30 Years of Building Different

ROOTED IN TRUST. BUILDING FUTURES.



PRIME RESIDENCIES

BUILDING FUTURES

PRIME LANDS RESIDENCIES PLC
ANNUAL REPORT 2025/26

ROOTED IN TRUST. BUILDING FUTURES

The tallest tree rarely tells the full story.

You notice the canopy. The height. The growth.

What you don't see are the roots underneath, quietly holding everything together.

For over 30 years, Prime Group has built the same way; not merely through scale, but through trust. Our stakeholders, including homeowners, investors, communities, suppliers, partners, and all those who have grown alongside us, form the very ecosystem that has shaped our journey.

At Prime Lands Residencies PLC, trust is that foundation.

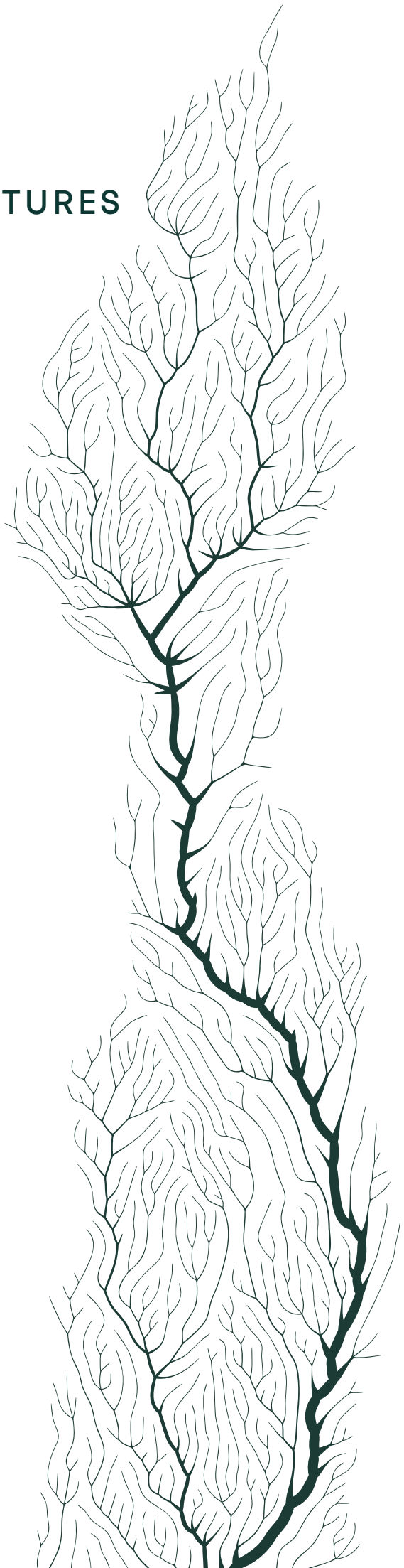
Sri Lanka is evolving into a more connected, modern nation. As it does, Prime Lands Residencies PLC continues to take Sri Lankan real estate to the world, connecting global investors with the opportunities and potential of our island.

It guides how we build, how we invest, and how we create spaces designed for the future of urban living.

Today, our developments stand across a changing cityscape, but the principles behind them remain unchanged. Every day, we remain committed to reliability, long-term value creation, and building places people are proud to call home.

Because lasting growth does not begin with what stands above the ground.

It begins with what is rooted beneath it.



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OUR INTEGRATED ANNUAL REPORT

GRI 2-23

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*

Our Approach to Reporting

Our Integrated Report is the result of a well-structured process that emphasises integrated thinking, collaboration, and transparency.

Accuracy of reporting is ensured through a governance framework led by the Board of Directors. Inputs from respective functions are carefully incorporated, providing our valued stakeholders with reliable and comprehensive information. The performance drivers connect the relationship between profitability, social value creation, and environmental performance, as highlighted in the Management Analysis and Discussion.



This is our Integrated Report for the sixth consecutive financial year ended 31 March 2026, which presents a balanced review of the progress made towards achieving our strategic priorities. It also presents how we, the Prime Lands Residencies PLC, (PLR) leveraged its financial footprint, shared resources, and empowered its people to expertly deliver value to our stakeholders. Similarly, it also recounts how we encompassed the broader objectives of the national agenda for sustainability, building on the success we achieved in the previous financial year. A fair assessment is provided of our operating landscape, governance practices, stakeholder value creation, performance, and our response to evolving market dynamics.

Scope and Boundary

GRI 2-2, GRI 2-3

The Report covers the operations of the Prime Lands Residencies PLC for the period from 01 April 2025 to 31 March 2026. The entities are collectively referred to as "the Group" of "the Company".

Restatement of Information

GRI 2-4

The Group adopts an annual reporting cycle and there have been no major financial or non-financial information restatements unless otherwise stated. The most recent Annual Report covered the 12 months ended 31 March 2025 and is available on the Company's website www.primeresidencies.lk/investor-relation

Assurance

GRI 2-5

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.

Value Creation

GRI 2-6

As Sri Lanka continued the path towards economic growth and recovery, the Group embarked on fulfilling the expectation of an urbanized generation by providing top-of-the-class apartment housing and holistic real estate development across several regions. We relentlessly sought out ways and means to offer lovable and livable neighbourhoods that to suit the many evolving needs of a cross section of the society. Significantly enhancing value creation to all stakeholders, we also supported the Government of Sri Lanka, in its agenda for sustainable growth through digitalization and community empowerment.

Precautionary Principle

GRI 2-23

We apply the precautionary principle as a measurement in deciding on social and environmental sustainability. While being aware that our operations may have an impact on the communities surrounding our development projects and the environment, we have taken the necessary steps to ensure that any risk of a negative impact is mitigated.

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 44), 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.

Forward Looking Statements

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.

Reporting Framework

Financial, Regulatory, and Corporate Governance	Integrated Reporting and Sustainability
Sri Lanka Accounting Standards(LKAS/SLFRS) issued by The Institute of Chartered Accountants of Sri Lanka - **Regulatory**	International Integrated Reporting Framework by the IIRC - **Voluntary**
Companies Act No. 7 of 2007 - **Regulatory**	United Nations – Sustainable Development Goals (SDGs) - **Voluntary**
Listing Rules of Colombo Stock Exchange (CSE) - **Regulatory**	Global Reporting Initiative (GRI) Standards - "Core" option - **Voluntary**
SLSAE 3000 - Sri Lanka Standard on Assurance Engagements – **Voluntary** Code of Best Practices on Corporate Governance issued by CA Sri Lanka - **Voluntary**	

Guiding Principles

The Report was crafted abiding by the following guiding principles to ensure the provision of a credible review of our performance at the close of the year 2026.

- **Faithful Representation:** We have presented a balanced view of our performance, including both positive, neutral and negative aspects.
- **Comparability:** Indicators for measurement have been aligned to reporting frameworks and industry standards wherever possible facilitating comparability.
- **Reliability:** Internal processes and controls have been put in place to ensure the reliability of both financial and nonfinancial information.
- **Strategic Focus and Future Orientation:** Strategic goals and initiatives are detailed on Pages 56 offering insight into our direction and vision.
- **Risk and Opportunity Management:** Pages 152 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 160 highlighting how we engage with and respond to our diverse stakeholder groups.

Accessing the Report and Feedback

GRI 2-3

This Report can be downloaded from our website:
www.primeresidencies.lk/investor-relation

Please send your feedback on this report to:
Mr. Anura Pathirage
Director Finance
Prime Lands Residencies PLC
75, D S Senanayake Mawatha, Colombo 08
Sri Lanka
anura@primelands.lk

ABOUT THE COMPANY

The 2025/26 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 remain committed to creating value not only within our borders, but also across emerging markets and communities beyond.

This year also marks a significant milestone as Prime Lands, the parent company of PLR, celebrates 30 years of excellence, trust, and industry leadership. Over three decades, Prime has built a legacy defined by consistency, innovation, and an uncompromising commitment to quality, evolving alongside modern lifestyles and shaping spaces people proudly call home.

At PLR, these values continue to guide every development we undertake. We remain focused on creating meaningful living experiences, long-term investment value, and future-ready communities for generations to come.

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.

Vision

Committed to creating a better place on earth

Promise

Creating a livable lovable neighborhoods

"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.

ABOUT THE COMPANY

EXPANDING HORIZONS, DELIVERING VALUE

The 2025/26 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

Recognised for its unwavering commitment to excellence, Prime Group has proudly earned numerous prestigious awards in recent 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 & 2025
- 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 (2017,2019,2020,2021,2023,2024,2025) 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

GROUP STRUCTURE

Wholly Owned Subsidiaries

Regent Country Club (Pvt) Ltd

Regent Caterers (Pvt) Ltd



Diyanillakelle Estate (Pvt) Ltd

Affiliate Companies

Bhoomi Realty Holdings (Pvt) Ltd

Prime Constructions (Pvt) Ltd

Prime Realty (Pvt) Ltd

Prime Lands Australia (Pty) Ltd

Prime Lands (Pvt) Ltd

Associate Company

HNB Finance PLC

23.29%

Divested in June 2026

Subsidiaries/ Controlled Entities

Prime Lands Residencies PLC

75.15%

Prime Melwa Port City (Pvt) Ltd

55%

- **Wholly Owned Subsidiaries** — 100% Ownership
- **Associate Company** — Significant Influence
- **Affiliate Companies** — Not Majority Owned
- **Subsidiaries/ Controlled Entities** — Controlling Ownership

2025/26 FY
ACHIEVEMENTS

- Prime Lands Residencies PLC was recognized with the Silver Award in the Land and Property Sector at the TAGS Awards 2025, marking the fourth consecutive year of recognition for excellence in transparency, accountability, governance, and sustainability in corporate reporting

- Developer of the Year – Sri Lanka at the Real Estate Asia Awards 2025, recognizing the company's leadership, innovation, sustainability, and contribution to the real estate sector

- Prime Lands Residencies PLC was ranked 11th on the LMD 100 Second Board Rankings for FY 2024/25

- Prime Lands Residencies earned distinction as the only real estate entity included among Sri Lanka's Top 100 Most Valuable Brands 2025 by Brand Finance

- Prime Lands Residencies won the Gold Award at BestWeb.lk 2025 for its digital excellence and user-centric online presence

- Prime Lands Residencies PLC was also featured in Kotler's Essentials of Modern Marketing 2025

- 'The Grand' – Ward Place by Prime Lands Residencies received recognition at the National Construction Awards 2025

TAGS Awards 2025



BestWeb.lk 2025



Top 100 Most Valuable Brands 2025 by Brand Finance



Kotler's Essentials of Modern Marketing 2025



Developer of the Year - Sri Lanka at the Real Estate Asia Awards 2025



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 dedicated to transforming the future of living spaces in Sri Lanka through a strong commitment to environmental sustainability, sound governance practices, and meaningful social impact, pioneering a responsible and future-forward approach to real estate development.


MON VIE - Colombo 05


The Seasons - Colombo 08


J'Adore Negambo


The Prime Colombo - Colombo 09



The Border Colombo



The Elizabeth - Colombo 07

OUR JOURNEY TO GREATNESS

2022

ACQUISITION

Acquired the Real Estate Business of Prime Finance PLC

2015

NAME CHANGE

Changed the name of the Company as "PRIME LANDS RESIDENCIES (PRIVATE) LIMITED"



2005

INCORPORATION

"PRIME HOMES INTERNATIONAL (PRIVATE) LIMITED" as a fully owned subsidiary of "PRIME LANDS (PRIVATE) LIMITED"

2021

INITIAL PUBLIC OFFERING

Listed in the Diri Savi Board of the Colombo Stock Exchange as PRIME LANDS RESIDENCIES PLC

2016

AMALGAMATION

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

2024

INCORPORATION

Incorporate of Prime Constructions (Private) Ltd - As an affiliated company of Prime Lands Residencies PLC

2023

SAP (ERP) and IT INFRASTRUCTURE

Completed Cloud Migration

2025

OBTAINED BOI APPROVAL FOR THE COLOMBO BORDER AS A MEGA PROJECT

INTRODUCED TOURISM-ORIENTED SERVICE APARTMENTS

INTRODUCED REVOLUTIONARY 1% PAYMENT PLAN AND PRIME MAX

2026

FOUR DIGIT HOTLINE

Introduced the first-ever 4-digit real estate hotline in Sri Lanka with the short code **1322** as a single-number real estate contact for the Group.

INTRODUCED AI VIRTUAL ASSISTANT

Responding to after-office inquiries and driving conversion into confirmed sales opportunities introduced the AI virtual assistant for the Call Centre.

SAP VERSION UPGRADE

From 9.3 to 10, delivered in-house clearing a five-year backlog

PRIME EDGE MOBILE APPLICATION

Launched as a virtual sales arm for direct and referral lead generation.

AI BASED LEAD GENERATION TOOL

Introduced for prospective buyer identification and outreach.

THE SEASONS, COLOMB0 8

Obtained the BOI approval for the project The Seasons to be developed in Colombo 08.

ESTABLISHED PRIME PREMIER

An exclusive luxury client experience, the Prime Premier was introduced to elevate the real estate experience among the high-net-worth clientele. It is positioned as Sri Lanka's first-ever bespoke luxury real estate development.

ESTABLISHED A WAREHOUSE FACILITY

A dedicated warehouse facility was constructed for seamless and uninterrupted construction operations and project efficiency.

VALUE CREATION MODEL

VISION | STRATEGY

EXTERNAL ENVIRONMENT - OPPORTUNITIES AND CHALLENGES

INPUTS

FINANCIAL CAPITAL

- Equity Capital | **Rs. 11.4 Bn**
- Debt Capital | **Rs. 6.5 Bn**
- Retained Earnings | **Rs. 7.9 Bn**
- Revenue | **Rs. 11.0 Bn**
- Cash and Cash Equivalent | **Rs. 5.0 Bn**
- Customer Advance Collections | **Rs. 14.7 Bn**

MANUFACTURED CAPITAL

- Investment Strategy
- Project Lifestyle Management
- Total invested in projects during the year
  In apartments | **Rs. 26.8 Bn**
  In lands | **Rs. 1.3 Bn**
- Land inventory value at cost
  For apartments | **Rs. 12.7 Bn**
- Land inventory
  For apartments | **8,628 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 Wellbeing

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 Neighborhoods

NATURAL CAPITAL

- Construction Best Practices
- Sustainable Resource Utilization

CORE BUSINESS

Real Estate Developments



COMPANY VALUES | CORPORATE GOVERNANCE FRAMEWORK

OUTPUTS FOR PLR

Revenue growth, apartment sales, improved cash generation, enhanced project pipeline

Growth in operational performance

Completed residential units, ongoing developments, expanded infrastructure, enhanced operational capabilities

Strong competitive edge over peers

Positioning as an end to end real estate solution provider by widening the portfolio

Enhanced employee capabilities, improved productivity, safer workplaces

Higher NPS (Net Promoter Score) among the customers

Uninterrupted supplies and continued relationship with suppliers with flexible terms.

Improved customer experience, strengthened market positioning, operational efficiencies

Increased stakeholder trust and strategic partnership

Be the employer of the choice.

Driving green building innovation

Efficient resource utilization, reduced environmental impact, improved compliance

STAKEHOLDER OUTCOMES

SHAREHOLDERS

- Return on Equity | **18%** (12% - 2024/25)
- Paid to Equity Holders | **Rs. 750 Mn** (Rs. 562.5 - 2024/25)

BANKERS

- Cost of Borrowings | **Rs. 333 Mn** (Rs. 121 Mn - 2024/25)

CUSTOMERS

- Delivering a best-in-class value proposition tailored to customer needs.
- Providing high-quality, world-class condominium living experiences.
- Ensuring secure and legally compliant home ownership solutions.
- Offering access to diverse and attractive real estate investment opportunities.

EMPLOYEES

- Monetary Benefits Distributed **Rs. 326 Mn** (Rs. 281 Mn - 2024/25)
- Higher level of Employee Satisfaction
- Higher level of Employee Retention
- Investment in Employee Engagement and Wellbeing | **Rs. 13 Mn**

CONTRACTORS AND SUPPLIERS

- Average Project Spent
- Contractors
  - Local | **100%** (100% - 2024/25)
  - Foreign | **NIL** (NIL - 2024/25)
- Suppliers
  - Local Purchases | **88%** (92% - 2024/25)
  - Imports | **12%** (8% - 2024/25)

GOVERNMENT

- Tax paid | **Rs. 762 Mn** (Rs. 572 Mn - 2024/25)
- Incidents of non-compliance of regulations - None

COMMUNITIES

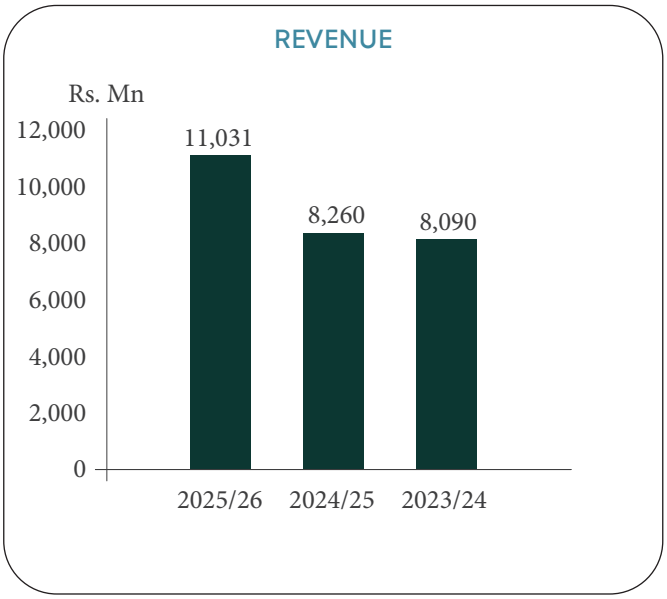
- Creating indirect employment opportunities through regional expansion and development activities.

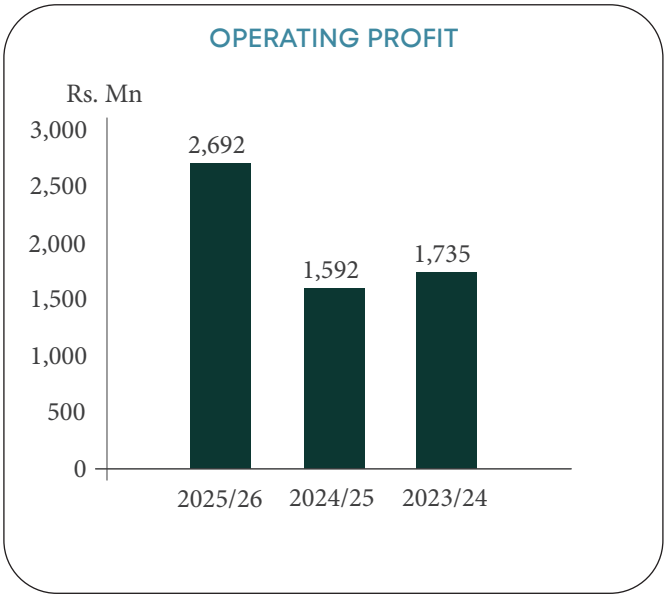
CONTRIBUTION TO THE SDG'S



RISK MANAGEMENT FRAMEWORK

FINANCIAL HIGHLIGHTS





Rs. 750 Mn
Payment to providers of equity capital
(Declared to pay in June 2026)

3 (861 Units)
Projects in Progress

5 (1239 Units)
Undertaken in 2025/26

Rs. 333 Mn
Payment to providers of loan capital
(2024/25 : Rs. 121 Mn)

41 (2,555 Units)
Completed Projects

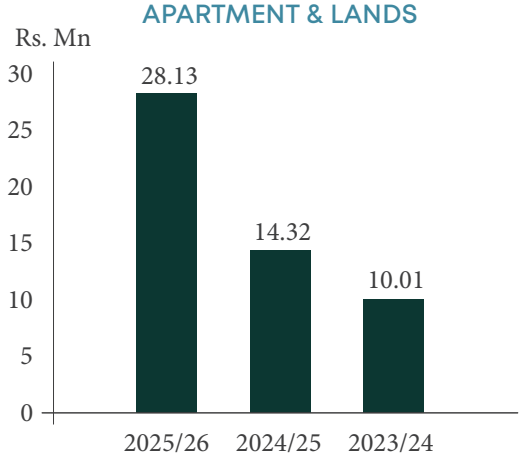
134
Cadre Strength
(2024/25: 98)

49 (4,655 Units)
Total Projects

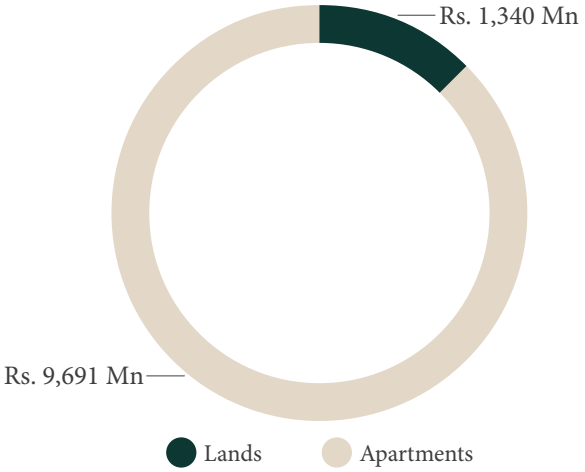
8,628 P
Land Inventory
(2024/25: 2,432 P)



INVENTORY PROPERTIES - APARTMENT & LANDS



REVENUE COMPOSITION



Contractors & Suppliers

Average Project Spent

Contractors

100% Local *(2024/25: 100%)*

NIL Foreign *(2024/25: NIL)*

Products & Services

88% Local Purchases *(2024/25: 92%)*

12% Imports *(2024/25: 8%)*



Customers

50% Facebook

48% Instergram

32% Youtube

Visits 39 %

New Visits 16%

Web Site

57%

Growth in Repeat Customers

Growth in Brand Followers

BOARD OF DIRECTORS



SANDAMINI PERERA
Chairperson / Executive Director



PREMALAL BRAHMANAGE
Executive Director



MANJULA WEERAKKODY
Managing Director / Executive Director



NALINDA HEENATIGALA
Executive Director / Director - Corporate Affairs



SHEHANA BRAHMANAGE
Executive Director

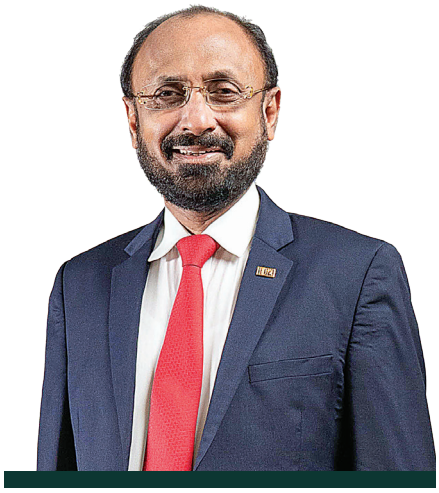


ANURA PATHIRAGE
Executive Director / Director - Finance



DEEPAL SOORIYAARACHCHI

Independent Non-Executive Director / Senior Independent Director



DHAMMIKA KALAPUGE

Independent Non-Executive Director



MAHINDA PERERA

Independent Non-Executive Director



SANJAYA BANDARA

Independent Non - Executive Director



NOEL JOSEPH

Independent Non-Executive Director



SNR PROF. SAMPATH AMARATUNGA

Independent Non-Executive Director



SNR PROF. ANANDA JAYAWARDANE

Independent Non - Executive Director

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 30 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 2025, she was recognized at Vanithabimana for her outstanding leadership in real estate.

Sandamini was also honored as one of the 100 Iconic Sri Lankan Women at the Sri Lankan Iconic Women Awards 2025.

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 Realty (Private) Limited, Prime Constructions (Private) Limited, 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

SKILLS AND EXPERIENCE

Mr. Brahmanage Premalal is a highly respected business leader with over three decades of experience in Sri Lanka's real estate sector and is a prominent figure in the national business landscape. He is the Founder and Group Chairman of Prime Lands (Private) Limited, the parent company of Prime Lands Residencies PLC, which is widely recognized as the market leader in Sri Lanka's real estate industry.

His entrepreneurial leadership extends across multiple sectors, supported by a strong track record in strategic growth, brand building, and corporate governance.

Most recently, Mr. Premalal was awarded "The CEO of the year 2025", by the Global CEO Forum in recognition of his impeccable leadership skills.

Additionally, in recognition of his significant contribution to business and entrepreneurship, he has also been awarded the UCD Entrepreneur of the Year Award in 2011. He was also named among the LMD A List "Sri Lankan Business People" in 2018, recognizing the Top 50 business leaders who have driven the country's economic growth.

Further acknowledging his leadership and impact, Mr. Premalal was conferred the title of "Most Outstanding Entrepreneur in Sri Lanka – 2018" by the International Association of Lions Clubs and was recognised as one of Asia's Greatest Brand Leaders in 2017. Under his leadership, Prime Lands Residencies PLC was named the "Most Valuable Real Estate Brand" by Brand Finance and LMD Brands Annual in April 2022.

Mr. Premalal has also contributed to industry development as a former President of the Condominium Developers Association of Sri Lanka (CDASL).

POSITIONS CURRENTLY HELD IN OTHER COMPANIES

Mr. Premalal serves on the Board of HNB Finance PLC, contributing extensive entrepreneurial insight and strategic oversight drawn from his long standing leadership in diversified business ventures.

In addition to his role at HNB Finance PLC, he is the Co Founder and Co Chairman of Prime Lands (Private) Limited. He also serves as an Executive Director of Bhoomi Realty Holdings (Private) Limited, Regent Caterers (Private) Limited, Regent Country Club (Private) Limited, Prime Realty Holdings (Private) Limited, Prime Constructions (Private) Limited, and Prime Lands Australia Pty. Ltd. He further serves as a Non Executive Director of Ceylinco General Insurance Limited.

ACADEMIC AND PROFESSIONAL QUALIFICATIONS

Mr. Premalal is a Fellow Member of the Chartered Institute of Management Accountants (United Kingdom), a Fellow Member of the Sri Lanka Institute of Marketing, and a Chartered Business Administrator (Canada). He holds a Master of Business Administration from the Open University of Malaysia and a Postgraduate Diploma in Marketing from the University of Sri Jayewardenepura.

Board Committee Memberships

Within HNB Finance PLC, Mr. Premalal serves as a member of Board Nominations and Governance Committee and Board Strategic and Investment Review Committee.

BOARD OF DIRECTORS

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 a seasoned professional engineer with over two decades of experience in the field. He holds a Bachelor of Science in Engineering from the University of Moratuwa, a Master of Business Administration in Management of Technology from the same university, and a Postgraduate Diploma in Structural Engineering Design from the University of Moratuwa. In addition, he has obtained a Diploma in Commercial Arbitration from the Institute for the Development of Commercial Law and Practice.

He is a Chartered Engineer of the Institute of Engineers, Sri Lanka, and is also registered as an International Professional Engineer (Int. PE) with IESL.

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 seasoned professional in the real estate industry, bringing over 29 years of extensive experience. He holds a Bachelor of Management Studies and a Commonwealth Executive Master of Business Administration from the Open University of Sri Lanka.

He currently serves as a member of the Steering Committee of the Skill Council at the Faculty of Arts, University of Colombo, contributing to the World Bank-funded Accelerating Higher Education Expansion and Development (AHEAD) project (Program ID: P159995).

Recognized as a prominent business figure in Sri Lanka, Mr. Heenatigala has been widely featured in leading business media, where he shares insights on real estate growth and condominium market trends. His leadership and contributions to the success of Prime Group have also been highlighted in top-tier business magazines, showcasing the organization's achievements and industry impact.

In addition, he is a Certified Member of the Sri Lanka Institute of Marketing (SLIM), reflecting his commitment to professional excellence and continuous development.

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

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

Ms. Shehana Brahmanage holds a Bachelor of Arts (Honours) degree in Accounting and Finance from the University of Greenwich, UK, and is currently pursuing a Master of Business Administration at the Postgraduate Institute of Management, University of Sri Jayewardenepura.

She has been instrumental in driving the development and execution of the company's sales strategies, demonstrating strong leadership in steering high-performing teams and delivering sustainable growth. She has also represented the company at numerous real estate conventions, both locally and internationally, enhancing its industry presence and global engagement.

Recognized for her innovative and forward-thinking leadership, Ms. Brahmanage has made a significant contribution to strengthening Prime Group's luxury residential portfolio, including flagship developments under the "One Collection." Her emphasis on sustainability, customer-centricity, and architectural excellence continues to reinforce the company's position as a leading real estate developer in Sri Lanka.

She has participated in a training program on Disruptive Technologies conducted by the EY NextGen Academy in Palo Alto, USA, in March 2026.

POSITIONS HELD IN OTHER COMPANIES

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

ANURA PATHIRAGE

Executive Director / Director - Finance

APPOINTED

To Company	November 2014
To Board	January 2024

BOARD COMMITTEE MEMBERSHIP

N/A

EXPERTISE

A Finance Professional with 23 years of experience in the Private Sector

QUALIFICATIONS AND EXPERIENCE

Mr. Pathirage boasts over 23 years of experience in the private sector, experience including more than 19 years in senior management positions both in Sri Lanka and overseas. His professional background spans accounting, taxation, corporate secretarial services, apparel, insurance, hospitality, aviation, and international trade, providing him with a well rounded perspective on financial management and corporate governance.

He previously held a senior position at Baker Tilly Sri Lanka - Chartered Accountants, where he was engaged in management consultancy and tax advisory services. As a Director of Corporate Secretaries Practice (Private) Limited within the secretarial arm of the firm, he played a significant role in advising clients on corporate secretarial compliance, and governance – related matters.

Mr. Pathirage has also gained substant international exposure during his tenure as Chief Accountant of the Cyprea Group of Companies in the Maldive, where he contributed to financial oversight and operations across international trade, airline operations, hospitality and tourism. His career also includes experience in the apparel and insurance sectors in Sri Lanka, further strengthening his multidisciplinary expertise.

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, United kingdom.

POSITIONS CURRENTLY HELD IN OTHER COMPANIES

He currently serves in the capacity of Director Finance of Prime Lands (Private) Limited and as a Non-Executive Director of HNB Finance where he serves as Chairman of the Board Recovery Committee, A member of the Board Audit Committee, Board Credit Committee and Board Procurement Committee

BOARD OF DIRECTORS

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 Nomination and Human Recourses 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, Lanka Shipping and Logistics (Private) Limited Also as a Non-Executive Director at Pan Asian Power PLC, Singer Sri Lanka PLC and Siyapatha Finance 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, Nomination and Human Recourses Committee.

EXPERTISE

Management, Entrepreneurial Development, Customer Care, 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) and a Fellow Member. A former Executive Committee Member of Sri Lanka Institute of Marketing (SLIM). Over the last two and half decades he has conducted over three thousand five 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 SUB-COMMITTEE MEMBERSHIP

Board Audit Committee and Related Party Transaction Review Committee
Board Nomination and Governance Sub-Committee

EXPERTISE

Finance, Management and Legal

QUALIFICATIONS AND EXPERIENCE

Mr. Perera counts over four decades 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.

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 Nomination and Human Recourses 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 27 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 Nuwaraeliya Hotels PLC, Peoples Bank , Gestetner Ceylon PLC and Luminex PLC. He is also a visiting faculty member at leading state and private sector universities.

