Dividend of Rs. 0.60 declared on 29th May 2025 and paid to Shareholders from the profits of the financial year 2024/25 is deemed to be the final dividend for the said financial year.	☐	☐
To re-appoint Senior Professor S.P.P. Amaratunge, as an Independent, Non-Executive Director in terms of Article 29(1)(b) of the Articles of Association of the Company.	☐	☐
To re-elect Mr. D. Sooriyaarachchi, who retires from the Board by rotation in terms of the Code of Best Practices on Corporate Governance and, being eligible, seeks re-election.	☐	☐
To re-elect Mr. S. M. S. S. Bandara, who retires from the Board by rotation in terms of the Code of Best Practices on Corporate Governance and, being eligible, seeks re-election.	☐	☐
To re-elect Mr. N.L.S. Joseph, who retires from the Board by rotation in terms of the Code of Best Practices on Corporate Governance and, being eligible, seeks re-election.	☐	☐
To re-appoint Messrs. BDO Partners, Chartered Accountants, as the Auditors of the Company for the ensuing year and authorise the Directors to determine their remuneration.	☐	☐
To authorise the Board of Directors to determine contributions to charities and other donations for the financial year 2025/26.	☐	☐

Signed on this …… day of …… Two Thousand and Twenty-Five.

……
Signature of the Shareholder

FORM OF PROXY

INSTRUCTIONS FOR COMPLETION OF THE FORM OF PROXY

1. Kindly perfect the Form of Proxy by legibly filling your full name and address, signing in the space provided, and filling in the date of signature. 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.
2. If the Proxy Form is signed by an Attorney, the original Power of Attorney together with a photocopy of same or a copy certified by a Notary Public must be lodged with the Company along with the Form of Proxy, if such Power of Attorney has not already been registered with the Company.
3. In the case of a company or corporation/statutory body, the Proxy must be filled and attested in the legally prescribed manner, either under its common seal or signed by the Attorney or by an Officer(s) on behalf of the company or corporation/statutory body in accordance with its Articles of Association or the Constitution or the Statute (as applicable).
4. The completed Form of Proxy should be deposited at the Registered Office of the Company at No. 75, D.S. Senanayake Mawatha, Colombo 08, or by post or scanned and emailed to agm@primeresidencies.lk not less than 48 hours before the time appointed for holding the Meeting.
5. A shareholder appointing a Proxy (other than a Director of the Company) to attend the meeting should indicate the Proxy holder's details clearly and, additionally in the form of "Registration of Shareholder Details – Online Participation at the AGM 2025"
6. In the case of Margin Trading Accounts (Slash Accounts), the Form of Proxy should be signed by the respective authorized Fund Manager/Banker with whom the account is maintained.

NOTES

Notes

CORPORATE INFORMATION

GRI 2.1

NAME OF THE COMPANY

Prime Lands Residencies PLC

LEGAL FORM

Limited Liability Company incorporated in Sri Lanka in May 2005 under the Companies Act No. 17 of 1982 Re-registered in September 2008 under the Companies Act No. 07 of 2007 Converted to a Public Limited Company in February 2021Ordinary Shares listed on the Colombo Stock Exchange in June 2021

COMPANY REGISTRATION NO.

PQ00234680

DIRECTORS

Ms. Sandamini Perera
Chairperson / Executive Director

Mr. Premalal Brahmanage
Executive Director

Mr. Manjula Weerakkody
Managing Director / Executive Director

Mr. Nalinda Heenatigala
Executive Director/ Director Corporate Affairs

Ms. Shehana Brahmanage
Executive Director

Mr. Anura Pathirage
Executive Director / Director Finance

Mr. Deepal Sooriyaarachchi
Independent Non-Executive Director

Mr. Sanjaya Bandara
Independent Non-Executive Director

Mr. Dhammika Kalapuge
Independent Non-Executive Director

Mr. Mahinda Perera
Independent Non-Executive Director

Mr. Noel Joseph
Independent Non-Executive Director

Snr. Prof. Sampath Amaratunge
Independent Non-Executive Director

SENIOR INDEPENDENT DIRECTOR

Mr. Deepal Sooriyaarachchi

BOARD AUDIT COMMITTEE

Mr. Sanjaya Bandara
(Chairman of the Committee)
Mr. Deepal Sooriyaarachchi
Mr. Mahinda Perera

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Mr. Sanjaya Bandara
(Chairman of the Committee)
Mr. Deepal Sooriyaarachchi
Mr. Mahinda Perera

REMUNERATION & HR COMMITTEE

Mr. Deepal Sooriyaarachchi
(Chairman of the Committee)
Mr. Sanjaya Bandara
Mr. Dhammika Kalapuge

NOMINATION & GOVERNANCE COMMITTEE

Mr. Deepal Sooriyaarachchi
(Chairman of the Committee)
Mr. Sanjaya Bandara
Mr. Mahinda Perera

REGISTERED OFFICE OF THE COMPANY

No. 75, D S Senanayake Mawatha, Colombo 08.
Telephone – +94 11 2699822
Website – www.primeresidencies.lk
Email – investorrelations@primeresidencies.lk

COMPANY SECRETARY

SSP Corporate Services (Pvt) Ltd
101, Inner Flower Road, Colombo – 03

REGISTRAR OF THE COMPANY

SSP Corporate Services (Pvt) Ltd
101, Inner Flower Road, Colombo – 03

AUDITORS

BDO Partners (Chartered Accountants)
65/2, 'Charter House' Sir Chittampalam A Gardiner Mawatha, Colombo – 02

BANKERS OF THE COMPANY

• Hatton National Bank	• Nations Trust Bank
• Seylan Bank	• National Development Bank
• Sampath Bank	• DFCC Bank
• Commercial Bank of Ceylon	• Peoples Bank
• Union Bank	

BUILDING
FUTURES

PRIME LANDS RESIDENCIES PLC
No.75, D.S. Senanayake Mawatha,
Colombo-08,
Sri Lanka.
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Email: investorrelations@primeresidencies.lk