BOARD OF DIRECTORS

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 35 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 Managing Director of N J Consultants (Private) Limited.

Snr Prof. SAMPATH AMARATUNGA

Independent Non-Executive Director

APPOINTED

To Company	N/A
To Board	March 2025

BOARD COMMITTEE MEMBERSHIP

Remuneration Nomination and Human Recourses Committee

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). Currently he is also the Deputy CEO and Deputy President of Cinec.

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.

Snr Prof. ANANDA JAYAWARDANE

Independent Non - Executive Director

APPOINTED

To Company	N/A
To Board	September 2025

BOARD COMMITTEE MEMBERSHIP

Board Audit Committee, Related Party Transaction Review Committee

EXPERTISE

Engineering

QUALIFICATIONS AND EXPERIENCE

Professor Ananda Jayawardane is currently a Senior Professor in Civil Engineering at the University of Moratuwa and a member of Board of Directors of HNB Life, Bank of Ceylon and of several other state and private sector organizations. He completed his term as the Chairman of the Commercial Bank of Ceylon PLC in April 2024 after serving nine years in its Director Board. He is also a past Vice-Chancellor of the University of Moratuwa, a past Chairman of the Committee of Vice-Chancellors and a past Director General of the National Science Foundation.

He has co-authored several textbooks and has published and presented over 85 research papers both locally and internationally and delivered convocation addresses and keynotes in many occasions. He has received several awards for his research publications. He is also the recipient of the National Achiever's Award - 2013 under the category of Engineering by Lions Clubs International – District 306A1, the IESL President's Award – 2012 and the Asia's Education Excellence Award – 2016 for outstanding contribution to education, Sri Lanka Education Leadership Award – 2017 for education leadership, Sri Lanka Education Leadership Award – 2018 for outstanding contribution to education presented by World Education Congress and CMO Asia and "Eminence in Engineering" award – the highest, most prestigious life time award given by the IESL for eminence in practice of engineering – 2018.

POSITIONS CURRENTLY HELD IN OTHER COMPANIES

He is a Chartered Engineer, an International Professional Engineer, a Fellow of the Institution of Engineers, Sri Lanka, a Fellow of the Institute of Project Managers, Sri Lanka, a Fellow of the National Academy of Sciences of Sri Lanka, a Life Member of Sri Lanka Association for Advancement of Science, a Graduate Member of the Sri Lanka Institute of Directors and a Member of the Society of Structural Engineers Sri Lanka. He is also the past NDB Bank Endowed Professor in Entrepreneurship at the University of Moratuwa and a Past President of the Institution of Engineers, Sri Lanka.

He has also served as a member of the University Grants Commission, a member of the governing Councils/Director Boards of Sierra Cables PLC, National Science Foundation, Institute for Construction Training and Development, State Engineering Corporation, Post-graduate Institute of Management, Miloda Academy of Financial Studies, the Open University of Sri Lanka, Construction Industry Development Authority, Engineering Council of Sri Lanka and Green Building Council of Sri Lanka.

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 (Private) Limited, and Regent Country Club (Private) Limited 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 presently serves as Executive Director – Legal of Prime Lands (Private) Limited and as a Director of Bhoomi Realty Holdings (Private) Limited, a subsidiary of Prime Group. She provides strategic leadership and oversight on all legal matters across the Group, with particular focus on the real estate sector.

Having been called to the Bar Association of Sri Lanka in 1998, Ms. Fernando commenced her career as an Attorney-at-Law and has since built an extensive and distinguished career in legal practice and corporate advisory. She holds a Master of Laws (LL.M.) degree from the University of Colombo.

With over 25 years of experience in the real estate industry, Ms. Fernando possesses extensive expertise in legal documentation, contract negotiation, regulatory compliance, and the facilitation of title transfers. Her deep understanding of legal frameworks governing real estate and her strategic counsel continue to make a significant contribution to the Group's governance, operations, and long-term growth.

SISIRA KUMARA

Consultant/Compliance Officer



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 Compliance Officer at Prime Lands Residencies PLC and also the Consultant to the Prime Constructions (Private) Limited.

SHAMINDA HEWAPATHIRANA

Chief Operating Officer / General Manager - Engineering



Mr. Hewapathirana joined the Company as the Chief Engineer adding value to the company with his 30 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 overlooking the operation of PLR as COO and leading the Engineering Department as the General Manager – Engineering.

MANAGEMENT TEAM

SANJANI KUMARIHAMI

Chief Human Resources Officer



Ms. Sanjani Kumarihami serves as the Chief Human Resources Officer at Prime Group, bringing over two decades of transformative leadership in human capital management across diverse and dynamic industries.

She holds a Bachelor's degree in Human Resource Management from the University of Kelaniya and a Master's in Business Studies from the University of Colombo, further complemented by a Diploma in Psychology from the London School of Business and Social Sciences. Ms. Kumarihami is a Chartered Member of the Chartered Institute of Personnel Management (CIPM) and a Certified HR Auditor in Sri Lanka, credentials that reflect her unwavering professional commitment to the HR field.

Her areas of expertise span Organizational Development, Process Re-engineering, Talent Acquisition & Development, Change Management, Cross-Cultural Management, Coaching & Mentoring, and Employee Engagement. She has applied this expertise across leading local and multinational conglomerates, including ZTE Corporation in industries spanning Real Estate, Apparel, ICT, Telecommunications, Travel, Manufacturing, Infrastructure Development, and Entertainment.

Beyond her corporate achievements, Ms. Kumarihami is a widely recognized thought leader and champion for excellence in human resources. She was honored as an Outstanding Woman Leader by Women Icon, powered by the World Women Council, and featured by Times Women, New York, in 2021. In 2024, she was further distinguished as one of the Top HR Leaders in Asia by the prestigious World HRD Congress, an accolade that underscores her growing regional influence and outstanding contribution to the advancement of the HR profession across Asia.

RASIKA UDAYANGA

Chief Information & Technology Officer | Data Protection Officer



Rasika Udayanga is a strategic ICT leader with over 19 years of experience in enterprise technology, digital transformation, and information security. As Chief Information & Technology Officer and Data Protection Officer of Prime Group, he oversees IT strategy and governance across nine Group entities spanning real estate, construction, hospitality, and international operations. He is a Chartered IT Professional (CITP) holding an MSc in Network & Information Security and an MBA from the United Kingdom, and a Post Graduate Diploma in Information Systems Management from the University of Colombo. He is also a Professional Member of the British Computer Society, the Computer Society of Sri Lanka, and IEEE.

Under his leadership, Prime Group has undergone significant digital transformation across all business verticals, modernizing operations, automating core business processes, and integrating emerging technologies to enhance customer experience and organizational agility. He has also led the successful cloud migration of the Group's IT infrastructure and drives enterprise-wide IT governance and regulatory compliance across the Group.

Prior to Prime Group, he held senior technology leadership roles across the business process outsourcing and telecommunications industries, where he built a strong foundation in large-scale infrastructure management, operational excellence, and cross-functional leadership.

VIRAJ JAYASINGHE

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 25 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 11 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 from the Australian Institute of Quantity Surveyors (MAIQS, CQS) and became a Chartered Quantity Surveyor with the receipt of Associate Membership from the Institute of Quantity Surveyors Sri Lanka (AIQSSL). Subsequently, he has obtained the Membership from the Royal Institute of Chartered Surveyors, UK (MRICS).

MANAGEMENT TEAM

PRAGASH RATNASINGAM

Head of Internal Audit, Risk & Compliance



Mr. Pragash holds a Bachelor of Business Administration (Honours) with First Class, specializing in Accounting, from the University of Jaffna. He is a Member of the Institute of Chartered Accountants of Sri Lanka (ICASL) and is currently pursuing a Master of Business Administration at the Postgraduate Institute of Management, University of Sri Jayewardenepura.

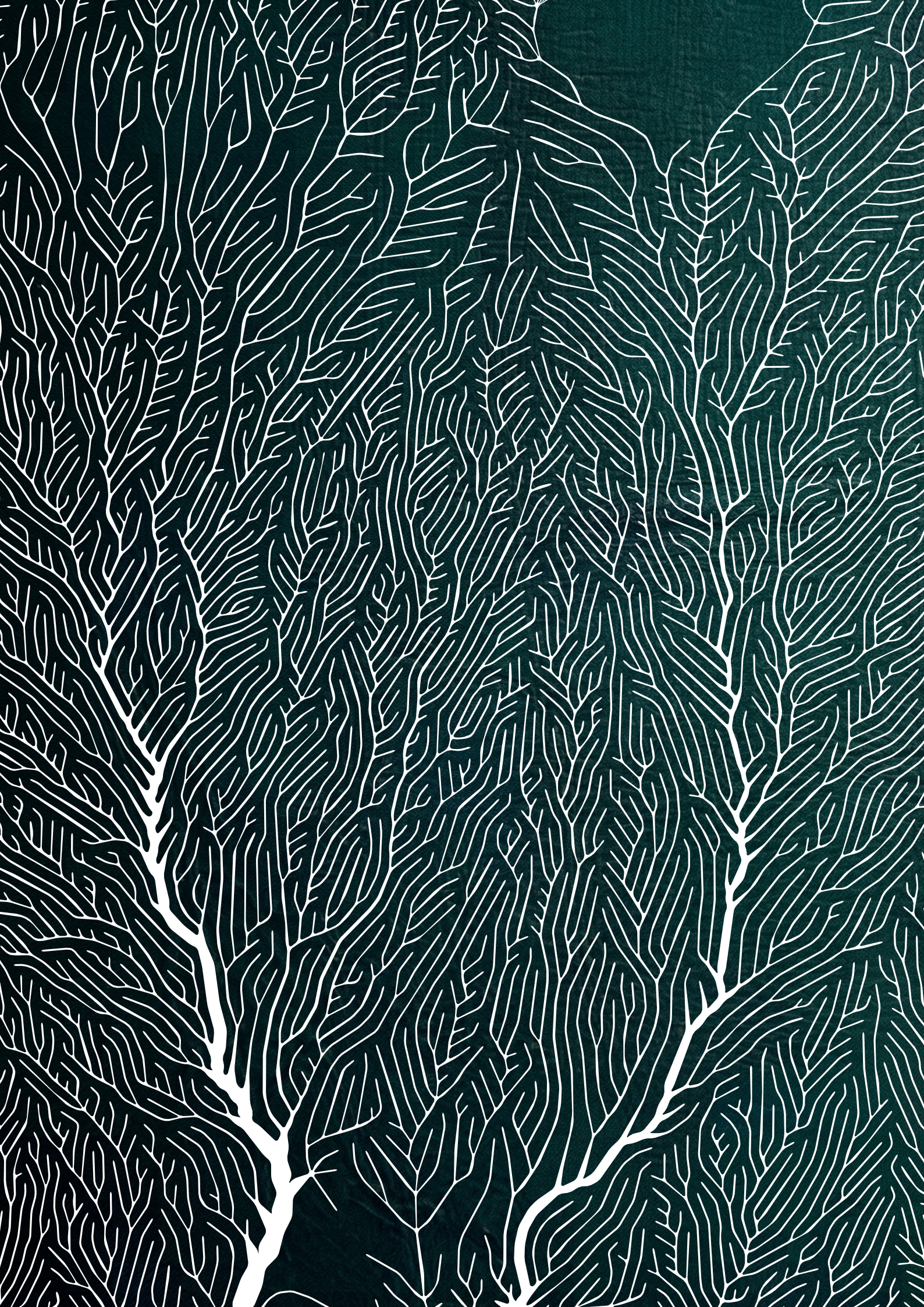
With over a decade of experience spanning internal audit, external audit, risk management, and compliance, Mr. Pragash has built a distinguished career across diverse industry environments. He commenced his professional journey at Singer (Sri Lanka) PLC, where he developed a solid grounding in internal audit practices and controls.

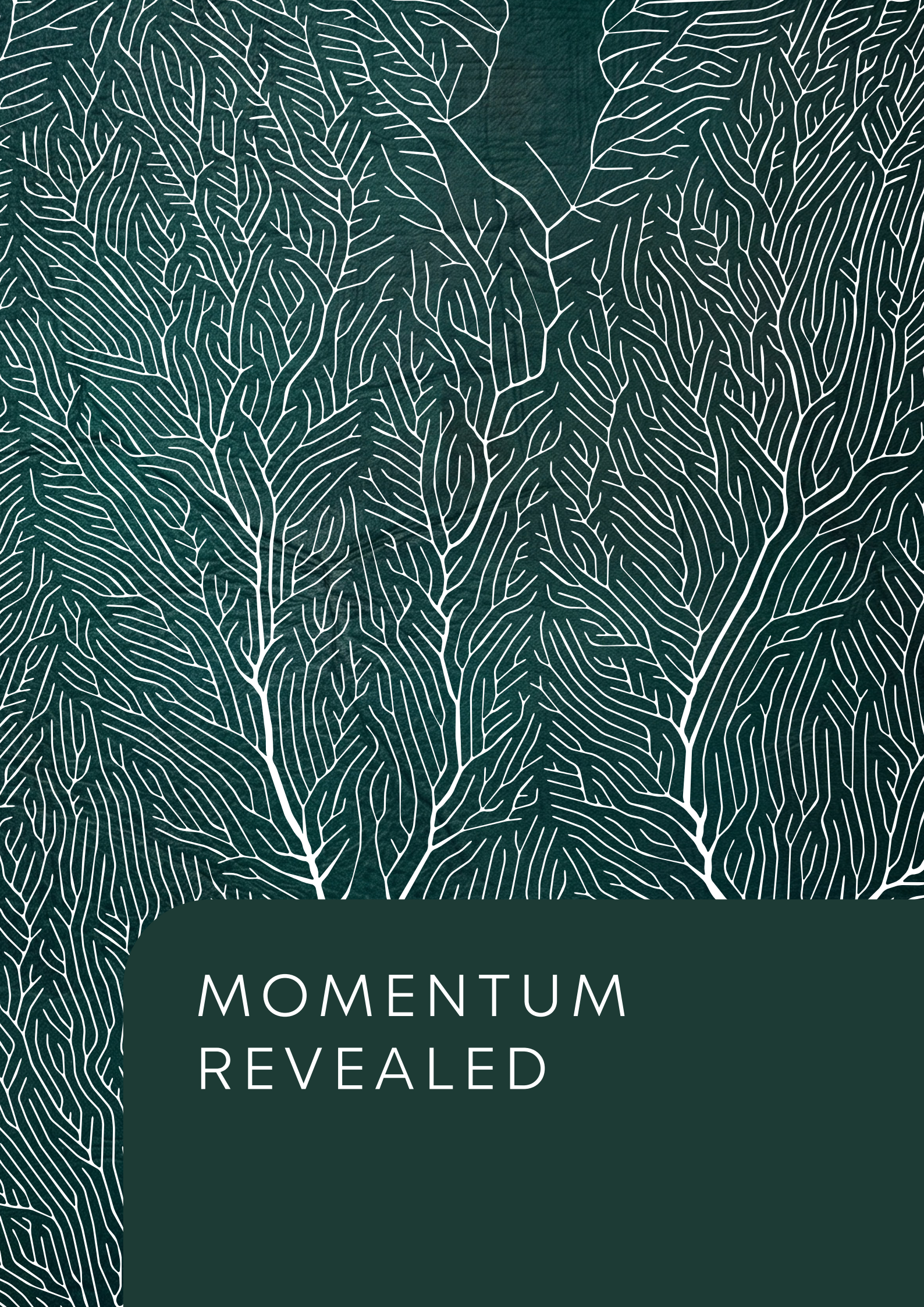
He subsequently advanced his expertise at Ernst & Young, gaining extensive experience in auditing, compliance, and financial reporting to international standards.

Mr. Pragash currently serves as Head of Internal Audit, Risk & Compliance at Prime Lands (Private) Limited and Prime Lands Residencies PLC, where he leads the organization's governance and assurance functions, driving robust risk frameworks and ensuring adherence to regulatory and compliance standards.

His commitment to professional excellence, combined with his strong academic credentials and broad practical experience, continues to make a meaningful contribution to the Prime Group.


PRIME





MOMENTUM REVEALED



CHAIRPERSON'S MESSAGE

It is my privilege to present the Integrated Annual Report and Financial Statements for the year ended 31 March 2026. This Reports aims to offer you a comprehensive and transparent view of how Prime Lands Residencies PLC (PLR) delivered value to our stakeholders based on our strategy, governance and risk management, and commitment to creating Lovable and Livable Neighbourhoods.

The year marked strong and sustained efforts at recommencing projects and launching several new projects guided by our customer-centric approach and sustainability oriented operational excellence. With the continued stability in the macrocosmic environment PLR was able to keep up steady momentum in the many development projects across our footprint and deliver sustainable value across our stakeholder ecosystem.

The Economic Environment

Sri Lankan economy continued its stable journey through 2025/26, ably supported by fiscal reforms, successful debt restructuring, and the continued inputs from the International Monetary Fund (IMF). Inflation moderated while an exponential increase was experienced in remittances that combined to balance external balances. This, in turn, restored confidence in the country's ability to stay on course and many migrant Sri Lankan's opted to invest in real estate, during 2025/26. A prolonged deflationary phase moderated to 2.1% by end 2025/26, with core inflation remaining at 2.7% while real GDP growth moved to 5.0%.

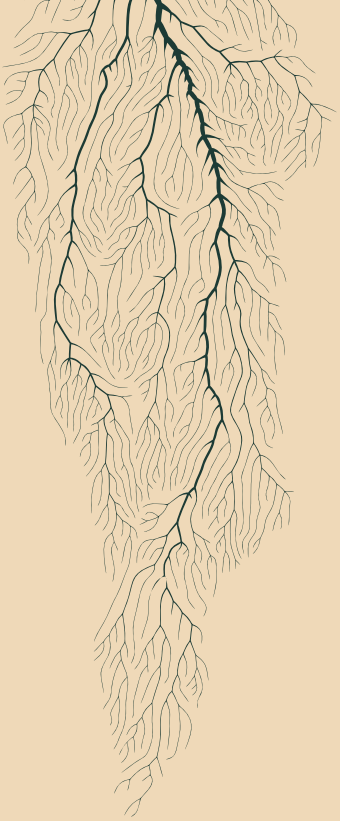
The Construction Industry and the Real Estate Market in Sri Lanka

Structural, policy-related, and environmental challengers buffeted the construction industry in Sri Lanka, although a broader macroeconomic recovery gathered momentum. Cyclone Ditwah caused heavy destruction across the country diverting much needed infrastructure capital to reconstruction and restoration. Severe shortage of skilled and unskilled labour continued that challenged the industry.

A changing landscape in the real estate sector witnessed a shift in the localized demand toward suburban residential developments and premium commercial spaces. Suburbs like Piliyandala, Homagama, and Athurugiriya reflected a land price increase indicating buyer preferences as Colombo property prices suited a niche market. The demand for commercial properties equipped with modern amenities, green building concepts, energy-efficient systems, and holding ample parking spaces increased as hybrid working models continued with the requirement for customized workspaces.

Our Performance

PLR achieved several strategic milestones in 2025/26, strengthening its market leadership in Sri Lanka's real estate sector. The Company successfully launched four new projects with a combined value exceeding Rs 100 Bn reflecting strong market confidence and expansion capacity. PLR boosted its land inventory at a value of Rs 10 Bn as pipeline project



"PLR achieved several strategic milestones in 2025/26, strengthening its market leadership in Sri Lanka's real estate sector."

support for the future. Construction activities accelerated with flagship developments such as The Colombo Border and The Seasons ensuring steady project momentum and enhanced customer confidence.

PLR's financial stability is primarily driven by its strong asset base and healthy cash flow. The Company owns an unsold inventory portfolio valued at over Rs. 100 Bn which is a significant revenue earner for the future. Customer receivable stood at Rs. 48 Bn by the closure of the financial year, indicating a steady inflow of cash collection as project completions and handovers take place. This is supported by our stance of relatively reasonable level of borrowings that enabled the Company to maintain a healthy balance sheet, manage financial costs effectively, and reduce exposure to interest rate fluctuations and external pressures. These drivers are sustainable, supported by strong market demand for supply of well-constructed developments, strategic project launches, disciplined financial management, and the Group's continued focus on operational efficiency and timely project execution.

Our Asset Base

We continued to strengthen our asset base in 2025/26, with a healthy project pipeline and a development portfolio. The Palace - Gampaha and the 43 by the Sea reflect the Company's long-term growth strategy and commitment to delivering high-quality real estate development. The Colombo Border, The Seasons - Colombo 8, and J'adore Negombo progressed steadily during the year while several other projects reached completion milestones. In confluence, these factors positively contributed to revenue generation and customer confidence.

The Company's work-in-progress is valued at Rs 28 Bn, supported by prudent project planning, disciplined execution, and strong operational oversight. Despite the prevailing macroeconomic and industry challengers, construction activities across ongoing projects continued with resilience and focus.

Expanding its visibility in strategically important locations and in a bid to cater to the evolving needs of a discerning customers base, we infused Mon Vie - Colombo 5, The Golf - Colombo 8, The Prime Colombo - Colombo 9, and The Elizabeth - Colombo 7 into our project pipeline. We are confident that these pipeline projects will further augment our market leadership in Sri Lanka's real estate sector.

Governance and Risk Management

The Board continued to place strong emphasis on strengthening the Company's governance and risk management structure with compliance as a non-negotiable component in its ethical journey. Fundamental to preserving stakeholder confidence and regulatory positivity we intrusively focused on understanding and implementing evolving regulatory requirements. The Board further enhanced the Company's policy framework and oversight mechanisms that included several new policy introductions. Gift and Hospitality policy was introduced while the existing AML/CFT/CPF Policy was refreshed and revamped to ensure transparency and internal control discipline.

CHAIRPERSON'S MESSAGE

Supporting the sub-committees, the Board reviewed key governance, risk management, and regulatory compliance reflecting its commitment towards responsible decision making and ethical and transparent governance. The Company carries an unblemished track record for compliance on all fronts and continues to operate with integrity, accountability, and due diligence for a sustainable business.

Sustainability and Community Impact

At Prime Lands Residencies PLC, sustainability and community impact are central to our development philosophy and long term strategy. As we expand our footprint, we design projects that deliver economic returns while generating positive social and environmental outcomes. Our developments prioritize responsible land use, modern urban living, and sustainable construction, with energy efficient systems, resource smart design, and durable infrastructure embedded from concept to completion. Through targeted community engagement, education support, environmental awareness programs, and local employment initiatives, we create meaningful social value and strengthen stakeholder trust. Backed by a robust work in progress pipeline and a strong balance sheet, the Group is well positioned to pursue sustainable growth and deliver lasting value to shareholders, customers, employees, partners, and the wider community.

Human Capital Development

We invested in developing our employees that are at the core of our successful business. Provided with inhouse and external training, we focused on developing future leaders in the real estate market, training them to expand leadership qualities and pitch for the future, beyond the challenges and the obstacles they encounter of career growth journey.

Outlook 2026/27

Looking ahead to FY2026/27, the company's primary focus will be on the timely completion of ongoing projects, remain focused on sustaining strong growth while maintaining disciplined capital allocation and further enhance construction quality and customer satisfaction standards. Prime Lands also aims to explore opportunities to export Sri Lankan real estate to international markets, thereby attracting foreign investors and contributing to increased foreign currency inflows to Sri Lanka.

We are committed to progressively improving dividend distributions to our shareholders, underpinned by robust cash generation, the timely completion of strategic projects, and the continued growth of our business. This approach reflects our confidence in the Company's long-term prospects and our dedication to creating sustainable value for all stakeholders.

Appreciation

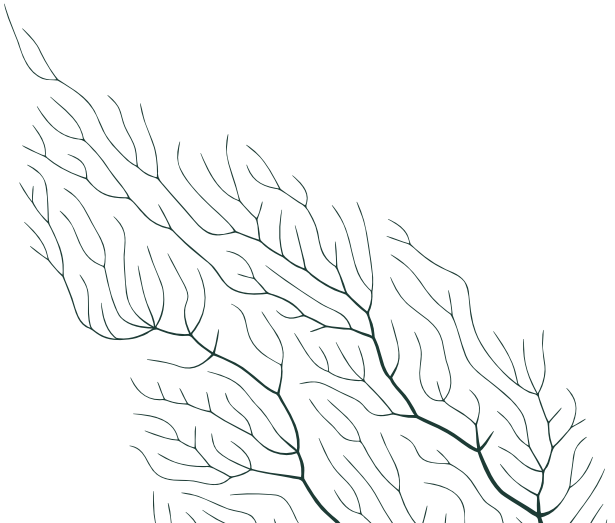
On behalf of the Board of Directors, I wish to express my heartfelt gratitude to our valued current and prospective investors, trusted business partners, loyal customers, and our incredible employees. Your unwavering support have been the cornerstone of our achievements that helped us navigate many a headwind in 2025/26. 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

I wish to express profound gratitude to every employee of the Prime Lands Residencies team, their dedication, professionalism and unwavering commitment form the bedrock of the company's success. Their skill, creativity and collaborative spirit transform strategic vision into landmark developments, deliver exceptional customer experiences, and enable responsible, sustainable growth. They are Prime Lands Residencies' greatest asset, and the Board is proud to lead alongside them as the company shapes its future.



Sandamini Perera
Executive Chairperson

05 June 2026
Colombo







MANAGING DIRECTOR'S MESSAGE

Taking Sri Lanka's Real Estate to the World

Financial Year 2025/26 marks a period of continued progress for Prime Lands Residencies PLC (PLR), as the Company strengthened its operational foundation and advanced key strategic priorities. We continued to enhance our visibility among both local and international investor segments, with a growing focus on foreign nationals and non-resident Sri Lankans.

Our approach combined design innovation with accessible financial structures, enabling broader participation in Sri Lanka's real estate sector while maintaining a strong focus on quality and execution discipline.

Operational Performance

The Company maintained steady progress across its core development portfolio during the year.

Key projects including The Colombo Border, The Seasons, and J'Adore Negombo continued to advance in line with planned milestones. Residential developments such as Mon Vie and The Golf strengthened our mid- to upper-segment positioning, while The Elizabeth progressed within the ultra-luxury pipeline.

Financial Stewardship

Financial discipline remains central to the Company's approach, supported by prudent capital management, governance standards, and risk oversight. The Company maintained a stable financial base, underpinned by its asset portfolio and structured cash flow management, enabling resilience and long-term sustainability.

ESG and Sustainability

We continued to strengthen our sustainability practices through improved resource efficiency, wastewater management, and gradual integration of energy-efficient solutions across developments. Sustainability reporting frameworks were further enhanced in line with recognised global standards.

Human Capital

Our employees remain central to our success. During the year, we continued to invest in capability development through structured training, on-the-job learning, and leadership development initiatives, aimed at strengthening technical expertise and enhancing overall organisational performance.

Community Impact

The Company supported national development through local procurement, employment creation, and targeted CSR initiatives. Assistance was extended to communities affected by Cyclone Ditwah, including education support benefiting approximately 1,000 students.

Digital Transformation

Our digital ecosystem continued to evolve through platforms such as "Prime Edge," App, AI-enabled customer support via "Prime Bee," and API banking integration, enhancing customer experience and operational efficiency.

"The Company maintained a stable financial base, underpinned by its asset portfolio and structured cash flow management, enabling resilience and long-term sustainability."

Appreciation

I extend my sincere appreciation to our customers, investors, business partners, and stakeholders for their continued trust in PLR. I also thank the Board of Directors and management team for their guidance and commitment, and especially our employees for their dedication and contribution, which remain central to our continued success.

Outlook 2026/27

Looking ahead, the Company will focus on disciplined execution of ongoing projects, enhanced construction quality, and continued engagement with international investors and non-resident Sri Lankans to support sustainable growth and long-term value creation.



Manjula Weerakkody
Managing Director / Executive Director

05 June 2026
Colombo

MATERIAL TOPICS

GRI 3

Our material topics define the most significant impacts on our organization and stakeholders. These issues provide a crucial lens on operating trends, business risks, and opportunities, directly shaping our ability to create value. As such, they form the foundation of our strategic planning and reporting.

A deliberate assessment process take place annually or as needed, to identify the issues that are critical to our business and to our stakeholders. A variety of inhouse tools and macroeconomic analysis are used to arrive at 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.

Materiality Assessment Process

GRI 3-1, 3-2, 3-3

Our five-step materiality assessment process is given below.

Step 1

Defining Scope and Boundary

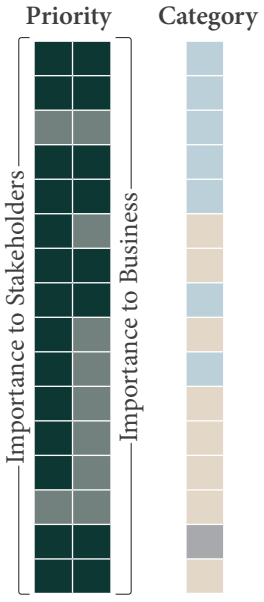
The assessment covers all business operations within and beyond the borders of Sri Lanka. It evaluates issues across our value chain from planning and development to sales and after-sales service. We engage with key stakeholder groups, including investors, customers, employees, regulatory bodies, financial partners, and communities, through investor forums, surveys, consultations, and formal reviews.

Step 2

Identifying Relevant Topics

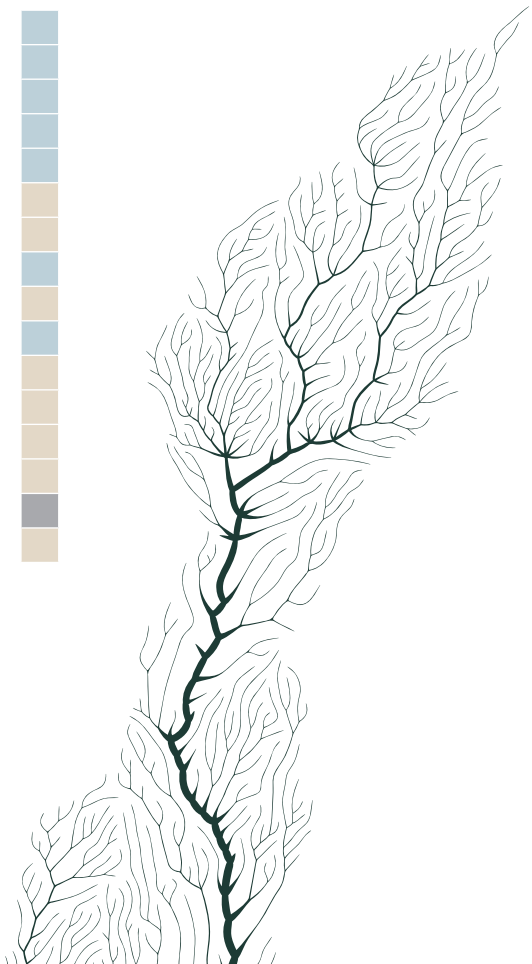
Identification is based on internal sources such as strategic plans, risk registers, and stakeholder feedback and external references including GRI standards, sustainability standards, SDGs, peer benchmarking, and industry trends.

SR	Topic
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 and International)
10	Supplier Relations
11	Pay and Benefits
12	Career Growth
13	Health and Wellbeing
14	Community Impact
15	Environmental Stewardship and Climate Resilience
16	International Market Engagement and Compliance



EG : Economic and Governance
ST: Social Topics
EN: Environmental

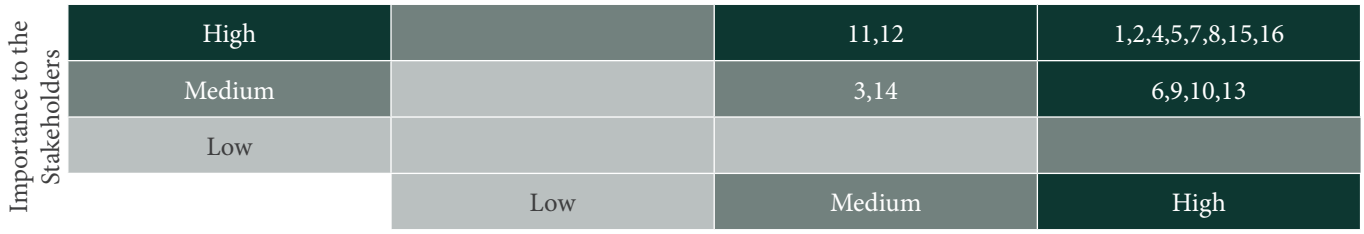
H; HIGH
M; MEDIUM



Step 3

Assessing Significance

Impact assessment is based on value creation for the company and value delivery to the stakeholders, macroeconomic impact on the Company's operations, and stakeholder expectations and concerns that influence decisions.



Step 4

Prioritizing

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

Step 5

Strategic Integration

The outcome of the Materiality Assessment guides strategic focus and strategic decision-making. Thereafter, it is reviewed annually or as needed and updated based on stakeholder feedback, regulatory developments, or significant shifts in our operating context.

SR No	Material Topic	Topic Boundary	Reason for Materiality	Capitals Impacted	Management Approach	Metrics to Evaluate Management Approach	SDGs Impacted
1	Profitability	Internal	The profitability of the Company impacts the value delivery to the stakeholders and payment of salaries and benefits to employees.	Financial Capital, Social and Relationship Capital, Manufactured Capital, Human Capital	Achieved through consistent revenue growth and effective cost management.	PBT, PAT, ROE EPS	1,8,9,11,12
2	Financial Stability	Internal	An imperative for improved brand equity, visibility, and resilience for a sustainable operation.	Financial Capital, Social and Relationship Capital, Manufactured Capital, Human Capital	By maintaining an optimal balance between equity, debt capitals, and returns on investor funding.	Debt to Asset Ratio, Liquidity Ratio, Projects in Pipeline, and Land Inventory	9,11,15

MATERIAL TOPICS

SR No	Material Topic	Topic Boundary	Reason for Materiality	Capitals Impacted	Management Approach	Metrics to Evaluate Management Approach	SDGs Impacted
3	Project Execution	Internal/ External	Timely and quality project completion directly impacts customer satisfaction and profitability.	Manufactured Capital, Financial Capital	Strengthen project planning, contractor management, and operational monitoring. Project completion timelines, cost variance, project delivery rate	Project completion against planned timelines (%) Cost variance against approved budgets (%) Health & safety incident frequency Milestone achievement	11
4	Land Inventory	Internal/ External	Expansion is based on the extent of land held by the Company and its investments in acquiring land for development.	Manufactured Capital	Driven by a focused investment strategy, ensuring timely project completion. Enabled by robust project lifecycle management.	Growth in the Land Inventory and number of projects in the pipeline.	8,9,12
5	Brand Image	Internal/ External	A strong brand image augments the Company's competitive role and its creative innovation in the industry.	Social and Relationship Capital, Intellectual Capital	Through strategic brand positioning and strict regulatory compliance.	Highly recognized brand in the industry and an untarnished compliance track record.	8,9,12
6	Culture and Conduct	External	Positions the Company as a trustworthy partner in progress among the customers, business partners, suppliers, and the community.	Intellectual Capital, Social and Relationship Capital	Through strong ethics, integrity, and transparency in marketing communications. Commitment to confidentiality and customer data privacy.	Ethical marketing communications, confidentiality, customer data privacy, and transparency of transactions.	10,11,16,17
7	Excellence in Quality	Internal/ External	Builds confidence in the Company and gains customer loyalty, niche market referrals, and regulatory acceptance, boosting the competitive edge.	Intellectual Capital, Manufactured Capital	By leveraging employee tacit knowledge, industry standards, certifications, memberships, and affiliations. Supported by rigorous quality control processes.	High brand visibility, high Net Promoter Score, customer feedback, and quality certifications.	9,11,12

SR No	Material Topic	Topic Boundary	Reason for Materiality	Capitals Impacted	Management Approach	Metrics to Evaluate Management Approach	SDGs Impacted
8	Resilience and Business Continuity	Internal/ External	Act as a buffer against unprecedented events and to continue uninterrupted operations.	Intellectual Capital, Manufactured Capital	Through a robust IT infrastructure and business continuity planning, including a disaster recovery plan.	Reduced system down-times, vulnerability, and penetration testing.	9
9	Customer Experience (Domestic and International)	Internal/ External	Builds customer loyalty, deepens market penetration, and strengthens the social license to continue as a trusted realtor.	Social and Relationship Capital, Intellectual Capital	Focused on product responsibility and marketing transparency. Strong emphasis on data privacy and customer confidentiality. Reliable customer support systems are in place.	High Net Promoter Score, positive customer feedback, ensuring an effective customer experience.	3,9,11
10	Supplier Relations	Internal/ External	Minimizes potential supply chain disruptions impacting project timelines and ensures high quality of material and services provided by the suppliers.	Social and Relationship Capital	Effective supply chain management to maintain material quality and ensure project timelines are met.	Significant number of suppliers partnering with the Company for over 5 years, Supplier Score cards, project milestones and reputation for timely completion.	17
11	Pay and Benefits	Internal	Contributes to attractive best in class talent in the industry and build future leaders for a sustainable business operation.	Human Capital	Strategies to attract, retain, develop, and reward high performing individuals. Focus on identifying and nurturing future leaders within the organisation.	High Net Promoter Score, large number of unsolicited employment seekers, high employee satisfaction rate, low attrition rate, investments in employee upskilling and engagement activities.	2,3,5,8,10,16
12	Career Prospects						

MATERIAL TOPICS

SR No	Material Topic	Topic Boundary	Reason for Materiality	Capitals Impacted	Management Approach	Metrics to Evaluate Management Approach	SDGs Impacted
13	Health, Safety, and Wellbeing	Internal/ External	Ensures workplace safety, especially in the context of the construction industry, promotes wellbeing of both employees and customers, and retains employee motivation and workplace satisfaction.	Human Capital, Social and Relationship Capital	Implementation of a health and well-being policy aligned with organisational values and goals.	Conducted health camps for employees and implemented the requirements in the Workmen's Compensation Policy.	3,5,8,10
14	Community Impact	Internal/ External	Reduced regional inequalities through urbanization and infrastructure development in key cities and towns, beyond high demand districts.	Social and Relationship Capital	Active contribution to the development of local economies through inclusive employment and procurement practices.	Urbanization trends enhanced economic activities, development of micro entrepreneurs and women employment in the area.	1,2,10,11,17
15	Environmental Stewardship and Climate Resilience	Internal/ External	The preservation of an endangered planet is foundational to all of life and therefore, is a priority for the Company to conduct its business in a responsible manner. This is a national priority and impacts UN SDGs.	Natural Capital	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.	Incidents of non compliance and delayed construction due to climate related incidents.	13,15

SR No	Material Topic	Topic Boundary	Reason for Materiality	Capitals Impacted	Management Approach	Metrics to Evaluate Management Approach	SDGs Impacted
16	International Market Engagement and Compliance	Internal/ External	Niche market engagement, enhanced brand visibility, sustainable business, and stakeholder alignment.	Social and Relationship Capital, Financial Capital, Intellectual Capital	Ongoing engagement with key stakeholders to evaluate and navigate cross-border challenges and opportunities.	80% of business opportunities converted to customers, positive customer satisfaction scores from overseas clients.	9

Process Parameters

The topics reflected in the Materiality Assessment are deliberated within a framework of the Company's activities, performances, and desired outcomes to deliver value. These parameters ensured a structured, consistent, and transparent materiality process that reflected both internal priorities and external expectations.

The framework is depended on seven pillars, as given below:

Parameter	Description
Financial Relevance	Issues that directly weigh-in on the financial stability, revenue, costs, and investor returns.
Customer Impact	Aspects that impact customer satisfaction, trust, and long-term relationships.
Regulatory Compliance	Compliance with local zoning laws, environmental permits, and housing regulations.
Environmental Footprint	Construction related impact, energy use, waste management, emissions
Community Influence	Impact on the communities surrounding construction sites, access to amenities, and a continued social license to operate
Employee Welfare	Health and safety practices, fair treatment, wellbeing, and capacity building
Risk exposure	Strategic, operational, and reputational risks attached to each Material topic

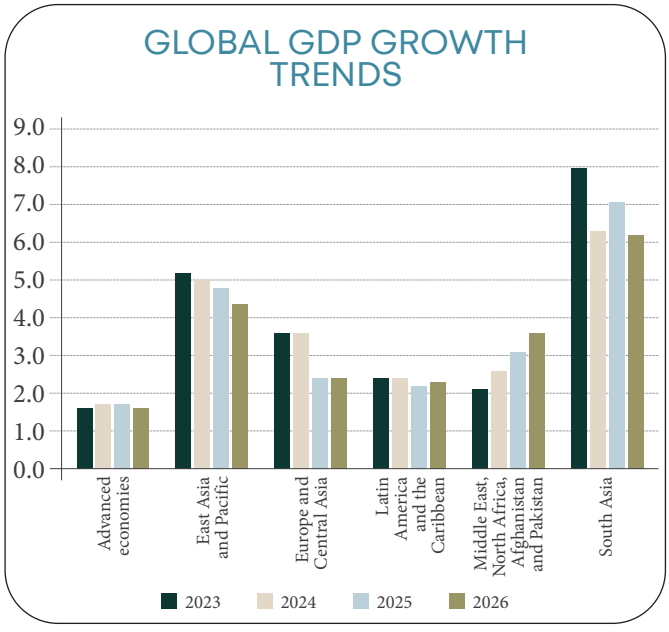


OPERATING ENVIRONMENT

Global Environment

Escalating structural volatility, shifting trade alliances, persistent geopolitical tensions, and uncertain geoeconomics defined the global macroeconomic paradigm in 2025. These impacted the real estate and construction sectors in Sri Lanka to a great degree . Global GDP growth decelerated to approximately 2.3% to 3.0% that indicated a slowdown in most of the world's economies . Global manufacturing however, experienced a temporary acceleration driven by industrial output as the businesses clamored to build inventories to offset anticipated tariff hikes as trade policy uncertainties escalated . United State's stance on hitherto unknown average tariff rates sparked retaliatory tariffs from major trading partners including China, Canada, Mexico, and the European Union. Retaliatory protectionism disrupted global logistics network driving headline and core inflation upward, resulting in tight monetary policies to anchor inflation expectations .

Global growth is projected to slow from 3.2% in 2025 to 3.1% in 2026, reflecting headwinds from uncertainty and protectionism. Advanced economies are forecasted to grow at a slower pace with the United Stated slowing down to 2.0%. Inflation is expected to decline to 3.7% globally, from 4.2% in 2025. Advanced economies are projected to grow by about 1.8% in 2026, while emerging market and developing economies are projected at around 4.2%.



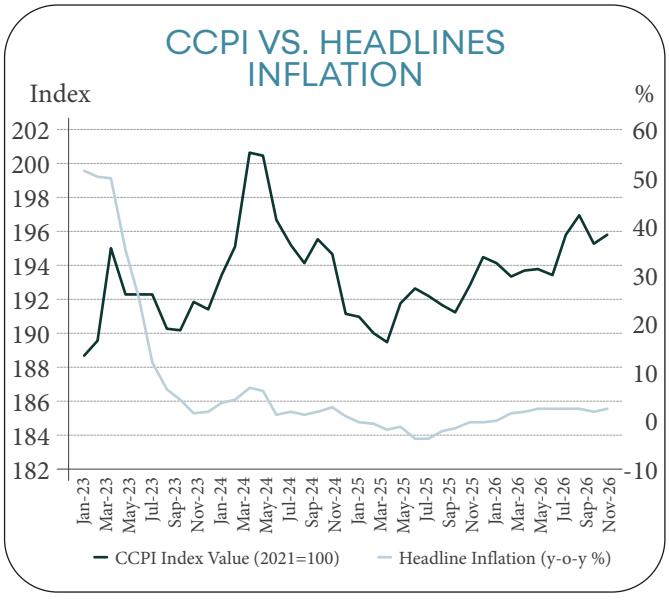
Source : The World Bank

This restrictive environment forced a drop in emerging market assistance by 9% as the world navigated rising oil and commodity prices as rising OPEC and production costs were further exacerbated by expanding United State inventories countered demand-side growth.

As these frontloading factors dissipated towards the end of 2025, further global realities emerged in the form of labour supply shortages, tech stock corrections, and heightened sovereign debt rollover risks. Global institutional funds took a risk-averse stance, preferring to invest in assets like data centres particularly in the cost-efficient Asian hubs, as opposed to real estate . This pivot restricted the availability of large-scale foreign direct investment in emerging economies, forcing developers in Sri Lanka to rely on regional partnerships and localized capital structures. The ongoing conflict in the Middle East introduced shipping and transit risks pushing up costs and fuel prices for developmental projects that were dependent on imports .

Sri Lanka's Economic Performance

The IMF's Extended Fund Facility (IFF) programme contributed significantly towards for Sri Lanka to enter 2025 with macro conditions materially better than the previous crisis years. The programme introduced domestic reforms for tax increased, cost-reflective utility pricing and tighter monetary financing rules, which helped continued recovery in economic activity underpinned by a reduced inflationary rate, after a long deflation spell. External buffers improved as foreign exchange inflows increased from tourism and remittances.



Source : Department of Census & Statistics

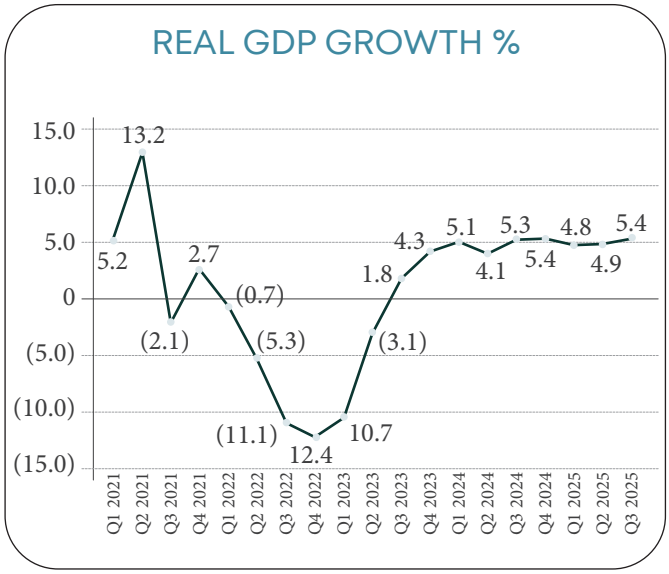
Inflation

A prolonged deflationary phase in inflationary trends gave way to a moderate positive trajectory in 2025, as measured by the Colombo Consumer Index (CCPI). The deflationary trend which topped -4.2% primarily driven by successive electricity tariff reductions and lower transport and energy costs, reversed in mid-2025 as deflationary pressures eased and food prices rose with headline inflation reaching 2.1% by the end of 2025. Core inflation remained stable at 2.7%

by year end indicating that the demand conditions were gradually reviving while prices were well managed within a gradual macroeconomic recovery.

Gradual Recovery

Demonstrating resilience against the backdrop of a volatile global landscape, Sri Lanka's domestic economic continued its sluggish by gradual recovery from the severe financial crisis a few years ago . The real GDP growth for the year reached 5.0% marking an economic expansion for the second consecutive year. This recovery was supported by structural reforms executed under the International Monetary Fund's USD 3 Bn Extended Fund Facility . Nominal GDP rose to Rs 32.7 Bn and per capita income reached a historic high of USD 5,003, while the national unemployment rate stabilized at 4.4% . The positive trajectory was supported by a USD 206 Mn under IMF's Rapid Financing Instrument and the repurposing of USD 120 Mn in World Bank funds in a bid to stabilize the country's balance of payments post the Cyclone Ditwah climate disruptions.



Source :Central Bank of Sri Lanka

Balance of Payments

External debt service schedule, current-account trajectory, capital and financial inflows, gross official reserves and exchange-rate policy, policy rate and domestic demand were the key considerations that impacted this segment in 2025. Policy makers prioritized predictable external financing, boosting tourism earnings, strengthening remittance channels, and managing the import and export sectors with care and diligence.

Strong tourism earnings in 2024 supported the current account surplus ($3.2Bn) and remittances ($6.6Bn) which helped the economy in 2025 with a marginal trade deficit as imports were relaxed to some extent. Imports surged 26.7% YoY to USD 2.15 Bn while exports declined by 0.7% to USD 1.15 Bn YoY, the deficit driven by increase in consumer goods imports, especially personal use vehicles. The rupee depreciated in the first half of 2025 by 10.7%. Gross officials reserved topped USD6.08 Bn by end of June 2025. With a flexible exchange rate regime in place, the Sri Lanka Rupee experienced a modest depreciation of 5.6% against the US Dollar in 2025 aligning with normalized import demand and external debt servicing.

Overall, Sri Lanka's balance of payments reflected an improvement, with a meaningful surplus and a manageable external debt servicing in the short term. Cautious optimism remains to continued fiscal and policy discipline to avert any medium to long term pressures.

Political and Governance Environment

A post-crisis realignment in the political and governance arena, brought in public expectations for accountability and reforms. A high priority, the government institutions are pressured to deliver stability, partner in economic recovery, divest corruption, and engage in transparent rulemaking and implementation. This underpins the need for revitalizing regulation and enforcing and adopting measures that deliver economic stability and establish the rule of law.

Climate Change Impact

Cyclone Ditwah delivered a devastating blow to a fragile economy, causing LKR 320 Bn in damage throughout all provinces. Flooding, earth slips, loss of lives, property, and livelihoods although seen as an insurmountable issue, the government took immediate steps to control damage, engage in relief measures, and commence rebuilding. Short-term fiscal outlays for emergency response and rebuilding will be the priority, back-benching planned capital projects and development. Agriculture and food security, impact on a growing tourism demand, fisheries and coastal livelihoods, and rebuilding rail and road access may jeopardize planned capital investments as affected the destruction is still being restored in several provinces.

OPERATING ENVIRONMENT

Construction Industry in Sri Lanka

Structural, policy-related, and environmental challengers buffeted the construction industry in Sri Lanka, although a broader macroeconomic recovery gathered momentum . Cylcone Ditwah in late November caused widespread damage to infrastructure, agricultural lands, and residential buildings across 17 of the 22 provinces in Sri Lanka. The losses are estimated at approximately USD 4.1Bn, amounting to amount 4% of the country's GDP. Post-cyclone reconstruction took a sharp uptick although large and medium-scale contractors faced operational delays due to obsolete regulations, administrative glitches, and outdated pricing structures.

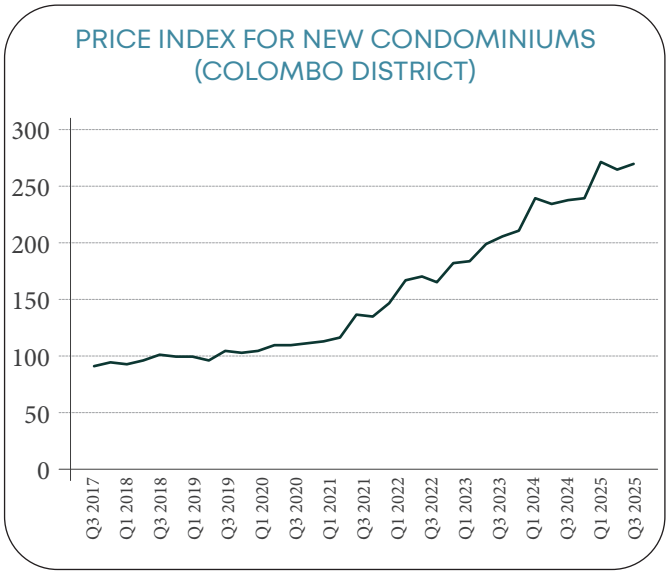
The industry faced several challenges and legacy issues. Material oligopolies compounded the issues as domestic supply of vital raw material remained highly concentrated while flooring and wood products remained highly protected and taxed. Severe shortage of skilled and unskilled labour was yet another challenge that impacted the industry as massive migration in the previous years almost halved the sector's workforce and reduced its GDP contribution from 7% to 2%. To address the nagging investment challenges the government enacted the Economic Transformation Act in mid-2024, that set out five promotional agencies and abolished the Board of Investment. Free Tade Agreement with India, Pakistan, Singapore, and Thailand aimed to improve trade flows although transitional impediments were encountered.

The Real Estate Sector

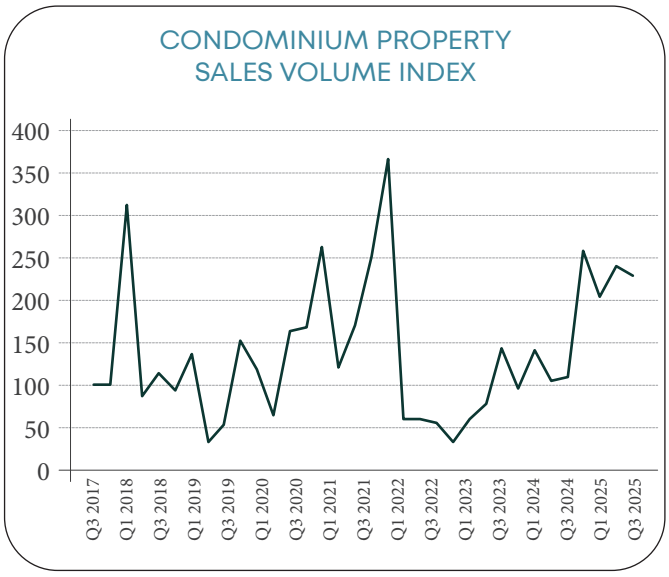
A changing landscape in the real estate sector witnessed a shift in the localized demand toward suburban residential developments and premium commercial spaces. The land markets in the Western Province experienced rapid appreciation, rising by 12% on average, in 2025 and indicated a shift from a saturated Colombo city centre where land prices upticked by 20% towards emerging suburban areas, mostly due to modern residential developments and improved transport infrastructure. Suburbs like Piliyandala, Homagama, and Athurugiriya reflected a land price increase of about 14% - 16% indicating buyer preferences as Colombo property prices suited a niche market. Commercial properties equipped with modern amenities, green building concepts, energy-efficient systems, and holding ample parking spaces commanded high rentals and experienced lower vacant rates . This is attributable to the widespread adoption of hybrid working models that afford shared workspaces with customized work layouts.

Residential Condominium Market

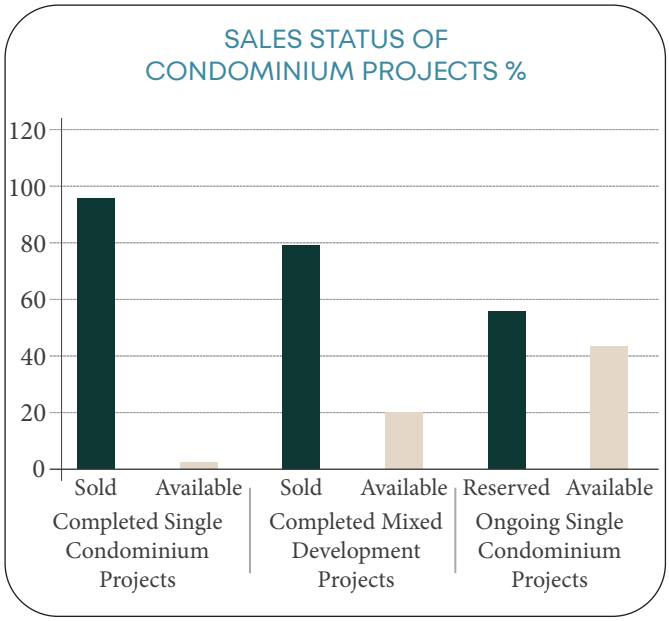
Following several years of post-crisis price fluctuations, the residential apartment sector began stabilizing in 2025, with the Price Index for New Condominiums in Colombo district reaching 270.1, recording a Y-o-Y increase of 13.3%. The Condominium Sales Volume Index that covers the Colombo district and other major cities recorded a significant Y-o-Y increase of 108.1% .



Source: Central Bank of Sri Lanka

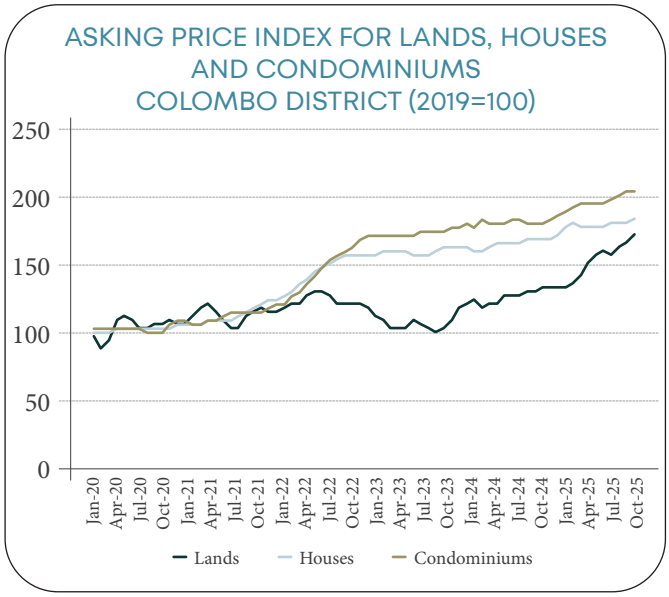


Source: Central Bank of Sri Lanka



Source: Central Bank of Sri Lanka

The market has a significant pipeline with an existing inventory standing at approximately 37,000 units. Additional 8,200 units are projected to be completed in 2027. Foreign expatriate buyer segment is a key driver that accounts for 27.7% of property search traffic on online portals. This interest is driven by Sri Lanka's relative affordability in US dollar terms compared to other regional markets, combined with stable rental yields and the introduction of supportive policies like the digital nomad visa.

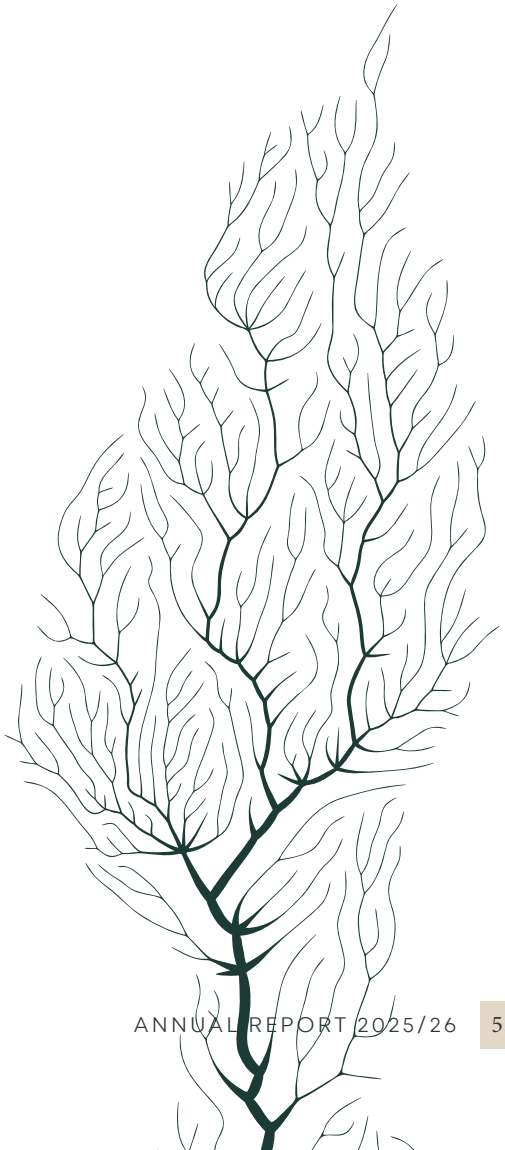


Source: Central Bank of Sri Lanka

The extent of urbanization will drive the condominium market n Sri Lanak, with the rising middle-income demand, and increasing institutional and diaspora investment. Technological modernity, easy access to funding, and sustainability preferences will impact buyer decisions in the long-term.

Macroeconomic policy risks however, loom ahead that may slowdown the speed of growth, exacerbated by interest rate volatility and exchange rate pressures. To circumvent these external challenges, the developers will need to favour disciplined land selection, strong financial stability, and quality execution tied to timely delivery. Further, strategic site acquisition, transparent pricing, and digital transformation permeating through the sales and operational fabric will help to withstand external pressures and create long-term asset value.

The report captures the operational and financial aspects of Prime Land Residencies conducting busines within this Operating Environment and the Group's resilience in navigating the many headwinds that it encountered in 2025.



BUSINESS REVIEW

Prime Lands Residences PLC delivered a transformative 2025/26 financial year marked by strategic resilience, disciplined expansion, and a sustained commitment to sustainable value creation. As a market leader in Sri Lanka's real estate sector, the Company advanced its vision to redefine urban living through the launch of future ready developments in key markets, the strengthening of operational agility, and the systematic integration of sustainability across our value chain.

Our forward looking strategy combined targeted land acquisitions, selective capital deployment, and technology integration to enhance project delivery and customer engagement, while strategic partnerships and proactive stakeholder engagement amplified our market reach and execution capacity. By embedding a customer centric approach and investing in innovation and process improvements, we improved satisfaction, trust, and brand loyalty, thereby reinforcing demand for our offerings.

Throughout the year we balanced financial prudence with responsible growth, maintaining operational excellence and robust risk management to preserve margins and liquidity. These concerted efforts not only reinforced Prime Lands Residences PLC's competitive position but also generated long term value for shareholders, customers, and the communities we serve.

41 Projects Handed over with **2,555** Units

3 Ongoing Projects with **861** Units

5 New Launches with **1,201** Units

1 Management Corporation Established

8.628 Perches in Land Inventory **9** Prime Locations

Project Analysis

Ongoing Projects

The Colombo Border (484 Units)
A landmark development designed to redefine urban living in Sri Lanka. Strategically located on the outskirts of Colombo, the project combines modern residential spaces, commercial facilities, and lifestyle amenities within a well-planned environment. Developed with a focus on sustainability, convenience, and long-term value creation, the Colombo Border Project reflects PLR's commitment to delivering innovative real estate solutions that enhance communities and support future growth.

The Seasons – Colombo 08 (44 Units)
A premium residential development by PLR, strategically located in one of Colombo's most sought-after neighborhoods. Designed to offer a blend of modern elegance, comfort, and convenience, the project features thoughtfully planned living spaces complemented by contemporary amenities. With easy access to key commercial, educational, and healthcare facilities, Seasons – Colombo 08 reflects PLR's commitment to creating high-quality urban residences that enhance lifestyles and deliver lasting value to homeowners.

J'adore – Negombo (333 Units)
PLR's first serviced apartment project, marking a significant milestone in the Company's expansion into premium hospitality-inspired residential developments. Located in the vibrant coastal city of Negombo, the project offers a unique blend of modern comfort, elegant design, and convenience. With easy access to the beach, leisure attractions, and key urban amenities, J'adore Negombo provides an exceptional living experience while creating long-term value for residents and investors alike.

Ongoing Projects	No. of Units	% Completion as at 31.03.2026	Initiation of the Project	Target Completion
The Colombo Border				
Tower Brielle	180	50%	Launched in October 2023	June 2027
Tower Cosmos	152	58%	Launched in April 2024	December 2027
Tower Amari	152	25%	Launched in January 2025	June 2028
The Seasons - Colombo 08	44	38%	Launched in March 2024	June 2027
J'adore - Negombo	333	22%	Launched in December 2024	July 2028
Total No. of Units in on going projects	**861**			

Newly Launched Projects

The Golf – Colombo 08
An exclusive residential development by PLR, comprising 64 thoughtfully designed apartment units in one of Colombo's most prestigious locations. Overlooking lush green surroundings and offering easy access to the city's key commercial, educational, and healthcare hubs, the project combines modern architecture with comfort and convenience. The Golf – Colombo 08 reflects PLR's commitment to delivering premium urban living experiences while creating sustainable value for homeowners and investors.

Mon-Vie Colombo 05
A landmark residential development by PLR, featuring 349 contemporary apartment units in one of Colombo's most sought-after residential districts. Designed to offer a seamless blend of comfort, convenience, and modern urban living, the project provides residents with premium amenities and excellent connectivity to key commercial, educational, and lifestyle destinations. Mon Vie – Colombo 05 exemplifies PLR's commitment to delivering high-quality developments that enhance lifestyles and create long-term value.

The Prime Colombo – Colombo 09
One of PLR's flagship residential developments, comprising 559 modern apartment units designed to meet the evolving needs of urban living. Strategically located in a rapidly developing area of Colombo, the project offers residents a blend of comfort, convenience, and contemporary amenities. With its thoughtfully planned design and strong connectivity to key commercial and lifestyle destinations, The Prime Colombo reflects PLR's commitment to creating vibrant communities and delivering lasting value.

The Elizabeth – Colombo 07
A distinctive Victorian-inspired residential development by PLR, comprising 229 elegantly designed apartment units. Located in the heart of Colombo 07, the project combines timeless architectural charm with modern comforts and amenities, creating a unique living experience. Thoughtfully crafted to reflect sophistication and character, The Elizabeth offers residents convenient access to key urban destinations while delivering a harmonious blend of heritage-inspired design and contemporary luxury living.

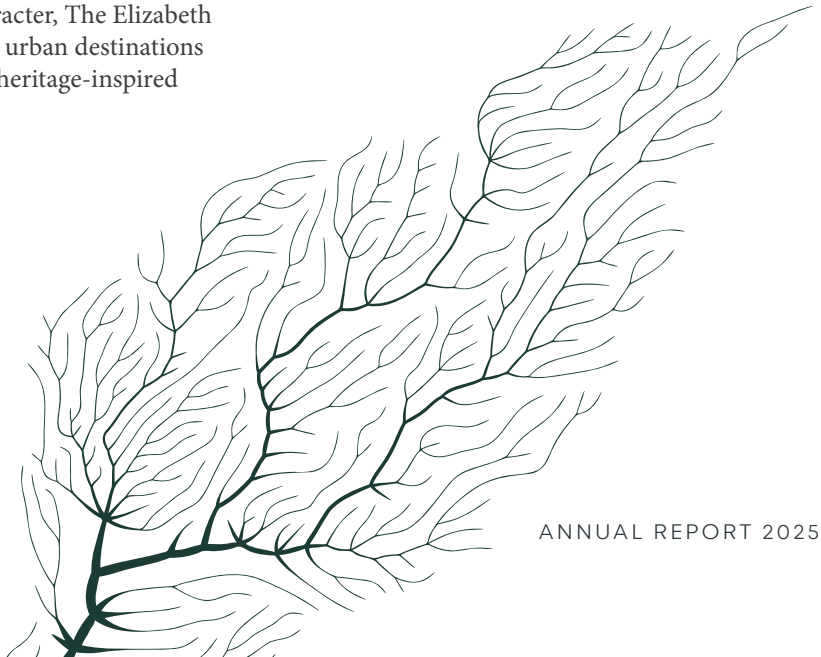
Newly Launched Projects	No. of Units	Target Completion
The Golf - Colombo 08	64	June 2028
The Elizabeth - Colombo 07	229	July 2029
Mon Vie - Colombo 05	349	April 2030
The Prime Colombo - Colombo 09	559	Oct 2030
Total No. of Units in newly launched projects	**1201**	

Future Outlook

PLR remains focused on strengthening its position as a leading real estate developer in Sri Lanka by pursuing sustainable, value-driven growth across its diversified project portfolio. The Group will continue to enhance its operational efficiency, financial resilience, and governance frameworks while aligning developments with evolving market needs and stakeholder expectations.

Looking ahead, PLR plans to expand its pipeline of residential and mixed-use developments, with a continued emphasis on design innovation, quality construction, and community-centric living. Greater integration of environmental, social, and governance (ESG) principles will remain central to project planning and execution.

In an evolving economic landscape, PLR will adopt a cautious yet opportunity-driven approach, leveraging strategic partnerships, prudent financial management, and customer-focused solutions to deliver long-term value to all stakeholders.



STRATEGY AND RESOURCE ALLOCATION

Our Strategy and Resource Allocation

Strategy development at PLR is a continuous discipline, guided by macroeconomic factors and internal organizational objectives of delivering enduring stakeholder value. As our business is building value in the real estate development delivering modern lifestyle living, we ensure that our long-term direction stays adaptive, resilient, and aligned with evolving expectations of our stakeholders.

Our strategy and resource allocation decisions, therefore, are designed to embrace innovation, quality construction, sustainability of the business retaining stakeholder trust and confidence in our value proposition. As economic stability gradually returned to the nation, tourism continuing to show increased in arrivals, and the migrant Sri Lankan communities seeking investment opportunities in the home country, we brought in agility to our strategy, revisiting and rebuilding where necessary to be relevant in a demanding development market in Sri Lanka.

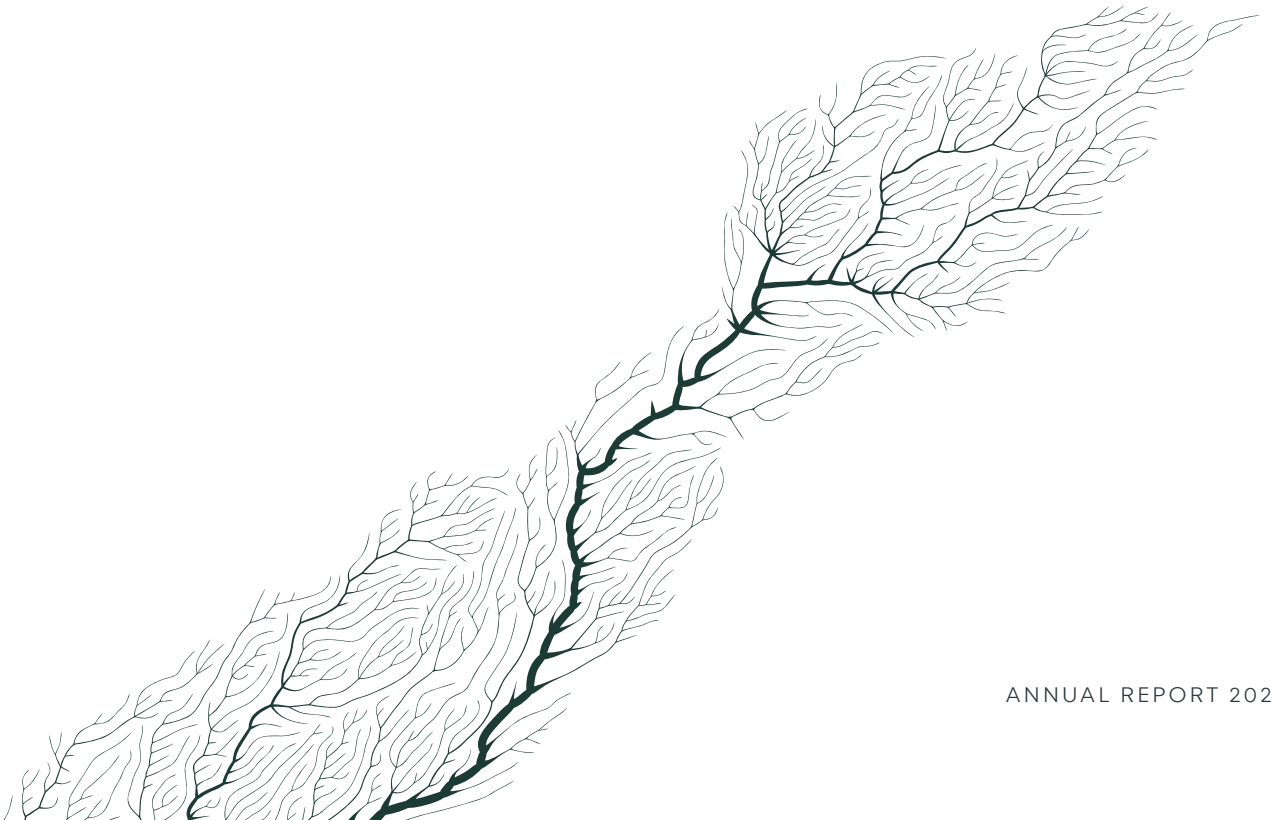
PETSEL analysis is pivotal to deliberating our strategy and in 2025/26, it represented the following scenario.

PETSEL	KEY TRENDS	RISKS	OPPORTUNITIES FOR THE REAL ESTATE DEVELOPMENT SECTOR	IMPLICATIONS FOR PLR
POLITICAL ENVIRONMENT	Stability, reform momentum, and evolving government structures converged to achieve a successful sovereign debt restructuring. Fiscal consolidation, an aggressive anti-corruption drive, and adherence to international treaties elevated confidence of the international community, that supported a sustainable national development agenda that prioritised Climate action and sustainable finance commitments.	Policy continuity around climate and economic reforms, regulatory interventions, taxation, and shifts government mandated lending practices are identified risks, that can strain the risk management frameworks in any organization. Geo-political tensions weigh heavily on the country's exports and capacity to attract foreign investments, impacting cross-border activities.	IMF programme and allied reforms offer macroeconomic stability, while the government's focus on financial inclusion creates opportunities for the real estate sector to engage in development, thereby creating employment opportunities that result in financial inclusion.	Stability is a welcome factor to engage in uninterrupted development that, to a degree results in supply chain continuity. The government's focus on infrastructure development is a positive platform that eases developmental glitches and ensures timely delivery.

PETSEL	KEY TRENDS	RISKS	OPPORTUNITIES FOR THE REAL ESTATE DEVELOPMENT SECTOR	IMPLICATIONS FOR PLR
ECONOMIC ENVIRONMENT	Sri Lanka's economy is in a slow growth phase, with GDP at 5% in the year 2025. Tourist arrivals achieved a milestone with 2.4 million arrivals by year end. Construction and industry sectors maintained positive momentum, while manufacturing and trade sectors benefit from improved investment opportunities, import funding, and lower interest rates. Rupee held steady, with moderate depreciation. Credit growth accelerated mainly in the private sector.	Currency depreciation, global commodity price volatility, rapid credit expansion, especially in gold-back lending and vehicle import funding exposes sectoral concentration. Fiscal deficit may widen due to disaster relief and reconstruction. Headline inflation may, in the short term, spike due to disaster related supply chain delays.	Cautious investment patterns were detected in the short term. Credit growth opened opportunities for customer loan facilities that ensured down payments were made in a timely manner.	PLR's offerings on flexible payment schemes helped customers manage their liquidity positions well and obtain top-up loans where necessary. Lower interest rates on savings and fixed deposits have encouraged customers to explore higher-return investment alternatives such as real estate, driven by the potential for value appreciation and long-term capital gains.
TECHNOLOGICAL ENVIRONMENT	Rapid digital transformation driven by policy support and customer expectations drives innovation and scalability. The inaugural Sri Lanka FinTech Summit 2025 aims at establishing over 200 FinTechs by year 2028 and contributing 3% to the national GDP .	Payment delays due to system downtimes at the banks or online transfers. System errors resulting in cybercrimes, diverting funds to scammers.	Digital innovation AI and Data analytics helped shape the real estate sector to make informed decisions based on real data. Regulatory support to innovate is a clear indication that the digitalisation is a key factor in a sustainable economy.	Technological innovation and digitalisation are strategic imperatives and key differentiators, for PLR. The Company innovated with AI driven hotlines, digital apps, and cloud transformations. This aligns with the national agenda of a digitized nation and PLR aligned well with such national intentions.

PETSEL	KEY TRENDS	RISKS	OPPORTUNITIES FOR THE REAL ESTATE DEVELOPMENT SECTOR	IMPLICATIONS FOR PLR
SOCIAL ENVIRONMENT	With an estimated population of 21.9 Mn and experiencing a negative growth rate of 0.6%, Sri Lanka's literacy rate was at 98.3% by end 2024. Labour force participation rate is 47.4%, with an unemployment rate of 4.4%. The Human Development Index is at 0.774, reflecting moderate social development. Poverty headcount ratio declined to 3.2% nationally, though regional disparities persist. The population is aging requiring measures for pension provisions, health, and relief measures. Youth development remains critical for the sustained development of the country.	Cyclone Ditwah impacted nearly 2 Mn people causing wide displacement, loss of lives and livelihoods, and extensive property damage. Women, children, and elderly were particularly affected, requiring target relief and rebuilding measures. This affected construction projects to some extent and disrupted supply chains. Timely delivery of projects were jeopardized, till the country gained some semblance of normalcy post-cyclone.	Construction industry quickly moved into rebuild, albeit because of a vast devastation and loss of life.	Material warehousing helped PLR to commence construction at an easy pace till the supply chain regained normalcy. PLR stepped into support those impacted by the cyclone by distributing essentials.
ENVIRONMENTAL ENVIRONMENT	Sri Lanka consistently ranked among the top ten Global Climate Risk Index for climate-induced extreme weather patterns, culminating in Cyclone Ditwah in November 2025. Estimated cost of physical damage is USD 4.1 Bn. Cyclones impact highlights the country's exposure to floods, landslides, and coastal erosion, with vulnerable communities bearing maximum damage. The government, however, has demonstrated strong commitment to climate action, aligning with Paris Agreement and introducing National Climate Finance Strategy (2025-2030). Identifying disaster risk insurance, green bonds, public-private partnerships, and natural capital accounting as financial instruments, its goal is to mobilise resources for risk mitigation and adaptation.	Physical risks include increasing unpredictability of climate related shocks, that digress development funds into disaster relief. Gradual shift into carbon-neutralism may depress fossil fuel dependent industries, requiring banks to evaluate lending strategy and introduce short term relief measures. Evolving environmental regulations, disclosure requirements, and green taxonomy standards necessitate ongoing compliance and capacity building.	Disaster risk management could transition into redesigning products to stave off climate shocks. Green building is becoming the norm and needs to be addressed in a focused manner. Incorporating sustainable operations into the real estate sector enhanced stakeholder confidence, facilitates cost optimization, and builds brand image as a responsible corporate citizen. Creating new partnerships with public-private sector entities leverages resources for climate action and sustainable development.	PLR is in a leadership position in the market to promote green building concepts. The Company has already included this aspect in the new projects and will continue to expand on the required for sustainability in the future projects.

PETSEL	KEY TRENDS	RISKS	OPPORTUNITIES FOR THE REAL ESTATE DEVELOPMENT SECTOR	IMPLICATIONS FOR PLR
LEGAL ENVIRONMENT	Legal and regulatory landscape in Sri Lanka underwent significant changes in 2025/26 including increased focus on obtaining approval for construction activities. Risk management, compliance, and corporate governance were microscopically focused with anti-corruption as a slogan. Corporate governance reforms, macroprudential policies, AML/CFT enhancements, technological risk management, taxation, and consumer protection were implemented requiring stringent adherence and penalties for breach.	Breach in any form can expose the Company to litigation risk, at high costs, requiring resource deployment, both manual and financial.	Simultaneously, the stringent reforms indicate government's commitment towards prudential transparency, regulatory innovation, and space for product innovation on many fronts.	PLR has an excellent track record of transparency and good governance. Proactive risk management, continued investment in compliance and skill building are required to stay ahead of the competition. During the year, PLR was required to navigate multiple regulatory approval processes in line with prevailing legal and compliance requirements.



STRATEGY AND RESOURCE ALLOCATION

Strategy for 2025/26

Our strategy for 2025/26 hinged upon Short, Medium, and Long-term focus.

	Short Term 1-2 Years	Medium Term 3-5 Years	Long Term 5+ Years
Short Term	• Enhance liquidity and cash flow management to support stable operations and sustainable growth. • Strengthen operational efficiency and cost management to improve profitability and business resilience. • Enhance customer satisfaction through improved service delivery and after-sales support. • Strengthen stakeholder engagement and transparent communication with investors, customers, employees, and regulators. • Improve employee wellbeing, training, and workplace safety practices. • Maintain strong compliance, governance, and risk management frameworks.		
Medium Term		• Expand the Company's project portfolio through strategically selected residential and mixed-use developments. • Ensure timely completion and delivery of ongoing projects while maintaining high-quality standards. • Integrate sustainable construction practices and environmentally responsible designs into future projects. • Strengthen brand reputation and market positioning as a trusted real estate developer. • Enhance digital transformation initiatives to improve operational efficiency and customer experience. • Increase value creation for shareholders through sustainable earnings growth and operational excellence. • Strengthen community engagement and social responsibility initiatives in areas where the Company operates.	
Long Term			• Maintaining the position of Prime Land Residencies PLC as a leading sustainable property developer in Sri Lanka. • Achieve long-term sustainable profitability and resilient shareholder returns. • Build a diversified and future-ready real estate portfolio aligned with evolving market needs. • Integrate ESG principles into strategic decision-making and business operations. • Contribute to sustainable urban development and community wellbeing through responsible developments. • Foster long-term stakeholder trust through ethical governance, transparency, and sustainable business practices. • Create enduring economic, social, and environmental value for all stakeholders while supporting national development priorities. • Develop long-term partnerships with suppliers, contractors, and financial institutions to support business continuity.

Strategic Strength and Value Drivers

Distinctive value drivers set our portfolio apart and form the foundation of a robust strategy that delivers sustainable competitive advantage, shown below.

Brand Equity

A recognized market leader positioned as the real leader in modern real estate, celebrating 30 years of excellence with accolades including Best Property Developer by PropertyGuru, the most awarded real estate company in Sri Lanka, and the CA Sri Lanka TAGS Silver Award.

Best Property Developer by PropertyGuru

CA Sri Lanka TAGS Silver Award

Product Diversification

We own a robust product pipeline that includes Luxury, Ultra Luxury lifestyle, leisure offerings.

Financial Prudence

A strong financial and operational position during the year, supported by a robust work-in-progress portfolio, provided a solid foundation to support ongoing project execution, future growth opportunities, and long-term value creation for stakeholders.

Sector Expertise

A well -experienced management team drives disciplined execution, with commitment to creating lovable and livable neighbourhoods.

Innovative Culture

Innovation permeates our total operational fabric from design to financial structuring, digital marketing, sales and services, aftersales service, creating a superior ownership journey and an unparallel customer experience.

Strategic Pillars and Drivers

Strategic Pillar	Sub-Component	Strategic Description
Effective Governance	Resource Allocation	Investments in high-potential land, quality engineering design and products, customer acquisition, digital platforms, and ESG-led initiatives
	Execution Oversight	Executive Committee (EXCO) leads implementation with Board-level reviews, internal audits, and dynamic risk register updates
	Cross-Functional Coordination	Collaboration across marketing, sales, finance, legal, compliance, engineering, and projects to ensure timely delivery of high-impact projects

Risk Mitigation Framework

Risk Area	Strategic Response
Revenue Volatility	Phased project launching, introduction of flexible payment plans and strategic partnership with banks and financial institutions
Cost Pressures	Tight cost controls and lump-sum contracting to mitigate inflation and escalation risks
Geographic Concentration	Expansion into Southern and Central Provinces to diversify exposure
Regulatory Lags	Proactive coordination with UDA, BOI, and improved approval tracking systems

Organizational Alignment

Focus Area	Strategic Initiative
Accountability & Collaboration	Reorganization to strengthen cross-functional execution and project ownership
Human Capital Optimization	Role redesign, employee recognition, career development, and internal promotions
Operational Strengthening	Enhancing internal audit, strategy, and international operations to support expansion

Growth Drivers

Growth Driver	Strategic Action
Geographic Expansion	Ongoing projects across the majority of Colombo catering to the demand from high-net-worth investors, while also extending to key locations across Sri Lanka.
Customer Acquisition	Aggressive multi-channel strategy including digital marketing, investor forums, ATL & BTL initiatives
Financial Innovation	Introduction of 1% Plan, and other flexible payment structures
Strategic Partnerships	Collaboration with reputed contractors, vendors, and financial institutions

Progress Mapping

Area	Key Performance Indicators
Financial	PAT, ROE, and other core financial metrics
Operational	Unit reservations, collection efficiency, project timelines, customer complaints resolutions
ESG & Brand	Green certifications, ESG alignment, customer satisfaction, digital engagement, brand health
International Expansion	Market diversification, partnership formation, overseas customer acquisition and service setup

Our Strategic Vision for 2025/26

In shaping our 2025/26 strategic direction and execution priorities, we built decisively on prior insights and realigned resources to drive sustainable growth and long term value creation. The year's successful launches of Mon Vie (Colombo 05), The Golf (Colombo 08), The Prime Colombo (Colombo 09), and The Elizabeth (Colombo 07), materially strengthened our project pipeline and cemented our leadership in Sri Lanka's premium residential condominium market.

Given the scale and combined value of these developments, strategic emphasis was placed on disciplined capital allocation, phased construction planning in collaboration with our affiliated company, Prime Constructions (Private) Limited, for selected ongoing projects, and prudent working capital management and warehousing practices to ensure operational efficiency and financial resilience. We also continued to strengthen procurement planning, value engineering initiatives, and contractor engagement models to mitigate cost pressures and improve execution timelines amid evolving market conditions.

Recognizing evolving customer expectations within the luxury and upper-mid residential segments, we enhanced investments in customer engagement platforms, Prime Premier operations, call centre operations, digital marketing initiatives, and data-driven sales strategies to improve market reach, buyer insights, and conversion effectiveness. Greater focus was also placed on product differentiation, lifestyle-centric design concepts, and value-added amenities to enhance the attractiveness and competitiveness of our developments.

In parallel, we continued to strengthen governance frameworks, project monitoring mechanisms, and cross-functional coordination to support the timely delivery of projects while maintaining stringent quality standards. Feedback from customers and investors further guided improvements in handover readiness, after-sales service, and the overall customer experience, reinforcing our commitment to excellence across every stage of the property ownership journey.

Resource Allocation

Resources for each strategic driver are allocated according to priority and expected business impact. We rigorously assess financial, human, and relational needs and embed those provisions into our forward financial plans. This disciplined approach removes executional bottlenecks and ensures strategy delivery is uninterrupted.

FINANCIAL CAPITAL



The Company is exposed to interest rate, foreign exchange, liquidity, and market-related risks that may adversely impact cash flows and profitability, particularly due to its dependence on imported construction materials.

Impacted UN SDGs

8 DECENT WORK AND ECONOMIC GROWTH

Link to Material Topics

Profitability

Financial Stability

In the 2025/26 financial year Prime Lands Residencies PLC benefited from a confluence of favorable macroeconomic and operational factors that materially strengthened demand and underpinned improved sales performance. Improved economic conditions and heightened consumer confidence translated into stronger buyer intent across our target segments, producing a clear uplift in enquiries and transactions compared with the prior year. Complementing this demand-side momentum, more stable interest rate and financing conditions, together with broader access to housing finance reduced purchase friction and supported customers' ability to commit, thereby enhancing conversion rates and shortening sales cycles.

At the same time, strategic investments in digital marketing and virtual sales capabilities expanded our market reach, increased operational efficiency, and raised lead to sale conversion through targeted online campaigns, virtual viewings, and data driven customer engagement. Collectively, these dynamics not only improved near term commercial outcomes but also strengthened Prime Lands Residencies' competitive positioning and resilience, providing a robust foundation for sustainable growth and value creation going forward.

Revenue Recognition Policy

Sale of Property - Lands

Revenue from the sale of lands is recognised at the point in time at which control of the property is transferred to the customer. The sale of land is generally treated as a single performance obligation, and revenue is recognised when the Company has fulfilled its obligation to transfer ownership and the customer obtains control of the property.

Sale of Property - Apartments

Revenue from the sale of apartments is recognised using the percentage of completion method as construction progresses. Revenue recognition is based on the lower of the percentage of construction completion or the percentage of customer advances received, subject to the following minimum thresholds:

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

In line with the Company's established revenue recognition practice, revenue is recognised based on actual cash receipts received during the financial year, and trade debtors are not recognised in the Statement of Financial Position for this purpose.

FINANCIAL CAPITAL

Economic Indicators

Macroeconomic dynamics, most notably shifts in interest rates, inflationary pressures, and variations in consumer purchasing power, exerted the most significant influence on demand across our portfolio, directly shaping buyer behaviour and transaction volumes. In response, the Company implemented a coordinated suite of countermeasures designed to mitigate these headwinds and preserve commercial momentum. Without diluting the quality of our construction, we rigorously implemented cost management initiatives, protecting margins, and improving operational efficiency. The accelerated investments in digital marketing and virtual sales capabilities broadened market reach while containing costs. Enhanced conversion rates and the introduction of flexible payment schemes reduced affordability barriers and stimulated buyer commitment. We sustained sales velocity by delivering projects in high demand locations combined with asset desirability. Collectively, these measures materially reduced sales cycle friction, stabilized cash flows, and strengthened PLR's resilience, positioning the Company to capitalize on improving market conditions while maintaining disciplined financial stewardship.

Revenue Performance

During FY 2025/26, the Company recorded total revenue of Rs. 11,031 Mn, compared to Rs. 8,260 Mn in FY 2024/25, reflecting a year-on-year growth of approximately 34%. This growth was supported by improved market conditions, stronger buyer confidence and continued demand for the Company's residential apartment and land offerings.

The Apartments segment remained the principal contributor to revenue, generating Rs. 9,691 Mn, while the Lands segment contributed Rs. 1,340 Mn during the year. The strong contribution from the Apartments segment reflects continued demand for strategically located residential developments, while the Lands segment provided a complementary contribution to the Company's diversified revenue base.

Operating Profit

Operating profit increased to Rs. 2,692 Mn in FY 2025/26, compared to Rs. 1,591 Mn in FY 2024/25 and Rs. 1,735 Mn in FY 2023/24. This represents a 69% increase over the previous year and demonstrates the Company's ability to convert revenue growth into stronger operating results.

The improvement was driven by higher revenue generation, disciplined cost management and enhanced operational efficiency. The year's performance reflects the Company's continued focus on strengthening profitability while maintaining effective control over project-related and operating costs.

	FY 2025/26	FY 2024/25	FY 2023/24
Operating Profit	Rs. 2,692 Mn	Rs. 1,591 Mn	Rs. 1,735 Mn
Growth	69%	-8%	-64%

Asset Growth

The Company's total asset base increased to Rs. 36,813 Mn as at 31 March 2026, compared to Rs. 22,060 Mn in the previous year. This significant growth was mainly driven by the expansion of inventory properties relating to apartments and lands, which increased to Rs. 28,133 Mn from Rs. 14,320 Mn in FY 2024/25.

The increase in inventory properties reflects the Company's continued investment in development projects and land assets to support future revenue generation. Despite the expansion in the asset base, Return on Assets was maintained at 6%, in line with the previous financial year, indicating stable asset utilisation during a period of significant business growth.

	FY 2025/26	FY 2024/25	FY 2023/24
Total asset base	Rs. 36,814 Mn	Rs. 22,060 Mn	Rs. 15,760 Mn
Return on Asset (ROA) %	6%	6%	7%

Stakeholder Value Distribution

The Company continued to generate and distribute economic value among its key stakeholders, including employees, providers of capital, the Government, suppliers, contractors, customers and the wider community.

Employee wages and salaries increased to Rs. 331 Mn from Rs. 281 Mn in FY 2024/25, reflecting the Company's expanded operational scale and continued investment in human capital. Cadre strength increased to 137 employees from 98 employees in the previous year, supporting the Company's growing project and business requirements.

Payments to providers of loan capital increased to Rs. 333 Mn from Rs. 121 Mn in FY 2024/25, mainly due to the increased borrowings obtained to support business expansion and project development activities. Payments to providers of equity capital amounted to Rs. 750 Mn, declared to be paid in June 2026.

The Company also made a significant contribution to the Government through taxes, amounting to Rs. 762 Mn during the year, representing a 33% increase compared to the previous year. In addition, the Company contributed Rs. 100 Mn to the Rebuilding Fund to support communities affected by Cyclone Ditwah, reflecting its commitment to creating broader social and economic value.

	For the year ended 31st March 2026 (Rs.)	For the year ended 31st March 2025 (Rs.)
Direct economic value generated		
Revenue	11,031,333,018	8,259,800,877
Economic Value distributed		
Operating cost	8,232,244,461	6,513,392,155
Employees wages and Salary	330,662,535	281,354,059
Payments for providers to equity capital	750,000,000	562,500,000
Payment to Government	761,836,382	572,329,013
Payments for providers to loan capital	332,842,686	120,982,615
Economic value retained	623,746,954	209,243,035

Prudent Financial Management

During the year, the Company's capital structure evolved primarily through an increase in debt financing to support business expansion and project development activities. Total borrowings increased by approximately Rs. 6 Bn, which facilitated a significant growth in inventory levels by approximately Rs. 14 Mn, reflecting ongoing investments in development projects and land inventory. In addition, the Company strengthened its asset base through increases in fixed deposits of approximately Rs. 400 Mn, investment properties of approximately Rs. 183 Mn, property, plant and equipment (PPE) of approximately Rs. 390 Mn, and advances paid to contractors of approximately Rs. 600 Mn to support construction progress and operational activities.

Capital Allocation

Management prioritizes capital allocation towards new developments with a focus on funding projects through presale collections rather than increased bank borrowings. The Company aims to maintain a balanced approach between project expansion, operational capital expenditure, and prudent debt management. Investment decisions are driven by expected profitability and cash flow generation. The Company intends to maintain a stable dividend payout ratio going forward, while balancing the objective of rewarding shareholders with the need to preserve financial stability and support future operations, growth, and investment opportunities.

Challenges

The Company is exposed to interest rate, foreign exchange, liquidity, and market-related risks that may adversely impact cash flows and profitability, particularly due to its dependence on imported construction materials. Potential contingent liabilities may also arise in the normal course of business, including those associated with construction activities and customer advances. To manage these exposures, the Company maintains prudent cash flow and liquidity management practices, continuously monitors borrowing levels, financing costs, and foreign exchange fluctuations, and applies strong governance frameworks, value engineering initiatives, and disciplined cost-control measures to safeguard financial stability and support sustainable growth.

Outlook 2026 /27

Over the next 12–24 months, the Company intends to maintain a prudent and balanced capital structure by managing debt levels within acceptable parameters, improving project-related cash flows, and selectively investing in development opportunities that align with its strategic objectives and growth ambitions. In navigating the challenges and opportunities of 2026/27, management will continue to focus on strengthening presale collections, exercising disciplined cost and cash flow management, and closely monitoring borrowing requirements and financing costs. The Company will also pursue operational excellence through enhanced efficiency initiatives, effective resource utilization, and rigorous risk management practices. These measures are expected to strengthen financial resilience, support sustainable growth, and position the Company to capitalize on future market opportunities while safeguarding shareholder interests.

MANUFACTURED CAPITAL



Our Manufactured Capital is an embodiment of our vision, which is, "Committed to Creating A Better Place on Earth" and is operationalized through our brand promise of " Creating Livable Lovable Neighbourhoods". It is this commitment that transformed real estate into community-centric value creation and PLR the leader in the industry.

The Focus

The portfolio comprises of residential development, a land bank, ongoing construction projects, completed apartment units, infrastructure facilities, machinery and equipment, office premises, information technology systems, and other operational assets that support business activities for the long term value creation.

The Strategy

As a strategic asset class, we invest selectively in prime sites with high quality material, infusing modern construction technologies with artful and luxurious living. This affords the resident long-term value and operational resilience, as we leveraged integrated digital ecosystem to improve procurement, scheduling, and asset utilization. While we adhere to rigorous maintenance and lifecycle planning of our manufactured capital, we stringently engage in cost optimization without jeopardizing end-product-quality and implement a strong risk mitigation to support scalable expansion. These efforts culminate in superior customer experiences across domestic and international markets.

Management Approach

Foundational to our competitive advantage, revenue streams, and value creation, we prioritize investments that maximize cost effectiveness and meet the evolving needs of diverse customer bases and enhance our brand visibility in the marketplace. Every investment opportunity moves through a rigorous, top-level scrutiny, multiple evaluations, and feasibility studies for informed decision making. Selection of land and finalizing building designs are done to optimize value, create market appeal, while adhering to construction laws and compliance regulations. We carry out a multi-stage appraisal process in a disciplined manner to ensure strategic alignment, mitigate risk, and continue with the consistency that is the hallmark of PLR in project quality and timely delivery.



Highlights

49
Projects

4655
Total Units

Rs 6000 Mn
Invested in apartment development

8628
Perches of Land Inventory

Impacted UN SDGs



Impact of Intellectual Capital on other Capitals

Financial Capital
Strengthens financial capital via income generation, enhancing long-term sustainability.

Social and Relationship Capital
Ensures transformation of neighbourhoods for livable and lovable areas, generating peripheral economic activity in the area and employment.

Human Capital
Creates opportunities for employee learning, development, and enhanced experience.

Intellectual Capital
Enhances reputation and brand value

Natural Capital
Contributes significantly to environmentally friendly construction methods as the Company increasingly deploys green building concepts in the projects.

MANUFACTURED CAPITAL

Link to Material Topics



Land Inventory



Project Execution



Brand Image



Excellence in Quality



International Market Engagement and Compliance



Customer Experience (Domestic and International)

Project Infrastructure

Project infrastructure includes residential apartment, strategic land holdings and development properties, construction plants and equipment, head office and the branch office facilities, IT infrastructure and operational system, and on-site utilities and supporting infrastructure, managed to maximize asset performance. Engineers specialized in various fields are entrusted with project management while construction work is outsourced under the strict supervision of the Project Managers. These managers are facilitated from internal support services including finance, logistics, and design, Procurement and Quantity Surveyors.

Please refer to the section on Review of Business Operations at page 54 for details.

Technology and Innovation

A core element of our operational strategy is a commitment to technology and innovation to drive sustainability and efficiency. The commitment starts with responsible procurement and customer-centric innovations that offers convenience and agility. Integrating advanced construction methods, and digital design and modelling we improve quality, speed, and lifecycle performance of our developments. Prefabrication is used to reduce waste and accelerate delivery while IoT sensors and remote monitoring helps in predictive maintenance and utilities management. Digital procurement enhanced on-site productivity and in confluence, these measures enhance building standards, lowers total cost of ownership, and extend life and resilience of built assets.

Green Building Methods

Prioritizing environmentally responsible design and execution, we embedded sustainability into project planning, construction, and asset management. Energy efficiency as a key criterion, we infused energy-efficient building designs and lighting and included natural ventilation to optimized daylighting and resident wellbeing. Water, that is a scarce resource was also prioritized for responsible consumption as we implemented water efficient fittings in our projects. We engaged in environmentally conscious landscaping while material-efficiency practices were adopted for waste reduction. Selecting durable and sustainable construction material, we ensured sustainability as foundational to meet evolving industry best practices and meet stakeholder expectations.

The Community Impact

We are committed to minimizing social and environmental impacts of our development activities through pre-emptive assessments and site-level controls. Pre-project work includes obtaining the necessary licenses and approvals and when constructing, we implement site-specific environmental management plans to control dust, noise and debris collection. Waste segregation and responsible disposal procedures are strictly adhered to while health and safety protocols are enforced to protect the community and onsite personnel.

We are cognizant of the continued social license to operate and consistently apply all controls and compliance mechanisms within the robust governance framework to align our operational practices with environmental protection.

Our eco-friendly approach to the manufactured capital, and reinforcing our technological backbone not only enhanced operational efficiency but underscores our commitment to environmental accountability and innovation. The physical and technological assets remain pivotal to driving long term value creation for our diverse stakeholders.

Insurance Coverage

The Group maintained a robust risk management framework throughout 2025/26, with comprehensive insurance coverage tailored to various stages of construction and maintenance across all ongoing projects. A Contractors' All Risk policy was in place with Workmen's Compensation, Third-Party Liability, Professional Indemnity, and Public Liability, safeguarding the workforce, the contractors, professions, residents, and neighbourhood properties.

At the maintenance stage, we implemented a stringent fire dur diligence, including risk assessment, regular inspection of the effectiveness of the systems, and contractor oversight. We conducted staff training to ensure regulatory compliance and rapid response capabilities, reinforcing our commitment to a holistic superior customer experience that sets us apart from the competition.

Challenges

As a condominium developer, working alongside the neighbourhoods so as to protect their right to quiet living is a priority and also a challenge. There are certain impediments that are inherent to any construction project and as a condominium developer, these challenges seem to look large, according to the project in hand. We intrusively focused on ensuring lease disturbance to the neighbourhoods and deployed rapid response teams to manage and mitigate any risks or challenges that arose during the project lifecycle.

Our brand promise is Livable Lovable Neighbourhoods and as such managing customer concerns through an effective aftersales service is key to customer loyalty and delivering our brand promise. We offered these services well beyond the warranty periods to ensure customer satisfaction in residing in one of our landmark developments

Outlook 2026/27

- Expand its residential and mixed-development project pipeline in strategically selected locations.
- Adopt innovative construction technologies and modern engineering practices to improve operational efficiency and project delivery timelines.
- Enhance sustainable building practices through energy-efficient designs, environmentally responsible materials, and green building initiatives.
- Strengthen digital integration across project planning, customer engagement, and operational monitoring to improve productivity and customer experience.
- Maintain prudent capital allocation and disciplined project management to optimize returns on infrastructure investments.
- Upgrade internal systems and operational capabilities to support scalable growth and evolving market demands.





INTELLECTUAL CAPITAL



Our intellectual capital is foundational for resilience and competitiveness. A critical intangible asset, it is on par with financial and physical capitals, supporting continued value delivery, stakeholder trust, and sustainable growth.

The Focus

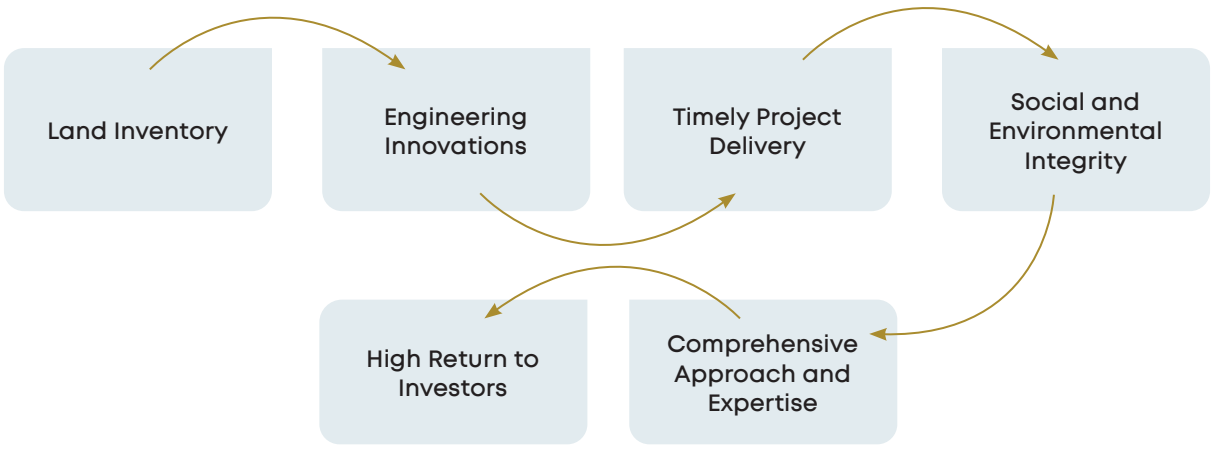
We focused on investing in employee knowledge creation, retention, and transfer within the Company. In the highly competitive Sri Lankan real estate industry knowledge capture is crucial to be the undisputed leader in real estate environment. We focused on investing in employee knowledge and skill upgrading, leadership development, and digital literacy. Innovation, digital transformation, and convenient customer service were strengthened, framed by a robust organizational learning culture.

The Strategy

Structured training programmes for digital skills, compliance, and customer service excellence were held across our footprint. Capturing knowledge and experience is crucial for a sustainable operation while applying lessons learned from completed development projects was applied to new ventures. Technical expertise related to construction methods, project scheduling, supplier management, customer preferences, legal compliance, and cost control was continuously curated and referred to improving operational efficiency and reduce risks in future developments. The repository of accumulated organizational knowledge contributed to informed decision-making, enhanced project quality, and strengthened the company's ability to maintain delivery timelines and customer satisfaction.

Management Approach

We strengthen our intellectual capital by bolstering brand reputation, investing in employee capabilities, delivering superior customer experiences, and approaching challenges with a legacy of industry know-how. Infusing digital capabilities and creating space for innovation, we create sustainable value through our intellectual capital.



Highlights

28 Training Programmes conducted at an invest of **Rs 4.2 Mn**

22 Digital and technological upgrades at an investment of **Rs 50 Mn**

Age range of employing ranging from **18** to **55** signifying depth of tacit knowledge

Savings of **Rs. 60 Mn** achieved through value engineering from inhouse technological initiatives.

06 Innovation Projects at an investment of **Rs 20 Mn**

Impacted UN SDGs



Impact of Intellectual Capital on other Capitals

Financial Capital
Our strong brand attracts strategic partners, enabling us to secure revenue and market share. Furthermore, this brand's strength fuels business expansion and successful entry into new overseas markets.

Social and Relationship Capital
By committing to quality, excellence, and ethics, we deliver exceptional customer value and nurture strong relationships with our business partners and communities.

Human Capital
Equip employees with the knowledge and expertise needed to deliver exceptional service.

Manufactured Capital
Leveraging innovation and accumulated knowledge and expertise to enhance the efficiency of our manufactured capital.

Natural Capital
Driving digitalization, innovation, efficiency, and resource management improves sustainable resource use.

INTELLECTUAL CAPITAL

Link to Material Topics



Culture and Conduct



Project Execution



Health and Wellbeing



Career Growth



Pay and Benefits



Excellence in Quality

Intellectual Repository

We systematically create, retain, and transfer knowledge from past residential mixed use/commercial projects across our businesses. The technical expertise gained are captured and reused to improve efficiency and reduce operational risk. This also helps in informed decision making, enhance project quality, and ensure timely delivery. The intellectual repository we hold contains expertise in construction methods, scheduling, supplier management, customer preferences, legal compliance, and cost optimization.

Recording the lessons learned from construction challenges, reasons for delays, customer feedback, and through performance reviews are captured in internal reports for review and management discussions. We strive thereby to expand our tacit knowledge in dealing with negative scenarios to alleviate any repetition of such incidents. Continuous improvement as the benchmark, these learning mechanisms foster innovation in project execution and strengthen risk management. Contributing to an enhanced service delivery, the practice also helps in operational resilience and sharpen the competitive edge in the real estate development market.

Further, the cross -team knowledge sharing enhances expertise across functions for seamless execution of projects. Spanning across the project lifecycle, these exchanges speed up decision making, reduce duplications, improve efficiency, and foster a culture of collaboration.

A Strong Brand

Firmly positions as a trusted premium real estate brand in Sri Lanka, the Company is renowned for quality, timely delivery, prime locations, competitive pricing, and superior customer service.

Business is conducted with integrity and ethics with the required legal and environmental approvals in place. This unblemished compliance track record enhanced brand equity that culminated in being listed among Sri Lanka's top 100 most valuable brands (Brand Finance). As a leader in modern real estate development the Company is also innovative and carries a strong project visibility in the industry.

PLR was featured in Philip Kotler's "Essentials of Modern Marketing" (Sri Lanka Edition) Sep 2025 evidencing the leadership role the Company has achieved in one of the stiffly competed industries in Sri Lanka.



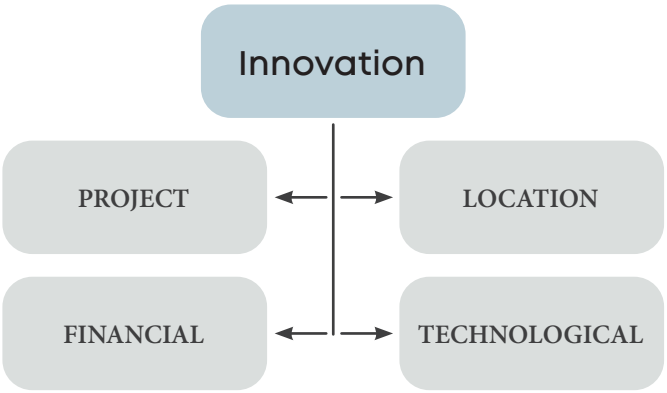
Innovation

The Company innovates in a variety of way, aligning with the latent and emergent needs of a diverse customer demography. J'adore Negombo was constructed to capture the increasing tourist market as the demand for serviced apartments are on the rise. Similarly, MON VIE, Sri Lanka's first ever floating restaurant and the cantilevered viewing deck were constructed in 2025/26 expanding the creative repertoire of projects.

Location innovation continued in 2025/26, with The Golf, Colombo 8 being constructed overlooking the iconic Royal Colombo Golf Course. The Company's intellectual capital has the remarkable ability to identify previously undiscovered scenic locations that add value to its project portfolio, while transforming the surrounding neighbourhoods and communities.

Technology innovation took the form of The Prime Edge App, launched in 2025 that converted contacts to customers on a digital platform, revolutionizing referral generation. A short code 1322 was designed that linked the digital app with the call centre.

Financial innovation made convenience a key to the customers by lowering down-payments and charging a monthly 1% to make luxury affordable.



Protecting Intellectual Property

The accumulated knowledge and the proprietary know-how are critical competitive assets that encompass architectural concepts, project designs, branding, digital content, and operational methodologies. PLR has implemented robust and secure digital systems, deployed advanced technological platforms, and maintains access restrictions combined with internal approvals for accessing confidential data in a systematic manner. The Company periodically monitors and test information-security and IP policies to continually strengthen governance and risk management for sustainable growth.

Technology Enabled Operations

Our operational resilience is reinforced by a robust IT ecosystem. Year 2025/26 marks the completion of the Group's five-year digitalization journey, that re-engineered procurement, construction, project management, finance, and the customer lifecycle into a single ecosystem across nine entities. These combined to deliver measurable gains in convenience, transparency, and operational efficiency.

Finance Automation

In-house software engineers updated SAP Business One from version 9.30 to version 10, modernizing finance, inventory, and procurement system. The system restores full vendor support and enables further integration with additional SAP user licenses to accommodate growth in the long term. The system is also able to accommodate withholding tax calculations and external agency payments, that enabled resources to be allocated to more viable roles within the Group.

Strengthening this further, the Group integrated SAP with the DFCC API Connect platform, building on the existing iConnect online banking arrangement to enable seamless real-time vendor payments. Prime Group became the first corporate client in Sri Lanka to adopt this API banking arrangement, marking a meaningful milestone in the digitalization of real estate finance.

Cloud Capacity

The Group expanded its cloud data centre capacity to accommodate the increased transactional load that was generated by the digitalization. State of the art hardware was installed to secure uptime for critical operations and iDrive helped off site and remote staff to be brough under a managed back up regime.

Customer Experience Integration

Sri Lanka's first four-digit real estate hotline, 1322, was launched in 2025/26, providing a convenient one-stop-shop for prospective and existing customers. Deploying Artificial Intelligence (AI), a virtual assistant supports in converting enquiries into sales demonstrating tangible commercial value from AI.

AI powered Prime Bee, a property assistant on the Group's website offers further assistance to customers and identifies potential buyers. Prime Edge, the mobile app empowers the sales journey from referral-to-leads-to-customers. Prime Grand, the Group's website was awarded the Gold Award recognizing our digital transformation and commitment to adopting new technologies that suits a dynamic industry.

In addition, the Group adopted AI capabilities across a plethora of operational and customer contact aspects that positioned PLR as an innovative real estate developer that integrates technology with construction and delivery, a rare fusion in the industry.

AI Adoption Across the Enterprise

Artificial Intelligence is now embedded in everyday workflows across the Group, supporting teams in Sales, Marketing, Customer Service, and Customer Experience to drive lead generation, sales forecasting, customer engagement, and campaign performance. In Digital Advertising, AI underpins creative production, brand monitoring, and the analysis that shapes how the Group reaches its customers.

Across IT, Human Resources, Audit, Finance, and Legal, AI assists with task automation, threat detection, document review, and compliance checking, freeing professional capacity for higher-value work. In Quantity Surveying, Housing, Engineering, and Procurement, AI brings sharper supplier and quotation evaluation, design optimization, and material forecasting to the project lifecycle, reinforcing the Group's position as a technology-led real estate developer.

INTELLECTUAL CAPITAL

Data Security

The exponential speed with which technology advances gives rise to cybercrime and cyber security threats. The Group invested in addressing these by adopting perimeter defence, endpoint protection, secure remote access, and independent assurance. As a leader in the industry, we are committed to ensuring customer data privacy, secured financial information, and robust operational systems to protect the business and reduce losses due to cybercrime.

A Board level responsibility, data governance is supervised by a senior member of the Group aligning with Sri Lanka's Personal Data Protection Act (PDPA) combined with international best practices. Awareness sessions were conducted for PDPA requirements to embed the policy requirements as well as gain commitment from our employees towards this crucial aspect of governing in a broader sense.

Significant investment went into reinforcing the Group's digital perimeter. A cloud firewall was deployed at the Dialog Cloud Data Centre, complemented by SonicWall firewalls across branches and remote sites. Remote workers gained secure access through the SonicWall VPN tool with two-factor authentication, while ESET Endpoint Detection and Response strengthened protection at the user level.

To independently validate these efforts, the Group commissioned a Vulnerability Assessment and Penetration Test with EY Sri Lanka covering the Group IT infrastructure, with all identified remediation actions duly completed. The Group also migrated from the open-source Zimbra email platform to Zoho Mail across the Group, modernizing a critical communication channel for staff.

Systems and Process Enhancements

Customer Payment System

Customer payment systems and communication were digitized triggering instance e-receipts, while email and automated payment reminders improved collection efficiency. The WATI platform adopted by the Recovery Department helps in a traceable, one-time whatsapp contact for consistency and professionalism.

Customers now receive instant e-receipts and timely payment reminders through both WhatsApp and email, reflecting the Group's commitment to seamless and convenient engagement. ClickUp was also rolled out across the Group as the workflow platform for staff onboarding and offboarding, marketing, and project management, giving teams real-time visibility and a more disciplined way of working.

Progress Reports

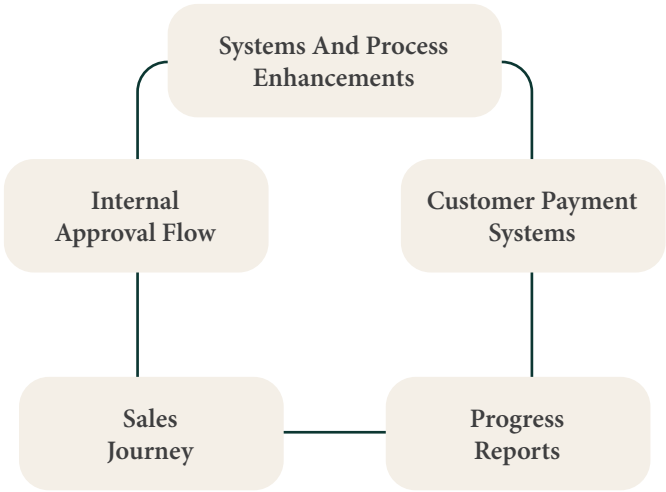
Automated construction updates allow customer a real-time visibility of the progress of their property investment.

Sales Journey

Fully digitalized and convenient, the Know Your Customer (KYC) process is fully digital, improving the quality of customer data capture and time efficiency of operation. This combines customer agreements that bridges the gap between reservation and agreement sign up, for both domestic and international customers.

Internal Approval Flow

Digital signatures with a time-stamped audit trail streamlined internal process for employee onboarding and CAPEX approvals eliminating the need for document printing and circulating. This process allows the leadership real-time visibility of progress and accountability across the functions.



Value Engineering and Cost Savings

A focused value engineering exercise was carried out across major technology-related building services scopes, including Multi-Apartment Television, Closed-Circuit Television, Public Address, and Smart Home systems across several projects, delivering significant capital savings to the Group without compromising quality or specification.

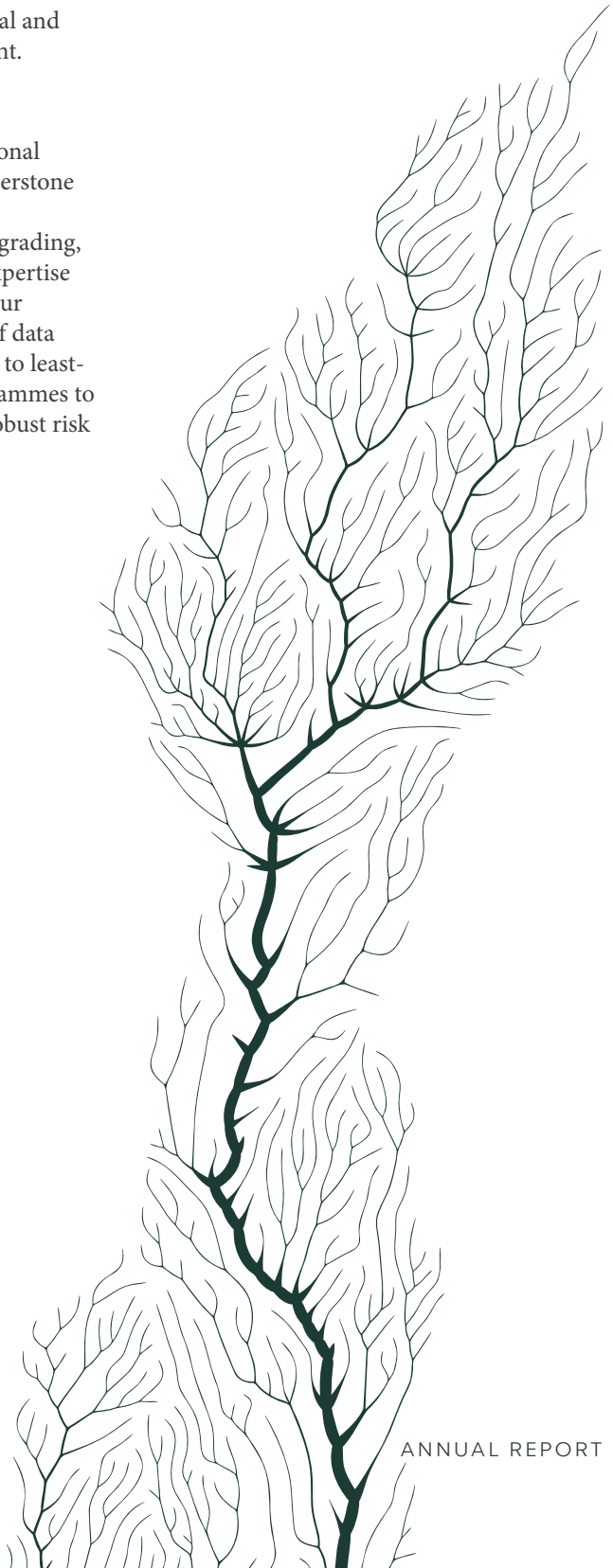
In parallel, the Group's in-house IT division built and integrated several capabilities that would otherwise have required external software purchases or outsourced implementation, contributing further to operational efficiency. Together, these efforts reinforce a build-in-house philosophy that retains intellectual capital within the organization, while delivering meaningful savings to the bottom line.

Regulatory Compliance

Aligning with global standards and local regulations, the Group's fundamental technical stance is governed by local regulatory requirements and international standards. As required, we stringently adhere to technology resilience, incident reporting, and risk assessment. We ensured that our systems capabilities of resisting and recovering from cyber-attacks. Personal Data Protection Act No 9 of 2022 further enhances our responsibility and accountability towards storage and retrieval of customer data, both personal and financial, which we ably carried out without incident.

Outlook 2026/27

Anchoring innovation, customer trust, and operational excellence, our intellectual capital remains the cornerstone of sustainable value creation. We will continue to systematically capture knowledge, invest in skill upgrading, and foster collaborative partnerships, translating expertise into measurable outcomes. Continuing to mature our data governance processes through formalization of data classification, refinement of access controls aligned to least-privilege principles and extending awareness programmes to handle customer data will be prioritized within a robust risk management structure.



HUMAN CAPITAL



Our employees are the backbone of the business operation and the competitive advantage of our success. Their desire for learning and development combined with dedication and resilience in facing challenges helped us navigate headwinds delivering value to our customers and ensuring a sustainable business.

GRI 2-7

The Focus

It is our people that drive strategic advantage resulting sustainable growth and market leadership. We are committed to building a future-ready workforce and significantly invested in talent development, empowering cross-functional agility, and embedding a culture of accountability and collaboration. From a holistic approach from recruitment to exit we manage and mentor our human capital to deliver superior real estate outcomes with integrity and transparency.

The Strategy

We defined a strategic framework under the banner of "People as the Foundation of Performance" and anchored it on three core pillars for strength and governance.

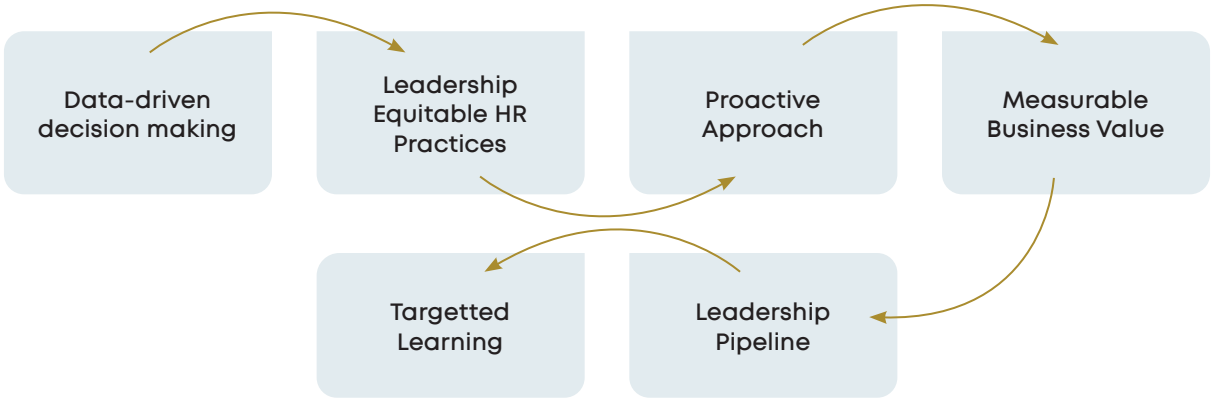
Three Pillars

Attract and Retain Top Talent → Building Organizational Capability → Fostering a Culture of Excellence and Accountability

We aligned the human capital strategy with the Company's broader objectives of expanding the residential portfolio, elevating customer experience, and delivering sustainable value to our stakeholders. To achieve these objectives, we prioritized workforce agility, leadership development, and employee engagement to ensure our workplace culture was inclusive and empowering.

Management Approach

Our Human Capital Management approach ensured informed decision making that was data-driven, equitable, and proactive. We used workforce analytics to identify skill gaps, optimize deployment, and measure impact against defined KPIs. Targeted learning geared towards career growth and a robust leadership pipeline contributed to cross-functional synergies, innovation around customer needs, and consistently translated talent outcomes into measurable business value.



The approach helped us in strengthening the talent pipeline across Project Management, Sale, Finance, and Customer Relations, embedding a performance-driven culture measured by an appraisal system. Simultaneously, we empowered our employees through learning and development and adopted inclusive workplace practices. In confluence, these offered a platform for operational continuity, supported scalable growth, and reinforced the Group's brand as a sought-after employer in the real estate development sector and directly impacting our expansion and elevating customer experience.

Highlights

- Over **130** employees
- Male : Female Ratio **3:1**
- Retention Rate **78.5%**
- Profit per Employee **LKR 15.3 Mn**
- Digitalized Performance Management
- **LKR 330 M** paid in Salaries and benefits
- **01** of employees received overseas training
- **12** employees were Promoted

Impacted UN SDGs



Impact of Intellectual Capital on other Capitals

Financial Capital
Higher Net Operating Income, lower insurance and rework costs, improved asset valuations.

Manufactured Capital
Longer asset life, fewer defects as trained and skilled personnel are retained, reduced replacement capex.

Intellectual Capital
Faster innovation as the workforce has embedded knowledge of the organization, standardized SOPs, stronger design standards in line with market expectations.

Social and Relationship Capital
Higher resident satisfaction, stronger local partnerships; reputational gains.

Natural Capital
Lower resource use; reduced waste and emissions through better practices.

HUMAN CAPITAL

Link to Material Topics



Project Execution



Brand Image



Culture and Conduct



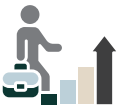
Customer Experience (Domestic and International) Pay and Benefits



Excellence in Quality



Health and Wellbeing



Career Growth

Human Resource Governance

GRI 2-16,23,24

Anchored in transparent policies, rigorous compliance, and a people-first culture that drives safety, quality, and long-term value, we maintained an unblemished record of managing our human capital throughout 2025/26 Robust recruitment and onboarding standards ensured a competent workforce who continued to be trained and upskilled including by a certified training academy for construction and maintenance teams.

Regular compliance audits, a centralized HR information system, requirement for ethical conduct, and anti-harassment policies are included within a strong governance framework. Thereby we inculcated a culture of workforce resilience and reduced operational risk that translated into measurable financial stability and service quality.

Digitalization

HRIS was automated for payroll, assets, and resource allocation to employees. Learning Management System was also upgraded while digital literacy workshops were conducted to upskill our human capital. This helped in buffering resistance to change as HR played a pivotal role in facilitating the adoption of digital tools across the functions. CRM and ERP systems ensured seamless adoption across Sales, Finance, and Customer Service teams, that ensured timeliness and accuracy of execution.

Service Excellence

To ensure a superior customer experience, we conducted customer-centric training and recognition programmes to customer-facing employees. The training modules included advanced communication, conflict resolution, and client relationship management skills. A Quality Assurance process was also implemented with clear service quality related KPIs for assessment and recognition.

Governance Reforms

More intrusive compliance audits were introduced together with anti-bribery awareness. A Code of Conduct was established, and knowledge testing was carried out to ensure employee awareness. A transparent grievance handling mechanism afforded a confidential platform to speak up and resolve their grievances. Mandatory training was introduced for anti-bribery, data privacy, and workplace ethics. HR also reviewed and updated the Employee Handbook and HR Policies during the year to reflect current regulatory requirements and best practices.

Clear accountability and robust oversight are the foundational to Human Capital strategy. Talent acquisition and management is based on achieving our objectives and creating value for the long term. The tradeoffs we accommodate across the other capitals when building our human capital are based on safeguarding ethical standards, provide diversity, and transparent reporting.

KPI framework linked individual targets to departmental and organizational objectives, driving accountability and measurable performance at all levels. The training budget was optimally used as we measured the training outcomes against training objectives through pre and post training assessments to verify competency gains. A comprehensive workforce planning exercise realigned headcount with strategic priorities at the beginning of 2025/26 streamlining job roles with functionality. In confluence, these strengthened capability, reduced inefficiencies, and directly supported operational and financial outcomes.

In addition, we are guided by several policies under HR governance, that help maintain an uninterrupted and effective workplace, promoting work-life balance.

Grievance Handling

GRI 2-16

We continued with the grievance handling mechanism to address employee concerns. Employees were able to voice their concerns, complaints, grievances, and forward suggestions and recommendations to the senior management through this platform. Complaints received through this system were swiftly addressed and resolved.

Collective Bargaining Agreement

GRI 2-30

The Company offers a market competitive benefit package and has cultivated a non-discriminatory workplace with high ethics of fairness and transparency. As such, such agreements are currently not in place.

Whistleblower Policy

Any incident that is detrimental to the Group's sustainability can be escalated to the management by addressing the Whistleblower policy. While such escalations are handled in complete confidence safeguarding the whistleblower, swift action is taken to safeguard the brand and address the issue.

Anti-Corruption Framework

GRI 205-2

Corruption and bribery are zero-tolerance issues, and there were no incidents reported in this respect. Human resources division carries out a robust training programme to educate the employees of what translates as corruption and inform them of swift and stringent disciplinary action that is applied, if such incidents are practiced.

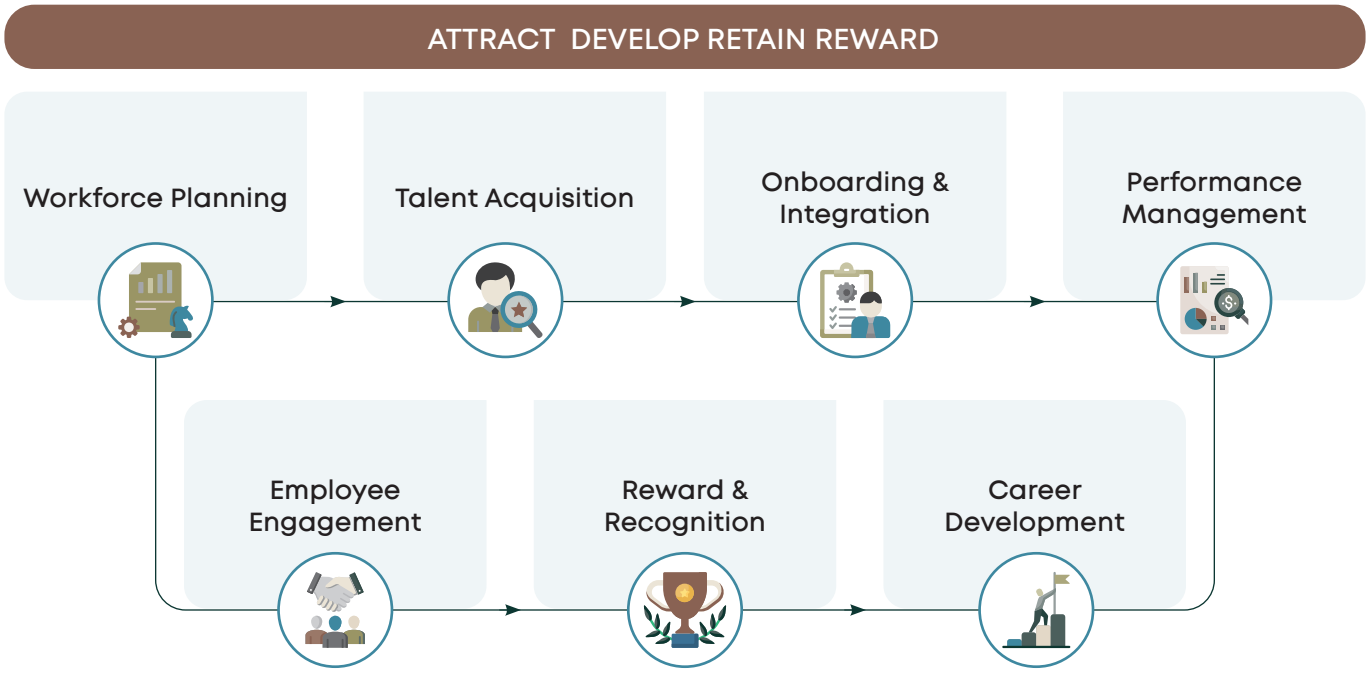
Training on Anti-Corruption

Policy Communicated	Percentage	Number
Board Members	100%	13
All Employees	100%	134
Trained	100%	134
Incidents of Corruption for 2025/26	NIL	-
Disciplinary Action/Dismissal	-	-

Talent Management Process

GRI 2-7

We employ over 76 on the permanent cadre and a further 58 as contract employees, with diverse capabilities, skill sets, talents, and professional orientation, an excellent combination for a future fit team. We continue to upskill our employees to meet shifting market needs and business dynamics.



HUMAN CAPITAL

Talent Acquisition

GRI 2-7, 401-1

Adopting a multi-channel recruitment strategy, we rigorously seek recruits that have capabilities to match our operations and delivery requirements within the framework of a robust Recruitment Policy. Vacancies were also posted on leading job portals, followed through with employee referral programmes, and collaborated with Universities and technical institutions to tap the future knowledge leaders and skilled professionals. We actively engage in selecting best talent to develop into a future ready workforce with a developer with a competitive edge in the market. Although attracting key talent remains a challenge, we offer a competitive compensation package to the best talent in the market.

Geographic Dispersion

Province	Male	Female	Total %
Western	69	26	70.90%
Southern	12	3	11.19%
Central	5	1	4.48%
North Western	3	2	3.73%
Uva	4	0	2.99%
Northern	1	0	0.75%
Sabaragamuwa	3	2	3.73%
Eastern	1	0	0.75%
North Central	1	1	1.49%

Team Composition

Category	2025/2026
Male employees	99
Female employees	35
Total employees	134
Permanent staff - Male	54
Permanent staff - Female	22
Contract staff - Male	45
Contract staff - Female	13
Training cost (LKR Mn.)	4.2M
Training hours	869.4
Average training hours per employee	13.8
Number of hours on digital training	24
Number of employees entitled to maternity leave	N/A
Number of employees who took maternity leave	N/A
Number of employees who returned to work after maternity leave	N/A
Returned to work (%)	N/A

Employees by Age and Gender

Years	Permanent		Contract		Probation	
	M	F	M	F	M	F
18-25	2	2	3	5	3	1
26-45	29	14	33	7	6	3
46-55	14	2	4	0	0	0
Above 56	0	0	6	0	0	0
Total	**45**	**18**	**46**	**12**	**9**	**4**

Employee Category by Years of Service

Category	< 2	3-10	11-20	21-30	Total
EXCO	2	3	2	1	8
Senior Management	5	2	6	0	13
Manager	16	12	3	0	31
Assistant Manager	20	6	2	0	28
Executive	40	9	1	0	50
Trainees	4	0	0	0	4
Total	87	32	14	1	134

Workers who are non-permanent

GRI 2-8

We employ contract staff across construction and operational phases of a project to be cost effective, achieve delivery timelines, and provide specialist skills.

Some auxiliary services such as security, janitorial, and other peripherals are also carried out by either contract or outsourced personnel. Although they are not employees of the Group, their inputs are necessary for such peripheral services that are necessary for project completion.

Talent Management and Retention

A structured talent management framework comprising of competency-based assessments, streamlined onboarding programmes, and personal talent development pathways continued to deliver desired results in upskilling the workforce. High performers were recognized, rewarded, and provided with clear growth strategies within the organization.

Talent retention, as crucial it is for our success, continued to be a challenge through 2025/26. We carried out career development opportunities, recognition programmes, retention bonuses, within a strong and inclusive corporate culture. Open communication was encouraged, to address any career concerns with the relevant management personnel. Stay interviews and Exit interviews were conducted with employees to gain insights to further strengthen our HR processes and fix gap, if any, by analyzing root causes for their initial months of the career at PLR and their exits.

Employee Turnover by Age and Gender

Age	Male	Female	Total
>56	1	0	1
46 - 55	4	0	4
36 – 45	4	0	4
26 – 35	7	5	12
18 – 25	1	1	2
Total	17	6	23

Gender Parity

Our commitment to equal opportunity is reflected in the way we foster diversity, equality, and inclusion. Our employee demographics index consists of 35 females with 4 in key management positions and 11% in senior management. Those with special needs are provided with the necessary ancillary services creating an inclusive workplace with employee wellbeing as a key criterion.

Sexual Harassment is a zero-tolerance issue and is dealt within the special policies in place to safeguard all employees from inordinate conditions.

Gender Equality in Remuneration

GRI 405-2

Full pay parity is the basis for rewards and benefits, for both male and female employees. Any disparities are attributable to deferring length of service, special skill sets, or specialist requirements and not gender bias.

Diversity and Equal Opportunity

GRI 405, 406

The Group focuses on an inclusive workplace culture that includes gender and differently abled persons. The succession plan explicitly considers the diversity criteria that includes gender and the functional background when identifying candidates for the leadership pipeline. As such, the Group does not draw leadership candidates from legacy or traditional profiles. Based on the selection criteria, 2 female employees were selected for the leadership development programme that deliberately included females in the leadership pipeline. Senior leaders are paired with employees with a high potential to grow into senior roles.



Fairness and transparency as the foundation, discrimination in any form is not practiced at the Group at any level. There no such complaints or incidents reports in 2025/26..

Proportion of Senior Management Hired from the Local Community

GRI 202-2

The Group's offices in the districts are staffed with appropriately qualified personnel and peripheral services personnel from the surrounding communities. As such, senior managers in charge of district offices are mostly recruited from the local community.

Training and Development

GRI 404-1,2,3

Achieving yet another milestone, the digitalized Learning Management System (LMS) was launched in 2025/26. A total of 28 training programmes were conducete in the year, encompassing 940 training hours. This was a 57% increase in average training hours compared to 2024/25. Rs 5.1 Mn was invested in training and development covering functional competencies and knowledge-share training. Working on a structured programme targeting all departments, we delivered role and function training building in functional competencies and team cohesion for a unified delivery.







HUMAN CAPITAL

Training Calendar

Type of training	Number of programmes	Number of participants	Training hours
Internal training programmes	8	26	423
External training programmes	19	41	477
Foreign training	1	1	40
Total	**28**	**68**	**940**

Learning Management System (LMS)
During the year, the Company initiated the implementation of a new Learning Management System (LMS) to enhance employee training and development by providing flexible access to learning resources, progress tracking, and continuous skill development opportunities.

Training Focus

Training programmes included both technical and functional training to address competency gaps with soft skill training added to ensure holistic approach to development. Gaps identified during performance appraisals helped in structuring relevant training with project management, sales effectiveness, digital literacy, service excellence, and leadership development as core training. A multi-channel delivery approach was adopted ensuring in-house and external, with LMS offering self-paced training.

We engaged specialized training resources and subject matter experts to conduct Leadership Development, Project Management training and Advanced Sales Workshops.

Prime Academy trainers from our in-house HR trainers' pool conducted in-house product & process related trainings and policy and procedure related training which was cost effective and reflected in-depth knowledge-share, to continue as a sustainable operation that is compliant with all laws and regulations.

Remuneration and Benefits

GRI 401-2, 401-3

PLR Offers competitive remuneration and unique benefits to its employees compared to the other private companies to maximize on retention, while performance linked incentives are on offer for established high productivity. We invest significantly in learning, development, and reskilling and offer a secure retirement benefits for our seniors.

Employees are entitled to Gratuity, Employees' Provident Fund (EPF), and the Employees' Trust Fund (ETF) payments aligning with relevant laws and regulations. The Company contributed Rs. 6.3 Mn to the ETF and Rs. 25.2 Mn to the EPF for the financial year 2025/26.

Benefit	Description
Life Insurance & Health Care	Company provides comprehensive Medical Life and Personal Accident Insurance cover to employees. It consider the employees' mental health is critically important and facilitate with numerous mental wellness programs. Company conducts health clinic annually, including relevant tests, eye sight and hearing screening. Critical illness cover supports any critical health related conditions of employees and its immediate family members.
Educational Loans	PLR employees are facilitates with interest free educational loans for supporting for fulfilling own or their dependents' educational qualifications.
Professional Memberships	Employees are facilitated with reimbursement of professional memberships annually.
Paternity Leave	Male employees are granted with paternity leave to support with their new born.

Minimum Wage Requirements

GRI 202-1

The Company provides salaries above the minimum entry-level wage rate to its permanent and contract employees. The outsourcing agencies, where applicable, manages the wages for its personnel.

Minimum Notice Period Regarding Operational Changes

GRI 402-1

Operational changes, transfers, and job rotations are informed to the affected employees, allowing for sufficient time to make necessary adjustments, with ease and convenience. The notice period and provisions for consultation and negotiation are specified within employment contracts that are in force.

Occupational Health and Safety

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

The health, safety, and well-being of employees, contractors, and stakeholders continue to be a non-negotiable priority for the PLR. All active construction sites carry stringent measures ensuring health, safety, and well-being protocols, aligned with the Sri Lanka Factories Ordinance and International best practices. Regular safety audits and site inspections were carried out, and corrective actions were tracked to closure to ensure continuous improvement and regulatory compliance.

Adequate and appropriate personal protective equipment of a high standard is provided to all site workers and contractors, with site audits confirming compliance. Mandatory safety induction training was delivered to all new recruits, and refresher training was conducted to existing site staff. As our business is construction and maintenance, the health, safety, and well-being of all concerned with the construction are, as mentioned, a top priority for a sustainable business operation. First aid trained personnel were designated at each location, and first aid kits were maintained and replenished regularly.

These initiatives included both physical and mental well-being, as we introduced counselling programmes and held health camps where 68 employees participated in health screening. Insurance and medical support for staff and dependents were strengthened, and fire drills and emergency evacuation exercises were conducted at all office premises to ensure preparedness and a rapid, coordinated response in the event of an emergency

Work-life Balance

We continued to promote a healthy work-life balance through flexible working arrangements where operationally feasible, enforced adequate leave in line with the Shop and Office Employees Act and discouraged a culture of excessive overtime work practices. Team outing, family events, and recreational activities were held to foster camaraderie and reduce workplace stress.

Training on Occupational Health and Safety

Programme	Number of Programmes	Participants
First Aid Training	1	10
Workplace Fire and Safety Seminar	1	17
Total	2	27

Performance Management

GRI 404-3

The annual performance appraisal cycle was completed within the timelines, with 78% of employees receiving formal appraisals. Twelve (12) employees were granted promotions and 89 received merit-based salary increments. Performance rating were reviewed by departmental heads for fairness and transparency.

Succession Planning

A strategically deliberated and approved succession plan is in place to ensure uninterrupted operations in executive and corporate management levels. This is of paramount importance for the sustainability of the business and is also supported by an approved cadre plan designed for managerial category.

Company conducts Executive Development and Leadership Skills Development programmes to train the younger generation of Company, with a view to occupying Key Management Persons (KMP) positions, in the future.

Employee Engagement Activities

The Company organizes a range of activities designed to strengthen employee engagement, enhance commitment through job satisfaction, and develop competencies through continuous learning and development initiatives which directly contribute to improved business results.

Key engagement programs include the Annual Cricket Match, the Prime Toastmasters Club, and brainstorming sessions aimed at gathering employee ideas and providing opportunities to implement those ideas that positively impact business operations.

The employees engaged in several outdoor activities that impacted the community and the environment. Environment stewardship is yet another high priority at PLR Group. Through Green Birthday project 86 tree were planted through the year when celebrating staff birthdays.

HUMAN CAPITAL

These initiatives reflect the Company's ongoing commitment to fostering a motivated, competent, and collaborative workforce aligned with organizational goals.



Human Rights, Child Labour, Forced Labour

GRI 408-1, 409-1, 410-1

We strictly adhere to the supreme law of our land, the Constitution that protects the human rights in our country, and the Universal Declaration of Human Rights (UDHR) adopted by the United Nations General Assembly in 1948, that proclaims the inalienable rights of every person, regardless of any other external factor.

We ensure the protection of human rights and conduct our business in a way that upholds the sacred rights of all.

We do not engage in nor advocate child labour or forced labour.

Challenges

In the macroeconomic context, we faced several challenges during 2025/26 but were able to mitigate these with the resilience that is our hallmark.

Talent Scarcity in specialized Roles: The competitive labor market for skilled professionals in project management, engineering, and digital roles is expected to intensify. To mitigate this we proactively engaged in building a talent pipeline building through university partnerships, internship programs, and employer branding campaigns.

Rising Compensation Expectations: Inflationary pressures and market competition may drive up salary expectations, creating retention risks. We addressed this by conducting Annual salary benchmarking against industry norms and implementation of non-monetary recognition and benefits.

Managing Organizational Change: Continued digital transformation and structural changes may create change fatigue among staff. We successfully contained this by disseminating structured change management communications, leadership engagement, and employee involvement in the change process.

Upskilling the Workforce for Digital Tools: Ensuring the broader workforce keeps pace with digital adoption remains an ongoing challenge. Continuous digital literacy training was embedded into the Training calendar.

Mental Health and Burnout: Increased workloads and economic pressures may affect employee well-being. We countered this by introducing strong Employee Wellbeing Programs and promoting mental health awareness.

Outlook 2026/27

Although a challenge, we relentlessly continue to seek out skilled specialists from the market, to fill the gaps in our cadres.

The Prime Academy is planned to introduce multi-faceted training through in-house and outsourced expertise. Leadership Development will continue targeting the middle and senior level managers, focusing on strategic thinking, decision-making, people management, and business acumen. With a tough competition in the sector, selling skills are a necessity. Sales Excellece training focused on advance selling techniques, negotiation and convincing skills, supported by customer relationship management are planned for the Sales team, to achieve the strategic objective of revenue growth and sustainability. Service Excellence training will offer our teams the know-how to deliver superior customer experience. Digital training is mandatory and will continue transforming our business to be agile and scalable. It will also include HRIS, updated CRM, ERP Systems and AI training.

SOCIAL AND RELATIONSHIP CAPITAL



Building and nurturing the Social and Relationship Capital is fundamental for the sustainable growth of our business. As we create livable and lovable neighborhoods, it is of paramount importance that we engage meaningfully with customers, business partners, investors, communities, and regulators, as this is essential for value delivery and value creation.

The Focus

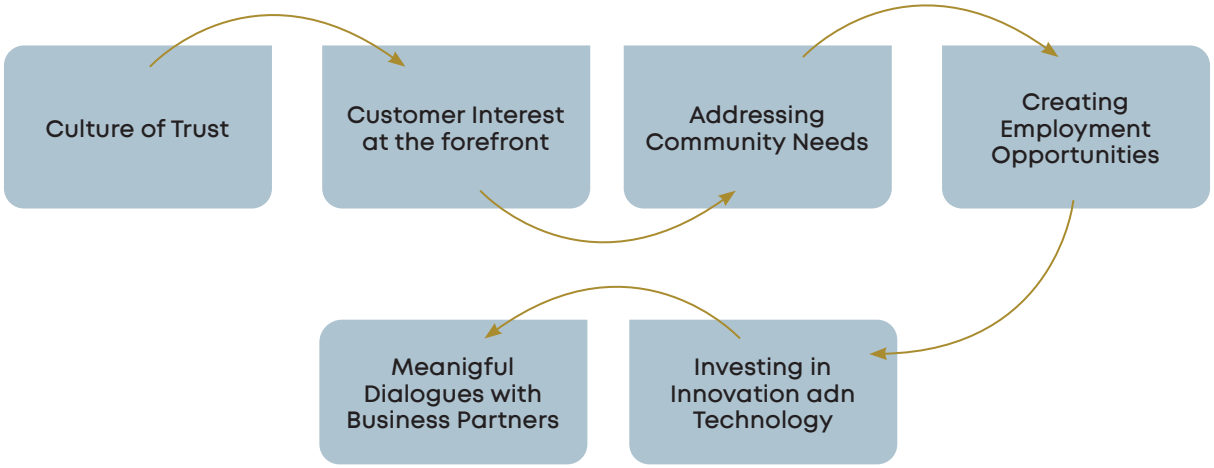
Social and environmental considerations are at the core of our business alongside financial stability and purposeful performance. Our progress in strengthening these crucial relationships showcases the ability for insightful learning we derived in 2025/26, to deepen our engagement by carrying out value-based conversations with our stakeholders. These resulted in measurable improvements in community outcomes and established us in the real estate development market as a customer-centric and business-partner sensitive organization.

The Strategy

Synergizing for value delivery was a strategic goal as we harnessed the talents and skills of our business partners to deliver value aligned with the evolving needs of our valued customers. Through customer centric innovations, transparent supplier engagement, and accountability in the governance frameworks we strengthened our position as a trusted partner in Sri Lanka's real estate development market. While formal social KPIs development progressed our actions and outcomes over the year reflect tangible progress across multiple dimensions of stakeholder value.

Management Approach

Building a culture of trust and ensuring stakeholder commitment to our long-term sustainability and growth requires placing their interests at the forefront. We demonstrate this commitment by allocating resources to address community needs, creating employment opportunities within the localities, investing in innovation and technology to meet customer demands, maintaining ongoing dialogue with business partners, and strengthening the resilience of our supply chain.



SOCIAL AND RELATIONSHIP CAPITAL

Highlights

24x7 AI assisted customer support introduced

Sri Lanka's first 4-digit real estate hotline **1322**

Rs. 100 Mn was contributed towards the "Rebuilding Sri Lanka" initiative as a donation.

Flexible 1% payment plan introduced to improve affordability

Income Tax paid during the year **Rs. 762 Mn**

Tourism Oriented Service Apartments

Impacted UN SDGs



Impact of Intellectual Capital on other Capitals

Financial Capital
Higher occupancy and premium rents from improved resident satisfaction, reduced turnover and lower vacancy costs.

Manufactured Capital
Reduced wear and vandalism, lower maintenance costs and extended asset life through better stewardship.

Intellectual Capital
Richer stakeholder feedback and partnerships that drive design improvements, service innovation and documented best practices.

Human Capital
Stronger employee and contractor morale, retention and productivity resulting from positive community relations and engagement.

Natural Capital
Greater community support for conservation initiatives and resident behaviour change that reduce resource use and environmental impact.

Link to Material Topics

Profitability

Financial Stability

Project Execution

Brand Image

Resilience and Business Continuity

Customer Experience (Domestic and International)

Supplier Relations

International Market Engagement and Compliance

Customer Capital

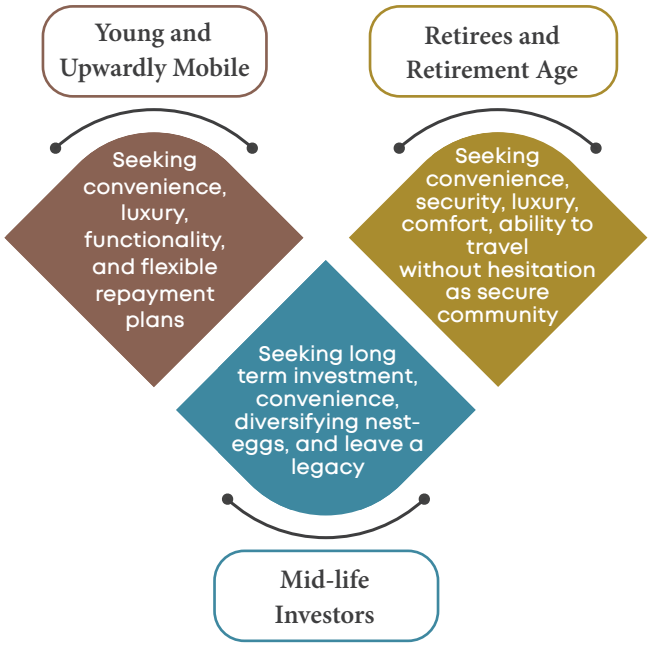
Enduring customer relationships are foundational to our sustainability. Quality project execution and timely delivery are foundational to maintain excellent customer relationships, referral generation, and lateral expansion.

Our Customer Value Proposition

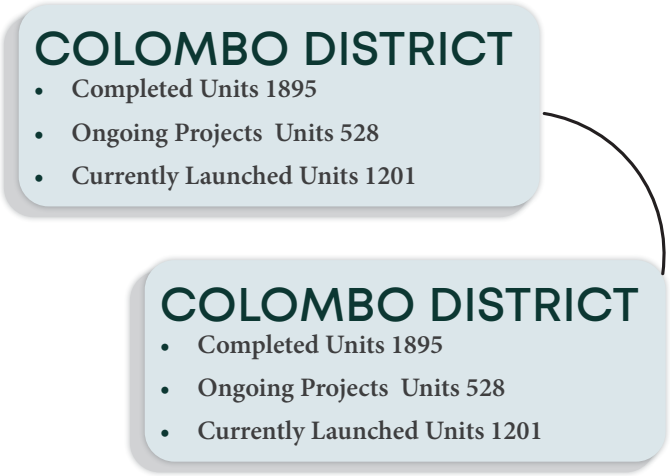
GRI 2.6

Our customer value proposition is primarily based on creating lovable and livable neighborhoods that offer comfort, luxury, and a superior customer experience through the ownership journey. We combine prime locations, functional and modern designs with quality construction with thoughtful layouts of amenities that seamlessly blend in to delivering our brand promise of luxury and functionality. Transparent pricing, flexible financing options backed by stringent attention to regulatory compliance confluence timely delivery retaining customer loyalty and market leadership. Similarly, our focused after-sales support and personalized service ensure long term satisfaction for homeowners with the added benefit of higher value secondary market resale options. In the long term this presents the Company with a loyal customer base, referred lead generation that translate into lateral expansion.

Demographic Profile



Geographic Distribution of Residential Units



A comprehensive list of our properties is included in the Review of Business Activities section at page 54.

Superior Customer Experience

Proactive and personalized support at every stage of the ownership journey ensures timely post handover care to resolve issues quickly, anticipate resident needs and maintain high satisfaction. Continuous feedback loops and trained customer care staff ensure consistent service quality and long term trust.

SOCIAL AND RELATIONSHIP CAPITAL

Digitalization

By offering an AI assisted support in addition to Call Centre help, our customers can connect with us 24x7 seamlessly beyond time and geographical zones.

Flexible Payment Plans

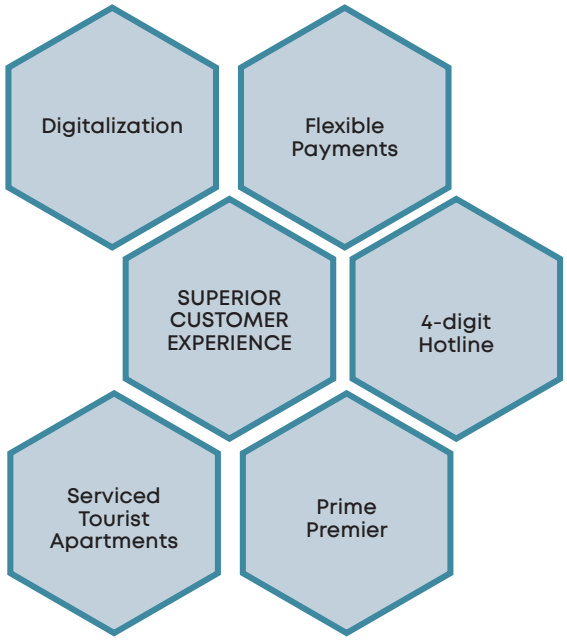
First-ever 1% payment plans and flexible payment term with our Prime Max payment plan that reduced the down payment 10% and monthly payments to 0.5%, significantly improving affordability and unlocking accelerated wealth creation potential for buyers.

4-Digit Hotline

Introduced the first-ever 4-digit real estate hotline in Sri Lanka with the short code 1322 as a single-number real estate contact for the Group.

Prime Premier

An exclusive luxury client experience, the Prime Premier was introduced to elevate the real estate experience among the high net worth clientele. It is positioned as Sri Lanka's first-ever bespoke luxury real estate development.



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

Customer Satisfaction

Number of Customer Complaints Received 96	Number of Complaints Resolved 84
Number of Customer Complaints pending to be resolved as at 31 March 2026 12	Number of Enquiries Received 21524

Ethical Governance Practices

GRI 206-1

Within a robust Governance and Risk Management framework, we uphold high ethical standards in the marketplace in responsible manner. We work alongside our peers in the industry without engaging in anti-competitive behaviour or exercise monopoly practices that undermine the market norms.

Clear Communication

All required information is clearly communicated to our customers without any reservation or malpractice in an accurate and authentic manner. Each product or service is pitched with precise terms and conditions attached to them, enabling our customers to make well informed investment decisions. Our Call Centre resources are well trained and knowledgeable to hand customer queries as much as the sales personnel are well equipped to assist the customers through their ownership journey.

Customer Health and Safety

GRI 416-1

Wellness, healthier lifestyles, and sustainability are the core of our design philosophy across all our developments. Projects such as The Palace – Gampaha, The Colombo Border and The J'Adore Negombo feature landscaped gardens, rooftop relaxation zones and pedestrian friendly pathways that encourage outdoor activity and community interaction. Architectural layouts maximise natural light and cross ventilation to improve indoor air quality and lower energy demand. We also evaluate projects for internationally recognised certifications such as EDGE (Excellence in Design for Greater Efficiencies) to reinforce our commitment to health focused, environmentally responsible living.

Marketing and Labelling

GRI 417-1, 417-2, 417-3

Our marketing material was articulated in a clear, accurate and comprehensive manner, empowering customers with the full disclosure of benefits, terms, and conditions. We strictly adhere advertising and marketing regulations applicable to consumer protection. There were no incidents of non-compliance in 2025/26 regarding Marketing and Labelling.

Customer Data Privacy

GRI 418-1

With the introduction of modern IT infrastructure, information security was strengthened enhancing resilience and data protection, contributing to a year in which no customer data breaches were reported.

Business Partner Capital

GRI 2.6

Our Business Partners include service providers, suppliers, construction specialist, contractors, strategic partnerships, and industry forums enabling us to meaningfully engage in our business in an uninterrupted manner. Adding value to our business in tangible and intangible ways, they help drive efficiency, uninterrupted service delivery, and timely value delivery.

Transparent Procurement Practices

GRI 204-1

Beyond our internal workforce, we exercise equity and fairness throughout the procurement process. All suppliers and contractors are engaged via a transparent, competitive tendering process underpinned by rigorous due diligence. Preference is accorded to local suppliers where feasible, imports are pursued only when required by non availability of domestic alternatives. These procurement protocols are designed to uphold integrity, mitigate supplier risk, and ensure compliance with statutory and ethical standards, thereby reinforcing the company's broader social and economic responsibilities.

Supplier Screening and Environmental Assessment

GRI 308-1, 414-1

Our supplier selection process is governed by transparency and ethical procurement. Except in urgent cases, we obtain at least three competitive quotations or bids to ensure fairness. Decisions consider not only price but also reliability, quality, and alignment with our environmental and labour standards. We prioritise partners who demonstrate fair labour practices and regulatory compliance, avoiding preferential treatment or undue influence. Through clear criteria, robust documentation, and ongoing engagement, we reinforce trust, drive accountability and create shared value across the supply chain.

It is of paramount importance that the supplier adheres to the regulations set by the Central Environmental Authority in its production process, while demonstrating strict compliance with labour regulations including stringent adherence to prohibitions on child and forced labour.

Community Capital

The collective trust, networks and social cohesion we cultivate with residents, neighbours and local stakeholders to create resilient, inclusive neighbourhoods is how we manage the community capital. Through sustained engagement, local partnerships and targeted social programmes, we translate this capital into improved wellbeing, shared prosperity and long term value for communities and the company.

Corporate Social Responsibility

GRI 411-1

We empower the community through our Corporate Social Responsibility (CSR) exercises with the conviction that enduring corporate success is inseparable from societal well-being. Working within our CSR policy our interventions transcended conventional community activities to pursue meaningful inputs to the communities surrounding us. In 2025, we implemented a diversified programme spanning social welfare, education, and environmental stewardship that culminated in inclusive economic participation. We invested over Rs 125Mn during 2025/26 for CSR activities thereby reinforcing our role as a responsible corporate citizen.

Contributed towards the "Rebuilding Sri Lanka" initiative	Rs. 100,000,000
Donation for Steve Waugh poor children's foundation	Rs. 50,000
Donated the Medical Equipment to Colombo South Teaching Hospital	Rs. 1,650,725
Sponsorship Royal Thomian big match 2026	Rs. 5,000,000
Sponsorship pilot's guild (AGM and Dinner Dance September 2026)	Rs. 3,500,000
Sponsorship for Entrepreneurs Organization Sri Lanka	Rs. 1,500,000
Sponsorship for 46th National Conference of Chartered Accounts Sri Lanka	Rs. 1,250,000
During the year, the Company supported CSR and sponsorship initiatives across healthcare, education, sports, professional development, and community programmes in Sri Lanka.	Rs. 12,500,000



SOCIAL AND RELATIONSHIP CAPITAL

Direct Economic Contribution

GRI 201-1

We generated significant direct economic impact for the nation through sustained tax contributions, formal employment and substantial payments to suppliers and contractors, which together stimulated local value chains and household incomes. By engaging local vendors and construction firms, the company created work for contractors, supported small and medium enterprises, and fostered the emergence of peripheral service such as retail, transport, maintenance, and hospitality, that cluster around developments. These activities accelerated neighbourhood development, improve infrastructure and enhance property market liquidity, producing multiplier effects that strengthen regional economies and contribute to national growth.

Indirect Economic Impact

GRI 203-1, 203-2

When we embark on a development, it catalyzes local economic activity—stimulating small and medium enterprises, micro enterprises and home based supply chains, and creating employment opportunities for nearby residents. Concurrently, project delivery often accelerates improvements to surrounding infrastructure, such as access roads and bridges, enhancing connectivity and unlocking further social and economic benefits for the locality.

Community Engagement

GRI 413-1

We deepened our community engagement through CSR activities providing practical support to the communities with the aim of creating resilience among them.

Investor Capital

Providing the financial resources to develop high-quality, sustainable communities while delivering attractive, risk-adjusted returns, our Investors are key to our success over the years. We steward investor funds through disciplined project selection, transparent governance and rigorous risk management, aligning capital deployment with clear performance metrics and ESG commitments. By prioritising long term value creation, stable cash flows, prudent leverage and measurable social impact, we reinforce investor confidence and support scalable, responsible expansion across Sri Lanka.

Taxation

GRI 207-1,2,3

We contributed Rs. 762Mn in tax payments to the national economy in 2025/26.

Specialists around taxation and allied matters conform to and comply with the tax regime effectively, while external consultants are recruited to handle the intricate aspects of income tax computation, filing, and associated matters pertaining to the system of taxation.

We practiced rigorous monitoring mechanisms led by its Internal Audit and Compliance Unit, that oversee the adherence to tax laws as well as regulatory matters. We are cognizant of our social responsibility in tax practices and delivered our responsibilities in an ethical manner, thereby significantly contributing to nation building in the long term.

The Tax Unit is instrumental in fostering collaboration with the Inland Revenue Department, ensuring compliance in an evolving taxation landscape, with no instance of tax evasion or noncompliance on any grounds.

Regulatory Capital

Conducting our business complying with all current regulations and amendments is mandatory to protect the many licenses we have obtained from the regulatory authorities that safeguards our business for the long term. A robust governance structure strengthened by risk management, focused auditing processes, real-time escalations, remedy and reporting framework help manage this key regulatory requirement for the Company.

Outlook 2026/27

Plans are underway to institutionalize a robust framework of social performance metrics to enable consistent, year on year measurement and rigorous evaluation of our community impact. Concurrently, we will pursue recognized sustainability certifications for selected developments to embed social and environmental priorities within the built environment. Our forward agenda includes scaling employee led volunteer programmes with measurable targets for community engagement and inclusivity, and deepening strategic partnerships with government, civic and non profit organizations to deliver high impact, future ready social initiatives. Through these measures, we reaffirm our commitment to responsible growth that enhances quality of life, promotes equity, and builds resilient, inclusive communities across Sri Lanka.



NATURAL CAPITAL



The Group continued to integrate environmental considerations into its construction and development framework. This section documents how we managed our business in a responsible manner, ensuring that environmental stewardship was duly carried out with due consideration to the Natural Capital.

The Focus

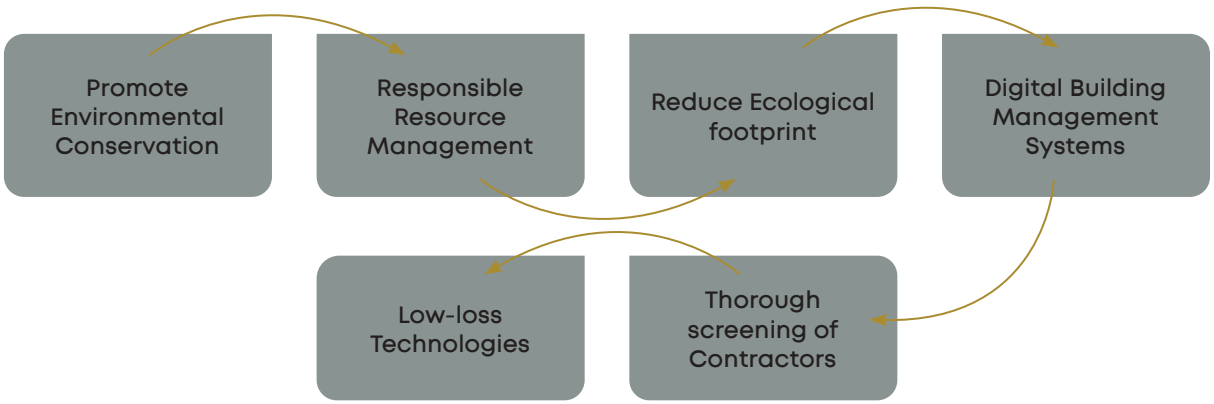
We focused on construction and operational efficiency through optimized plant design, preventive maintenance, digital monitoring systems, and efficient equipment selection within the residential projects. Highly efficient systems and maximization of natural light and ventilation were prioritized by the project Civil and MEP consultants as preventive measures, especially for mechanical services such as electrical and MVAC systems.

The Strategy

Monitoring of key natural resource usage is carried out at project level resource management systems with centralized reporting. Water and electricity are tracked through meter reading systems while land use is assessed at design stage through engineering feasibility reports in compliance with Planning and Development Regulations. Construction raw materials are recorded in contractor submissions, purchase requests, and project-level Goods Received Notes. Project consultants regularly review resource efficiency against project benchmarks which are managed through periodic audits.

Management Approach

Significant care and due diligence were taken to ensure the preservation of the natural capital thereby safeguarding the well-being of the communities and the broader economy we operate in. We intensified our efforts to promote environmental conservation, promote responsible resource management, and reduce our ecological footprint. Actively engaging with our wider stakeholders, we reinforced our role as a leader in sustainable development to ensure inclusive growth while being responsible stewards of the natural capital that was within our work environments.



NATURAL CAPITAL

Highlights

70% of operational energy sourced from grid electricity

20% of treated/recycled water reused

266.46 tCO_2e Scope 1 & 2 emissions monitored

10% renewable energy integration achieved

Building Management Systems **(BMS)** integrated into multiple residential developments

100% compliance with environmental regulations

Impacted UN SDGs



Impact of Intellectual Capital on other Capitals

Financial Capital
Lower operating costs, enhanced asset value through sustainability premiums and reduced regulatory risk.

Manufactured Capital
Extended asset lifespan and reduced maintenance needs via sustainable materials and efficient resource use.

Intellectual Capital
Stimulates green innovation and codification of best practices in design and operations.

Human Capital
Improved employee and resident health, productivity and retention from healthier built environments.

Social and Relationship Capital
Stronger community trust and resident satisfaction driven by visible environmental stewardship and amenities.

Link to Material Topics



Land Inventory



Brand Image



Resilience and Business Continuity



Health and Wellbeing



Community Impact



Environmental Stewardship and Climate Resilience

Materials Used by Weight and Volume

GRI 301-1

Materials used for major residential construction projects are given below.

Material used by weight or volume		
Project	**Concrete (m3)**	**R/F (Ton)**
J'Adore		
White Tower	417.17	373.75
Emerald Tower	1,810.20	171.59
The Colombo Border		
Tower A	12,883.26	1,888.49
Tower B	25,531.70	3,596.91
Tower C	21,117.94	8,078.11
The Seasons	1,733.55	235.34
Total	**63,493.82**	**14,344.19**

Energy Management

GRI 302 - 1,3,4

As we aimed to reduce operational energy consumption, we thoroughly reviewed the contractor's method statements, samples and performance details of past projects. Low-loss technologies and efficient asset utilization maximized output to ensure minimal environmental impact. Digital building management systems were introduced to improve operational planning.

Energy Source	Energy Type	Consumption Level (Giga Jules)
Renewable	Electricity	10%
Non-Renewable-Fuel	Petrol	0%
	Diesel	20%
	Grid Electricity	70%

Several initiatives were implemented to ensure energy efficiency across our development projects and the office premises.

- Established technical specifications for mechanical works to achieve high efficiency systems at the pre-tender phase of the construction works
- Designing re-cycling systems for the projects, such as rain water harvesting systems to optimize water usages
- Most of the apartment projects were installed with Building Management Systems (BMS) to optimize energy saving and operational planning of energy optimization.
- Introduced Drip water irrigation system for landscaping works
- Installation of energy-efficient equipment
- Preventive maintenance programs
- Optimization of plant operations
- LED lighting and smart controls
- Monitoring and automation systems
- Employee awareness initiatives
- Introduced solar powered outdoor lighting systems for some of the projects

Emissions Management

GRI 305 - 1,2,3,4,5

The Company measures and monitors its greenhouse gas emissions across Scope 1 and Scope 2 categories, and where feasible, selected Scope 3 emissions. Emissions are calculated using internationally recognized methodologies and emission factors, with data collected from fuel usage, electricity consumption, transportation activities, and operational processes. Carbon performance is reviewed periodically to support emissions reduction initiatives and climate-related disclosures.

Supporting Sri Lanka's transition towards a low-carbon intense economy, aligning with the Sri Lanka government's broader objective of environmental and climate action commitments, and internationally recognized sustainability frameworks, emission reduction strategies focused on renewable energy development, operational efficiency, reduced fossil fuel dependence, and enhanced

environmental performance management. (Please refer to S1 and S2 schedules at page 99 for further information). Most of the residential projects are fitted with solar powered renewable energy

GHG Inventory Summary 2025

GRI 305-4 ; GRI 305-5

GRI Indicator	2024/25	2025/26
305-1 Direct (Scope 1) GHG emissions*	Not evaluated	72.35
305-2 Energy indirect (Scope 2) GHG emissions*	Not evaluated	194.11
305-3 Other indirect (Scope 3) GHG emissions*	Not evaluated	Not evaluated
305-4 GHG emissions intensity		N/A
305-5 Reduction of GHG emissions		N/A
305-6 Emissions of ozone-depleting substances (ODS)		N/A
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		N/A

In line with the strategic objectives, the Company continued to expand its renewable and low-carbon energy portfolio to address the evolving national energy priorities. The proportion of energy generated from low-carbon sources is expected to increase progressively by 2030 through new renewable energy investments, operational enhancements, and technology improvements. We will continue to expand the utilization of renewable energy solutions in our construction projects and install sustainable energy systems into residential projects.

Water Management

GRI 303 -1, 303-5

Water conservation practices and responsible usage are encouraged across our business and we embarked on rain water harvesting as our business per say, is water intensive. Treated water was used for non-potable purposes while awareness on responsible use of water was carried out at our construction sites.

A wastewater management and pollution prevention controls continued to be implemented during both construction and operational phases. Measures include sediment control systems, wastewater treatment arrangements, spill prevention protocols, controlled discharge practices, and regular environmental monitoring to ensure compliance with regulatory standards and minimize impacts on surrounding communities and water resources. At the resident stage of the project company focuses on deploying drip water supply systems to landscaping works and the water supply for the drip water system will be provided through the rainwater harvesting or treated water.

Water efficiency performance indicators are monitored internally and disclosed where relevant within sustainability reporting frameworks. Environmental data may also be subject to independent assurance or verification processes depending on reporting requirements and stakeholder expectations.

Waste Management

GRI 303-1

The Company manages end-of-life waste in accordance with applicable environmental regulations and approved waste management procedures. Waste streams are segregated, recycled where feasible, and disposed of through licensed service providers. Hazardous waste is handled separately under controlled procedures to minimize environmental and health impacts. At project completion, material that are reusable are segregated by the project teams for future development use.

Where technically and commercially viable, we implement waste recycling. This initiative includes material such as scrap metal, cables, packaging materials, and selected construction materials, which are recycled through authorized recyclers to support circular economy principles and reduce landfill disposal. Material durability is a key criterion in procurement practices for durability and responsible sourcing of sustainable material to support a circular economy. Ongoing waste segregation and recycling programs continue to improve landfill diversion rates across operational sites.

Reducing our Carbon Footprint

The combination of digitalization, energy and waste management, and renewal energy generation, contributed significantly in reducing our carbon footprint during the year. This was strongly supported our commitment to ESG principles and sustainability policy that provides the governance framework for these initiatives.

Challenges

Volatile material prices, intermittent supply chain interruption of raw materials, increased sourcing prices, and cost pressures amid a stiffly competed apartment housing market, posed significant challenges in 2025/26. The mass migration and brain-drain few years ago resulted in shortage of skilled trades while technician retention slowed schedules and raised labour costs. Tighter working capital and financing created cash-flow stress for contractors while regulatory uncertainties contributed to approval delays. Severely adverse climate related disruptions hampered project progress. Prime Lands Residencies however, with its characteristic resilience and the skill in navigating headwinds with creativity and resolution, moved forward securing its place in a competitive development landscape in 2025/26.

Outlook 2026/27

The Company remains committed to strengthening its natural capital management practices through enhanced environmental governance, increased renewable energy investments, improved resource efficiency, emissions reduction initiatives, biodiversity conservation efforts, and greater climate resilience.

Expanding sustainability data management systems, improving circular economy practices, increasing stakeholder engagement, aligning disclosures with evolving global sustainability reporting standards, and national climate objectives are the priorities we will focus on in 2026/27 and beyond. Reducing carbon emission through energy efficient building design, enhancing biodiversity and ecological value by conserving the environmental assets and contributing to enhance our ecology are also key factors that are built into our future strategy.

We adopted life cycle costing at the project feasibility stage and aligned it with the procurement of mechanical equipment to minimize operational energy consumption, while implementing a residual value management system to optimize long term building performance and asset recovery.



OUR ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) FOCUS

Our commitment to sustainable value creation is anchored in our ESG strategy, focusing on sustainable real estate development across our footprint. In 2025/26, the Company's ESG vision focused on integrating sustainable and responsible business practices into its operations while creating long-term value for stakeholders. Key materiality priorities included environmental stewardship, employee wellbeing and safety, ethical business conduct, customer satisfaction, supply chain responsibility, and community engagement.

This framework is mapped to the 17 United Nations Sustainable Development Goals (SDGs), ensuring our corporate objectives foster environmental stewardship, social equity, and robust ethical governance.

Culture and Commitment

We commenced the process of obtaining Green Sri Lanka certification for the ongoing projects that reflects our commitment to ensuring an ESG core to our business operations. Plans are underway to strengthen the ESG framework by enhancing governance oversight, improving sustainability performance monitoring, advancing operational efficiency initiatives, and aligning ESG priorities with long-term strategy and stakeholder expectations.

Environmental governance is well integrated into the Group's Risk Management framework. Climate and other sustainability-related risks and evolving regulatory requirements are systematically assessed, integrated into corporate planning, and disclosed directly to the Board and its subcommittees. This process continues to identify, assess, monitor, and mitigate material environmental, social, governance, and regulatory risks that may impact business operations and long-term value creation.

Climate-related risks, including resource efficiency, energy usage, and evolving environmental requirements, are assessed as part of operational and strategic risk reviews. Social risks relating to employee well-being, occupational health and safety, talent management, customer relationships, and community impact are monitored through established policies, procedures, and management controls. Regulatory and compliance risks are evaluated continuously to ensure adherence to applicable laws, regulations, and industry standards.

ESG-related risks are reviewed periodically by management and escalated through the Company's governance structure where appropriate. Effective from next year onwards, Board-level oversight of ESG risks will reside with a seperate Committee as part of the broader enterprise risk management and governance process.

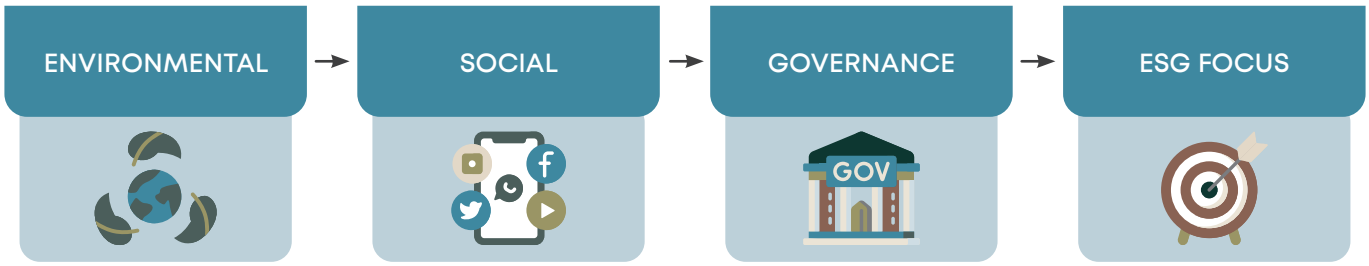
The Group measures and discloses its climate-related risks and sustainability performance in accordance with the Sri Lanka Financial Reporting Standards (SLFRS) S1 and S2, which are aligned with International Financial Reporting Standards (IFRS).

Driving Environmental Sustainability

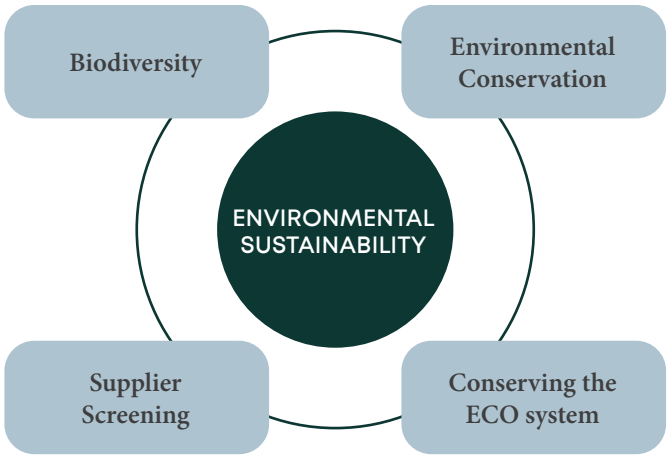
Environmental governance is a key criterion that permeates across our business operations. Where applicable, lifecycle considerations such as material sourcing, construction impacts, operational efficiency, emissions, decommissioning, and waste management are evaluated to better understand long-term environmental implications and support sustainable project planning. Environmental considerations are also integrated throughout the project lifecycle, from design and construction to occupancy and maintenance. The Company conducts environmental impact reviews and feasibility assessments for major developments to identify potential long-term environmental risks and opportunities. These assessments consider energy consumption, water management, waste generation, material selection, and operational sustainability to support environmentally responsible project development.

Biodiversity and Environmental Conservation

Prior to project commencement, biodiversity and environmental impact assessments are undertaken to identify ecologically sensitive areas, protected habitats, endemic species, and potential environmental risks. The company produce all the necessary documentation with the aid of relevant professional with careful examination of biodiversity impacts due to the project. All required documentary processes are complied with and approvals are received in accordance with national environmental regulations and applicable international best practices, with findings integrated into project design and mitigation planning.



During FY2025/26, the Company continued to implement operational initiatives that contributed towards environmental sustainability and alignment with relevant United Nations Sustainable Development Goals (UN SDGs). Key initiatives included waste segregation and recycling practices, implementation of rainwater harvesting measures to support water conservation, and initiatives aimed at improving resource efficiency within property operations.



Conserving the eco-system

The Company implements environmental management plans designed to minimize disturbances to surrounding ecosystems. Measures we include controlled land clearing, erosion and sediment control, dust and noise mitigation, responsible waste management, replanting initiatives, and monitoring of environmentally sensitive zones. Necessary design changes are conducted addressing the comments from environmental authorities. The company always focusing on offering environmentally friendly residential projects through better project planning and designing.

During the construction process, contractors are required to comply with environmental standards and site-specific mitigation protocols throughout project execution. The relevant environmental protection measures are included in contractual manner for the construction contracts regarding dust control, sound pollution through deploying equipment to construction works and those concerns are monitored by project management team in project sites.

Where relevant, the Company collaborates with regulatory authorities, local communities, environmental consultants, and conservation-focused organizations to support habitat restoration, reforestation, biodiversity enhancement, and environmental awareness initiatives in areas impacted by operations.

For Energy, Water, Emissions, and Waste Management please refer to Natural Capital at page 91.

Supplier Screening or Sustainable Practices

The Company incorporates environmental considerations into selected procurement and maintenance activities, with preference given to suppliers and service providers that support sustainable and responsible operational practices where feasible. We are in the process of progressively integrating operational performance indicators into service agreements, including response times, resource efficiency measures, and service quality standards, to support sustainable property management outcomes.

Suppliers are assessed based on operational capability, service standards, regulatory compliance, and alignment with the Company's ethical and sustainability expectations where applicable. The Company intends to further formalize supplier sustainability screening processes as part of its evolving ESG framework.

Social Impact of our Operations

The Company also continued to promote responsible operational practices among tenants, service providers, and stakeholders through awareness and engagement activities. These initiatives support the Company's broader commitment towards sustainable building management, environmental stewardship, and long-term value creation.

OUR ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) FOCUS

We conducted a Tenant/Owner Survey in 2025/26 to measure the social impact of our business operations. The results are reflected below.

Indicator	Rating (1–5)	Commentary
The building provides clear guidance on energy-saving behaviours.	3	Basic awareness and guidance mechanisms are in place to encourage energy-efficient practices among tenants and residents. Further improvements in communication and engagement initiatives have been identified for enhancement.
Waste separation and recycling facilities are adequate and accessible.	4	Waste segregation and recycling facilities are generally accessible and functional, supporting responsible waste management practices within the property.
Water-saving fixtures are effective and maintained.	2	Water conservation measures, including rainwater harvesting initiatives, are in place; however, opportunities remain to improve the effectiveness, maintenance, and awareness of water-saving systems.
Communication about environmental initiatives is timely and useful.	2	Environmental and sustainability-related communications are currently limited, with plans to strengthen stakeholder engagement and awareness initiatives going forward.
Were Tenant/Owner Surveys conducted and what were the scores?	1	Limited tenant/owner feedback mechanisms were conducted during the year. The Company intends to implement a more structured stakeholder survey and feedback process in future reporting periods.

Governance and Reporting

The Executive Committee had the oversight on ESG commitments in 2025/26. From 2026/27 however, Board-level oversight of ESG will reside with a seperate Committee. ESG performance, progress and key developments will be reported to the Board on a quarterly basis. Environmental and sustainability considerations are increasingly incorporated into investment decisions, operational planning, and risk assessments. Relevant natural capital indicators are reviewed alongside financial and operational performance to support long-term value creation and resilience.

Selected sustainability disclosures and environmental performance indicators may be independently reviewed or assured by external auditors or qualified assurance providers in accordance with applicable reporting standards and assurance frameworks in future.

The company recognize the escalating climate related risks which are managed through business continuity planning, infrastructure resilience measures, environmental monitoring, emergency preparedness procedures, and periodic risk assessments. The Company continues to strengthen adaptive capacity to address changing climate conditions and operational disruptions and at the project financial feasibility studies are made provisions to manage those risks events.

REPORT ON SLFRS S1 AND S2 SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

BASIS OF PREPARATION

1. Reporting entity, organization boundary, and value chain
This report covers the sustainability-related disclosures of Prime Lands Residencies (PLR), including the Head Office located at No. 75, D. S. Senanayake Mawatha, Colombo 08; the operational residential property "The Palace – Gampaha"; a warehouse facility located at No. 123, Castle Street; and three ongoing construction projects, namely J'adore Negombo in Negombo, The Colombo Border in Peliyagoda, and The Seasons in Colombo 08. These facilities collectively represent the organization's administrative, operational, and project-related activities considered within the reporting boundary.

Sources of Guidance

This report has been prepared in accordance with the SLFRS Sustainability Disclosure Standards as issued by the Institute of Chartered Accountants of Sri Lanka, outlined below:

SLFRS S1 – General Requirements for Disclosure of Sustainability related Financial Information

SLFRS S2 – Climate-related Disclosures

In applying the SLFRS Sustainability Disclosure Standards, the Company has considered industry-specific metrics and disclosure considerations under the SASB Standards for the Real Estate Industry . These were reviewed to support sector-relevant application of climate-related disclosures.

2. Reporting Period
This report covers the financial year from 01 April 2025 to 31 March 2026, consistent with the company's financial reporting period.

3. Time Horizons
PLR adopts time horizons as follows:

Short Term :	1-2 Years
Medium Term:	3-5 years
Long Term:	5 years and over



4. Transition Reliefs
PLR has applied the following permitted transition reliefs as the reporting period being the first year of adoption of SLFRS S1 and S2 Standards:

Climate first reporting : PLR has disclosed information relating only to climate-related risks and opportunities in accordance with SLFRS S2. Accordingly, disclosures pertaining to climate-related risks and opportunities have been provided for the financial year under review.

Comparative disclosures: Comparative information is not required to be disclosed for the current year. Prior year comparisons will be provided for climate related disclosures from Year 2 onwards.

Scope 03 GHG emissions: Scope 3 emissions disclosure is not mandatory for the first 2 years

Anticipated financial effects on SRROs & CRROs: PLR has applied the transition relief permitting entities to defer qualitative disclosures on anticipated climate related financial effects for the first two reporting periods.

Climate Resilience (Scenario analysis): PLR has applied the transitional relief issued by CA Sri Lanka on mandatory application to fully comply with climate resilience disclosure requirements, during the first two years of reporting.

5. Judgements and Measurement Uncertainties
Judgements

Preparing and presenting this sustainability report involved judgement to identify what information is relevant, reliable, and useful. Where the standards allow choices, management made considered decisions on scope, measurement, and disclosure. The principal judgements are set out below.

Topic	Description
Materiality Assessment	Management exercised judgement when assessing impacts and dependencies across the value chain to identify sustainability related risks, opportunities and material information that could reasonably influence the company's strategy, business model or financial outcomes.
GHG Emissions Scope 1 and 2	Judgement was exercised by the third party service provider in selecting appropriate emission factors.

REPORT ON SLFRS S1 AND S2 SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

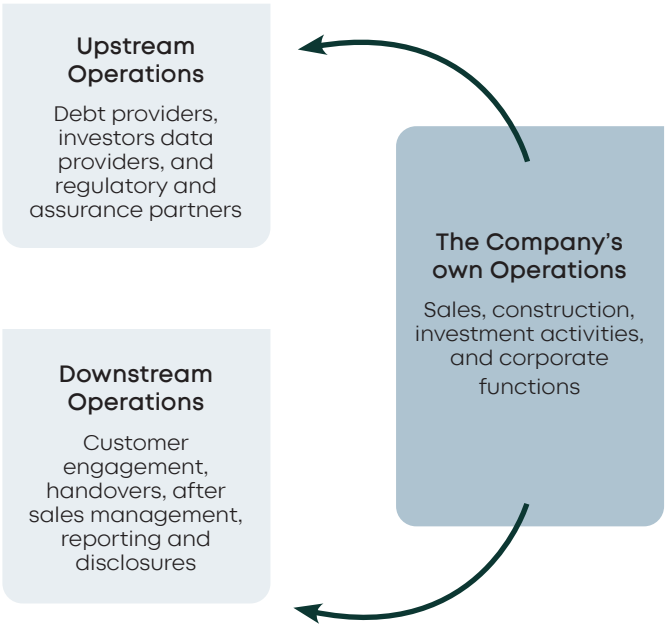
Measurement Uncertainties
Measurement uncertainty arises due to data gaps, reliance on proxy information, external factors, and forward-looking assumptions.

GHG Emissions Scope 1 and 2	Estimates depend on third party emission factors, especially for categories such as transmission and distribution losses, waste transportation, and business travel.

6. Proportionality
In preparing these disclosures, management relied on reasonable and supportable information available at the reporting date, avoiding undue cost or effort and utilizing the skills, capabilities, and resources available within the Company at that time. The Company applied the principle of proportionality to ensure disclosures are commensurate with PLR's size, complexity, and risk profile, while remaining relevant and decision useful for stakeholders.

SLFRS S1 AND S2 SUSTAINANABILITY RELATED FINANCIAL DISCLOSURES AND CLIMATE RELATED DISCLOSURES

These sustainability related disclosures have been prepared for PLR consistent with the organizational boundary used in the Company's financial statements. The disclosures cover the Company's business, investment management, and supporting corporate functions. The Company's value chain has been considered in preparing these disclosures and is summarized below to the extent relevant to sustainability related risks and opportunities. Value chain considerations extend to upstream operations, internal processes and downstream operations that have material sustainability-related impacts to the business model.



Base of Materiality

The Company has applied the concept of financial materiality in preparing its sustainability-related financial disclosures, consistent with the requirements of SLFRS S1. Sustainability-related risks and opportunities are considered material where they could reasonably be expected to affect the Company's cash flows, access to finance, or cost of capital, over the short, medium, or long term and where omitting, misstating or obscuring such information could reasonably be expected to influence decisions that primary users of general purpose financial reports make on the basis of those reports.

Quantitative Assessment Criteria

To assess financial materiality, a five-point financial impact scale was applied based on potential effects on Profit Before Tax (PBT):

1	Insignificant	< 3.5% of PBT
2	Minor	3.5% to 5.5% of PBT
3	Moderate	5.5% to 7.5% of PBT
4	Significant	7.5% to 10% of PBT
5	Severe	>10% of PBT

These defined percentage thresholds support consistent and comparable evaluation of financial exposure across climate-related risks.

Basis for Financial Materiality Thresholds

The Profit Before Tax (PBT) percentage thresholds are aligned with PLR's internal financial risk assessment practices and enterprise risk appetite framework. PBT is used as the reference metric because it reflects overall earnings performance and is a primary measure used by management and the Board to assess financial resilience and value preservation. The defined percentage bands are calibrated to distinguish routine operational variability from impacts that could materially affect financial performance, capital allocation decisions, or investor assessments of enterprise value. This approach ensures consistency between sustainability related risk assessment and PLR's broader financial risk management and governance processes.

Materiality assessments are integrated with the Company's enterprise risk management (ERM) framework and are subject to oversight by the Board Audit Committee (BAC). Only material climate-related risks and opportunities (CRROs) identified through this process have been disclosed in the current reporting period.

Where relevant, climate-related risks and opportunities have been considered across the Company's value chain to the extent they may reasonably be expected to affect the Company's business, strategy, or financial outcomes.

Functional Currency

Where sustainability-related financial information is connected to the Company's financial statements, such information is presented in LKR (Sri Lankan Rupees) consistent with the functional and presentation currency applied in the financial statements.

Statement of Compliance

These sustainability-related financial disclosures represent a complete set of sustainability-related financial disclosures for Prime Lands Residencies PLC for the year ended 31 March 2026. The disclosures have been prepared in accordance with SLFRS Sustainability Disclosure Standards as issued by the Institute of Chartered Accountants of Sri Lanka.

Sustainability Governance

1. The Board

The Board of Directors (the Board) of PLR holds ultimate responsibility for oversight of sustainability impacts on the economy, environment and people, and for sustainability and climate related risks and opportunities (SRROs/CRROs) that could reasonably affect PLR's financial position, performance and resilience over the short, medium and long term. Board oversight is supported by the Board Audit Committee and the Compliance function. PLR's governance architecture aligns with the principles of SLFRS S1 and SLFRS S2 and provides robust processes, controls, and procedures for identifying, monitoring and managing sustainability and climate related matters.

2. Roles, Mandates, and Procedures

Overall responsibility for ESG governance and implementation rests with the Board of Directors of PLR. Responsibilities for Sustainability Related Risks and Opportunities (SRROs), Climate Related Risks and Opportunities (CRROs), and broader impact management are embedded within PLR's governance framework and implemented through a strong policy framework.

This governance structure ensures that broader impacts on the environment, society and economy, together with SRROs and CRROs, are integrated into operational decision making, resource allocation and PLR's performance management, while preserving appropriate Board level oversight.

3. The Board Responsibilities

3.1 The Board is responsible for overall governance of PLR's sustainability topics that have an impact on the broader stakeholder groups and the Company's long-term operations. The Board's role includes:

- Oversee material sustainability impact topics, SRROs and CRROs, assess their implications for long term value creation, and approve related governance actions.
- The Board assesses sustainability impacts, evaluates strategies for mitigation and management of those impacts, and reviews SRROs and CRROs at Board meetings ensuring alignment with PLR's strategic direction and evolving external expectations.
- Ensure the Company maintains systems, controls, policies, and capabilities to provide the Board with decision useful information on SRROs and broader impacts in a timely manner.

3.2 Information Flow

The Board has steered impact management through PLR policies, impact based KPIs, and oversight of capital allocation and operational initiatives. As PLR develops its climate ambitions, the Board is prioritizing emerging climate risks and embedding climate considerations into long term planning. The Board will formally review and approve PLR's climate ambitions and transition plan once they are finalized.

3.3 Skille and Expertise

The Board of PLR brings diverse expertise in finance, strategy, risk, governance, operations, technology, and regulation, ensuring robust oversight of the company's impact management. (Please refer to page 22 for further details)

The Board Audit Committee is a crucial arm of monitoring and reporting ESG aspects to the Board ensuring further embedment of ESG principles to PLR's strategy.

4. Integration into Strategy and decisions

PLR commenced integrating ESG considerations into strategic decision making and day to day operations, monitoring regulatory, market and stakeholder developments to ensure responsiveness and resilience. The company maintains active oversight of emerging risks and opportunities and is strengthening data, targets, governance, and reporting capabilities to improve transparency and outcomes over time. PLR is committed to ongoing enhancement of its processes and disclosures to meet evolving expectations and support long term value creation.

Accountability and organizational alignment to strengthen governance, PLR underwent a reorganization in 2025/26 to enhance cross-functional execution and project ownership. This shift ensures that every department is accountable for the ESG-led initiatives and quality standards defined in the strategic roadmap.

REPORT ON SLFRS S1 AND S2 SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

RISK MANAGEMENT

This pillar describes the processes used by PLR to identify, assess, prioritize, and monitor sustainability and climate-related risks. The PETSEL Framework PLR uses a comprehensive PETSEL (Political, Economic, Technological, Social, Environmental, and Legal) analysis to identify strategic risks.

Sustainability related risks and opportunities (SRROs) are managed in line with PLR's Risk Management Policy and Enterprise Risk Management framework. These matters progress through the Company's standard risk management life cycle — including risk identification, assessment, response and mitigation, and ongoing monitoring and review — ensuring that climate related risks are assessed and managed consistently alongside other material risks facing the Company.

Risk Identification	Risk Assessment	Risk Response and Mitigation	Risk, Control Monitoring and Review
Identification of sustainability-related risks arising from physical and transition drivers, using enterprise wide risk identification processes.	Assessment of the nature, likelihood, and potential impact of sustainability related risks using the Company's standard risk assessment methodology	Prioritization of sustainability-related risks and determination of appropriate response actions, including mitigation, risk sharing, or acceptance, aligned with risk appetite.	Ongoing monitoring of sustainability-related risks, controls, and mitigation actions, with escalation and review through established governance mechanisms.

Climate related risks and opportunities (CRROs) are identified from the broader set of sustainability related risks and are managed through the same risk management life cycle used for other material risks across the Company, including identification, assessment, response and mitigation, and ongoing monitoring and review.

Process and Policies Related to Climate Related Risks

Climate-related risks are identified as part of the Company's enterprise-wide risk identification process, which is conducted periodically and updated to reflect changes in the internal and external operating environment, emerging risks, and regulatory expectations.

Inputs and Parameters to Identify Climate-Related Risks

Risk Governance Inputs	Management and Functional Inputs	Historical Risk Experience	Regulatory and Supervisory Context	External Environment and Market Trends
Periodic risk reviews, Internal Audit reports, Compliance assurance reports.	Cross-functional inputs from risk, operations, finance, compliance, and sustainability-related roles	Operational disruptions, catastrophe exposure, and construction interruptions, supply chain disruptions.	Regulatory developments and supervisory expectations, including emerging requirements under SLFRS S2 and other Real Estate sector guidance	Environmental, economic, and industry trends relevant to climate related physical and transition risks

Through this process, climate-related risks are identified within the broader sustainability risk universe and screened for relevance to the Company's business model, value chain, and risk profile.

Business Model and Value Chain Impacts

Period	Impact Description
Current Effect	Cyclone Ditwah resulted in operational disruption, temporary halting construction and short term disrupting the supply chain. Minor delay in project progress.
Anticipated Effect	Future extreme weather events will further disrupt supply chain functionality, delay construction, and result in delayed project completion, collections, impacting the balance sheet.
Strategy and Decision Making	Construction warehouse implementation will alleviate the supply chain disruptions to greater extent.

Environmental Risk Assessment: The company identifies exposure to floods, landslides, and coastal erosion as critical threats to its physical assets and construction progress.

STRATEGY

PLR provides a concise, investor focused disclosure of its strategy and risk management approach that is clear, decision useful and outcome oriented. The disclosure links governance and strategic priorities through to operational execution, resilience, and financial performance, giving investors a transparent line of sight into how the Board and management identify and manage material risks and opportunities, allocate capital, and measure outcomes. By connecting these perspectives, PLR enables stakeholders to understand both the company's long term vision and the concrete actions taken to manage risks, implement strategy and deliver financial results.

1. **Strategic Horizons (SLFRS S1)** PLR's strategy is executed across three distinct timeframes to ensure immediate stability while building long-term resilience:

- **Short-Term:** Focus is placed on strengthening operational efficiency, managing costs to improve profitability, and ensuring the timely completion of ongoing projects while maintaining high-quality standards.
- **Medium-Term:** The company aims to expand its portfolio through strategically selected residential and mixed-use developments while integrating sustainable construction practices and environmentally responsible designs.
- **Long-Term:** The ultimate goal is to maintain PLR's position as a leading sustainable property developer in Sri Lanka, achieving long-term profitability and resilient shareholder returns by fully integrating ESG principles into all strategic decision-making.

2. **Climate-Related Risks and Opportunities (SLFRS S2)** As a developer in a country, PLR has identified specific climate-related factors that influence its strategy:

- **Physical Risks:** The primary physical risk is the increasing unpredictability of climate-induced extreme weather, such as Cyclone Ditwah in November 2025. This event caused an estimated USD 4.1 Bn in physical damage nationwide, impacting nearly 2 Mn people and severely disrupting construction supply chains. Such events jeopardize project delivery timelines and can divert development funds toward disaster relief.
- **Transition Risks:** PLR monitors risks associated with evolving environmental regulations, green taxonomy standards, and mandatory disclosure requirements. There is also a recognized transition risk where a global shift toward carbon neutrality may affect lending strategies and depress fossil-fuel-dependent industries.
- **Climate Opportunities:** PLR views the transition as an opportunity for market leadership. The company is actively promoting green building concepts and disaster risk management, which can transition into redesigning products to stave off climate shocks. Incorporating sustainable operations is seen as a driver for cost optimization and enhanced brand image.

METRICS AND TARGETS

1. **Key Performance Indicators (KPIs)** PLR has established a "Progress Mapping" system to track performance across four key areas:

- **ESG & Brand Metrics:** Includes tracking green certifications, the degree of ESG alignment within operations, customer satisfaction, and digital engagement.
- **Operational Metrics:** Includes unit reservations, collection efficiency, adherence to project timelines, and customer complaint resolution.
- **Financial Metrics:** Tracking PAT (Profit After Tax), ROE (Return on Equity), and other core financial indicators.
- **International Metrics:** Monitoring market diversification and overseas customer acquisition.

2. **Targets and Resource Allocation** PLR is committed to the National Climate Finance Strategy (2025-2030), which aims to mobilize resources through disaster risk insurance and green bonds. The company's internal targets focus on:

- Achieving resilient shareholder returns through sustainable earnings growth.
- Integrating environmentally responsible designs into all future projects.
- Maintaining a robust work-in-progress (WIP) portfolio to support future growth and value creation.

REPORT ON SLFRS S1 AND S2 SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

3. GHG Emissions

Significance and Materiality

Factors considered in assessing significance and materiality were:

- Size of the emissions
- Prime Residencies influence on the emission source
- Difficulty in obtaining data
- Poor validity in available estimation approaches

Whilst all the above would be considered in materiality assessments, the criteria that would mandate disclosure of emissions sources as significant are:

a) Where there is a single source with estimated emissions likely to be at least 1% of total emissions. In this case, that emissions source must be included.

b) Where the total of 'insignificant' sources has estimated emissions likely to be at least 5% of total emissions. In this case, enough of the 'insignificant' emissions must be included until the estimate of excluded emissions is below 5%.

c) When considering transportation indirect emissions, the assessment only considered the latest transportation activity of the supply chain to avoid any double counting.

GHG emissions summary of Prime Lands Residencies PLC for 01 April 2025 to 31 March 2026 is based on the inventory report conducted by a specialist third party. The focus is on totals, scope split, major sources, and facility-level insights that help pinpoint reduction priorities.

Organizational context

- Reporting period: **01 April 2025 to 31 March 2026** (base year)
- Standard and methods: **GHG Protocol;** quantification aligned to **IPCC 2006; GWP AR6 (100-year)**
- Boundary: **6 locations** under operational control; scopes included: **Scope 1 & Scope 2** (Scope 3 excluded)

Corporate total and scope split

Metric	tCO2e
Total (Scopes 1+2)	266.47
Scope 1 (Direct)	72.36
Scope 2 (Imported electricity)	194.11

- Share of total: **Scope 1 ≈ 27%, Scope 2 ≈ 73%**

Scope 1 breakdown (by category)

Category	tCO2e	Notes
Stationary combustion	2.56	Generators
Mobile combustion	45.55	Company vehicles (diesel, petrol)
Fugitive emissions	24.25	Refrigerants and similar fugitive releases (incl. R22 ~23.66 tCO2e)
Total Scope 1	72.36	

Additional source details (illustrative values from report visuals):

- Own diesel vehicles (Head Office): **~32.58 tCO2e**
- Own petrol vehicles (Head Office): **~12.00 tCO2e**
- Generator (The Palace – Gampaha): **~2.29 tCO2e;**
- Generator (Head Office): **~0.27 tCO2e**
- Fire extinguisher refilling (The Palace – Gampaha): **~0.49 tCO2e;**
- Fire extinguisher refilling (Head Office): **~0.08 tCO2e**
- Grass Cutter (The Palace – Gampaha): **~0.88 tCO2e;**
- Fumigation (The Palace – Gampaha) : **~0.09 tCO2e**
- Fugitive refrigerants (AC servicing): captured within the **24.25 tCO2e** total (dominant component R22 ≈ **23.66 tCO2e)**

Scope 2 breakdown (by facility)

Facility / Site	tCO2e
The Colombo Border – Tower A, B, C (Construction)	71.48
The Palace - Gampaha	67.38
Head Office – Colombo 08	42.03
The Seasons – Colombo 08 (Construction)	7.64
Castle Street Warehouse	2.82
J'adore - Negombo	2.77
Total Scope 2	**194.11**

Largest electricity related emissions arise at the construction projects (The Colombo Border and J'dore-Negombo), followed by the Head Office.

Uncertainty and notes

- Emission factors: IPCC 2006 defaults; national grid factor from Sri Lanka Annual Energy Balance (2022)
- Uncertainties assessed using IPCC guidance; higher uncertainties linked to estimations vs. metered data
- No removals or biogenic CO2 reported for the period

Overall, total emissions are 266.47 tCO2e, dominated by electricity (Scope 2, 73%). Within Scope 1, company vehicle fuel (≈45.55 tCO2e) and refrigerant fugitive emissions (≈24.25 tCO2e) are the principal sources. Facility-level insights point to construction sites and the head office as major electricity hotspots, offering clear focus areas for energy efficiency and refrigerant management going forward.

GHG Inventory Methodology Explained

1. Standards and Reporting Framework

- The inventory is prepared in accordance with the GHG Protocol Corporate Accounting and Reporting Standard.
- Emissions calculations follow the IPCC 2006 GHG quantification guidelines.
- The reporting period is 1 April 2025 – 31 March 2026, and the process will be repeated annually.

2. Organizational and Reporting Boundaries

- The inventory covers six locations under operational control (head office, warehouse, one completed residential property, and three construction sites).
- Only Scope 1 (direct emissions) and Scope 2 (indirect emissions from purchased energy) are included. Scope 3 (other indirect emissions) is excluded for this period due to data limitations.

3. Step-by-Step Methodology

- Identification: All key sources and sinks are identified through site inspections and process studies.
- Data Gathering: Data is collected from service records, purchase records, internal reports, and system logs (e.g., fuel use, electricity bills, AC servicing, fire extinguisher refills).
- Calculation: Emissions are calculated using activity data (e.g., liters of fuel, kWh of electricity) multiplied by appropriate emission factors.
- Contingency Planning: For categories lacking data, alternative data collection or estimation methods are used.
- Reporting and Strategy: Results are compiled, and reduction strategies are set for future improvement.

4. Emission Factors and Calculations

- Default emission factors from the IPCC 2006 guidelines (Tier 1) are used unless country-specific factors are available (e.g., Sri Lanka's grid emission factor for electricity).
- Calculations convert all GHGs to CO2 equivalents (CO2e) using global warming potentials (GWP) from the IPCC 6th Assessment Report (e.g., CO2 = 1, CH4 = 27, N2O = 273).
- Assumptions are made where necessary (e.g., allocating shared resources based on employee ratios).

5. Data Management and Quality Control

- Data is reviewed by a trained GHG accounting team.
- Emission factors and conversion factors are sourced from recognized databases and publications.
- The process includes responsibility assignment, training, and regular review.

6. Uncertainty Assessment

- Uncertainty is assessed using qualitative and quantitative methods based on IPCC guidance.
- Error ranges are assigned depending on data source reliability (E.g., Direct measurements have 0–2% error, estimates can be up to 100%).
- Strategies are introduced to reduce uncertainty in future inventories by improving data collection.

7. Example Implementation

- For generator fuel use: Liters consumed (from refill records) × IPCC emission factor = CO2e emissions.
- For electricity: kWh consumed (from bills) × Sri Lanka grid emission factor = CO2e emissions.
- For AC recharging: Refrigerant quantity (kg) × GWP = CO2e emissions.

8. Exclusions and Future Plans

- Scope 3 emissions are excluded for this year but will be included in future inventories as data collection improves.
- No GHG removals are reported for this period.

Summary Table of Key Steps:

Step	Description
1	Identify sources and sinks
2	Gather data from records
3	Calculate emissions using emission factors
4	Address data gaps with estimates
5	Compile, review, and report
6	Assess and manage uncertainty

This methodology ensures a transparent, consistent, and verifiable approach to GHG inventory, supporting both regulatory compliance and internal sustainability goals.

OUR APPROACH TO SUSTAINABILITY

At Prime Lands Residencies PLC, sustainability remains at the heart of everything we do. As we enter the financial year 2025/26, we reaffirm and deepen our commitment to embedding Environmental, Social, and Governance (ESG) principles across every dimension of our business from strategic planning and capital allocation to project execution, supply chain management, and stakeholder engagement.

Our sustainability journey has evolved considerably over the past two financial years. Having established foundational practices and governance frameworks in 2023/24, and having embedded green construction standards and ESG reporting processes in 2024/25, we are now positioned to formalise and elevate our approach. In FY2025/26, PLR is committed to transitioning from practice-based sustainability to a structured, metrics-driven ESG roadmap aligned with globally recognised frameworks, including the Global Reporting Initiative (GRI) Standards, the United Nations Sustainable Development Goals (UN SDGs), and the emerging SLFRS S1 and S2 sustainability disclosure standards.

This section documents our principles, priorities, and actions under each of the 17 United Nations Sustainable Development Goals, demonstrating how PLR contributes meaningfully to sustainable development through our operations, communities, and partnerships.

Integrated Capital Framework

Our long-term resilience is underpinned by six interdependent capitals that collectively drive sustainable value creation:

Financial Capital 	Enables strategic investment in land banks, green infrastructure, energy-efficient developments, and human capital programs, while ensuring financial sustainability for all stakeholders.	✓ Active
Manufactured Capital 	Our thoughtfully designed, sustainability-certified residential properties generate long-term economic returns while delivering on our green building commitments and enhancing neighbourhood vitality.	✓ Active
Natural Capital 	Shapes our material, design, and site-selection choices; underpinning our eco-certification pathways, tree preservation initiatives, water recycling systems, and biodiversity commitments.	✓ Active
Human Capital	A skilled, purpose-led, and inclusive workforce drives our sustainability goals; from ethical procurement and green construction to innovation, community engagement, and stakeholder trust.	✓ Active
Intellectual Capital	Our planning tools, BIM technology, digital platforms, AI-driven automation, and innovative payment models empower resource efficiency, climate-conscious design, and continual organisational learning.	✓ Active
Social & Relationship Capital 	Cultivated through meaningful stakeholder partnerships, customer trust, and community investment; enabling PLR to scale sustainably while championing social equity and environmental responsibility.	✓ Active

Embedding ESG in Corporate Practice

Sustainability-linked thinking is embedded at every level of project execution, spanning the full spectrum from responsible material sourcing and site management to the delivery of an ethically grounded customer experience. In FY2025/26, we are formalizing a comprehensive ESG reporting structure with the following performance indicators:

Key Performance Indicator	FY2025/26 Baseline	FY2026/27 Target
Local supplier procurement (% of total purchases)	81%	≥ 85%
Green-certified projects (UDA Silver or above)	1 project (The Seasons)	3 projects (target Gold for 1)
Solar energy adoption (projects with rooftop solar)	Head office + The Palace	Majority of new projects
Paper reduction (digital process coverage)	95% (deed/SPA processes)	≥ 98% across all admin
Environmental non-compliance incidents	Zero	Zero
Employee health & safety incidents (LTI)	Under review	Zero lost-time injuries
Female representation – Board & EXCO	Chairperson + EXCO members	Maintain ≥ 30% overall
Annual energy audit coverage	All projects + head office	100% + benchmarking report
Site worker skills training hours	Programs initiated	≥ 40 hours per worker p.a.

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. As a responsible real estate developer, we believe that inclusive growth, innovation, and the stewardship of natural resources must go hand in hand.

The following section documents PLR's contributions and commitments under all 17 United Nations Sustainable Development Goals for the financial year 2025/26.



OUR APPROACH TO SUSTAINABILITY



No Poverty

- Prioritise hiring of site workforce from rural, underdeveloped, and economically marginalised areas, providing fair wages, stable employment, and access to formal social security benefits
- Conduct structured skills development and vocational training programs for site workers to enhance long-term earning potential beyond the construction sector
- Extend EPF/ETF coverage and formalised employment contracts to all permanent and long-term casual employees, strengthening economic security
- Provide subsidised meals, transport, accommodation (where applicable), and welfare facilities to reduce the daily cost burden on site workers
- Our flexible customer payment plans also support wider access to home ownership.



Zero Hunger

- Maintain subsidised lunch program ensuring all PLR employees and site workers receive nutritious daily meals at concessionary rates, with the majority of costs absorbed by the Company
- Provide dry rations, essential food packages, and nutritional support to low-income families in communities surrounding PLR project sites; particularly during festive seasons and times of hardship
- Provide food and refreshments to devotees and volunteers at community and religious events in the vicinity of PLR operations, including Poya-day observances



Good Health & Well-Being

- Supported the recovery and wellbeing of communities affected by Cyclone Ditwah through a contribution of Rs. 100 million to the “Rebuilding Fund” Programme.
- Provide comprehensive health insurance, accidental cover, and life cover for all permanent PLR employees
- Obtain workmen's compensation for all site staff, ensuring full health and safety coverage aligned with legal requirements
- Conduct regular medical check-ups, health screenings, and wellness workshops for all staff members to promote preventive healthcare
- Introduce mental health awareness programs, employee assistance resources, and work-life balance initiatives across the organisation
- Maintain construction site safety protocols in compliance with international Occupational Health and Safety (OHS) standards, with regular training for site workers and contractors
- Continue community healthcare contributions; including support to public hospitals and healthcare infrastructure; building on the refurbishment of Ward 38 at Colombo South Teaching Hospital and continued maintenance. Refer page 88 under social capital
- Our residential developments also focus on healthier living environments through ventilation, open spaces, green areas and wellness-oriented design.



Quality Education

- Continue and expand "Prime Thaksalawa" ; PLR's structured learning and development program encompassing skills, knowledge, and professional attitudes for all PLR employees
- Supported children of police officers affected by Cyclone Ditwah by donating school bags valued at Rs. 3 million
- Distribute school supplies, stationery, and educational materials to children of low-income families in communities where PLR operates
- Support extracurricular and holistic development activities in schools; building on partnerships with Thurstan College and Gothami Balika Vidyalaya
- Facilitate internships and structured career guidance programs in collaboration with state universities, Chartered Institute of Sri Lanka creating pathways from education to employment



Gender Equality

- PLR is led by a female Chairperson and is supported by meaningful female representation on both the Board and the Executive Committee, reflecting genuine gender-inclusive leadership at the highest levels
- Maintain a 1:1 ratio of basic salary at entry level for males and females, with equitable pay practices embedded across all bands
- Conduct leadership mentoring programs to empower aspiring female leaders across all departments and career stages
- Enforce a zero-tolerance policy on workplace harassment, supported by awareness campaigns during staff onboarding and periodic refresher training
- Provide maternity and paternity benefits ensuring family-supportive, gender-sensitive HR policies
- Regularly publish gender diversity metrics as part of PLR's evolving ESG disclosure framework



Clean Water & Sanitation

- Install rainwater harvesting systems as standard in all PLR developments, enabling on-site water collection and reuse
- Deploy eco-flush systems and low-flow fixtures to reduce per-unit water consumption across residences
- Utilise treated greywater for gardening and non-potable purposes, reducing the overall freshwater footprint of PLR projects
- Operate biomechanical sewage treatment plants (e.g., at The Palace – Gampaha) producing treated discharge meeting rainwater discharge standards
- Ensure responsible management of construction site water runoff to prevent contamination of municipal drainage and natural waterways
- Install deep tube wells at selected sites for responsible water extraction during construction, minimising impact on natural aquifers
- Ensure all public sanitation facilities within PLR residential communities meet national standards for cleanliness and accessibility



Affordable & Clean Energy

- Expand rooftop solar installations to all new projects and progressively retrofit existing common areas; building on the solar installations at the head office and The Palace – Gampaha
- Deploy LED lighting with sensor-based smart controls across all developments to minimise electricity consumption
- Install advanced VRV air conditioning systems and energy-efficient lifts, significantly reducing the operational carbon footprint of buildings
- Incorporate passive solar design techniques including optimal building orientation, shading devices, and thermally insulated facades
- Conduct annual energy audits across all projects and the head office to benchmark performance and identify efficiency opportunities
- Target Green Building certification for at least three projects in FY2026/27, incorporating energy performance as a key criterion
- Explore EV charging infrastructure for residential developments in upcoming projects

OUR APPROACH TO SUSTAINABILITY



Decent Work & Economic Growth

- Champion ethical employment practices across PLR and its supply chain; ensuring all legal entitlements including EPF/ETF, minimum wage, and safety standards are met
- Attract fresh graduate talent through structured university collaborations, internship programs, and career guidance partnerships
- Implement performance-linked incentives, annual recognition programs, and international exposure opportunities for high-performing employees
- Support entrepreneurship and local SME development through PLR's supply chain and procurement practices; ensuring at least 85% sourcing from local suppliers in FY2026/27
- Partner with financial institutions including HNB, DFCC, Union Bank, and HNB Finance to deliver innovative, accessible financing solutions for homeownership
- Continue the Revolutionary Prime Max 0.5% payment plan; making homeownership accessible to a broader demographic and stimulating economic activity in the real estate sector
- Provide career development frameworks, training hours targets, and skills upliftment for all employees



Industry, Innovation & Infrastructure

- Harness cutting-edge Building Information Modelling (BIM) technology for intelligent, resource-efficient design and construction management
- Pilot AI-driven automation in sales, collections, and operational workflows to enhance efficiency, reduce costs, and improve customer experience
- Pioneered digital innovation in Sri Lanka's real estate industry by introducing Prime Edge, the country's first-ever real estate mobile application for the sector, enhancing engagement with customers, independent agents and business partners.
- Strengthened customer service through "PrimeBee," an AI-powered call centre agent, and the dedicated short code 1322, improving accessibility, responsiveness and service efficiency.
- Deploy 360° virtual tours and seamless online booking platforms, expanding accessibility to PLR's products for customers across Sri Lanka and the diaspora
- Integrate Building Management Systems (BMS) into all new developments for intelligent, real-time monitoring of energy, water, and utilities
- Continue innovation in financing through the Prime Max 0.5% payment plan and explore new fintech-enabled homeownership solutions
- Strengthen digital infrastructure across PLR's operations, enabling paperless workflows and reducing administrative resource consumption
- Collaborate with technology partners and academic institutions to pilot smart home systems and sustainable construction innovations



Reduced Inequalities

- Maintain strictly merit-based recruitment and promotion policies that champion equal opportunity and are free from discrimination based on gender, ethnicity, religion, or socioeconomic background
- Ensure the ratio of basic salary at entry level for males and females is maintained at 1:1
- Incorporate accessibility features into all new residential developments to support residents with disabilities
- Offer diverse housing product formats and flexible financing plans to cater to different income groups, broadening access to homeownership
- Deliver scholarship programs, school supply donations, and financial assistance to students and families from economically underprivileged backgrounds
- Enforce a zero-tolerance policy on any form of unfair discrimination or workplace harassment across PLR and its contractors



Sustainable Cities & Communities

- Promote sustainable vertical living as a responsible urban solution to land scarcity, reducing urban sprawl and associated infrastructure costs
- Design and deliver residential communities that integrate public amenities; including community gardens, children's parks, walking paths, and shared green spaces
- Partner with architects and contractors holding green credentials (including ISO 14001 Environmental Management Standard) to deliver eco-certified developments
- Design resilient buildings incorporating disaster-resistant structural features, addressing flood risk, seismic considerations, and extreme weather resilience
- Actively engage local communities in the design and planning process to ensure developments align with local needs, aspirations, and cultural contexts



Responsible Consumption & Production

- Implement a formal Construction Waste Management Plan across all PLR project sites; ensuring waste is sorted, recycled, and diverted from landfill wherever feasible
- Source sustainable building materials including fly ash concrete, processed sand, Dura panels, eco-friendly paints, and timber alternatives
- Use biodegradable cleaning products and eco-conscious termite treatments, minimising toxic chemical use in construction and maintenance
- Digitise all key administrative and legal processes; building on the 95%+ paper reduction achieved through automated deed and SPA workflows
- Monitor all project sites for environmental compliance, including air and noise pollution limits, and report outcomes through ESG disclosures
- Formalise supplier ESG screening criteria, prioritising vendors with verifiable sustainable sourcing and labour practices
- Integrate circular economy principles into materials procurement planning, including the specification of materials with higher recycled content



Climate Action

- Integrate a formal climate resilience framework into site selection and project planning, evaluating flood risk zones, urban heat islands, and stormwater drainage capacity
- Incorporate green building design principles; including natural ventilation, LED lighting, inverter air conditioning, and motion-sensor lighting; as standard across all developments
- Target Green Building Certification (UDA Silver/Gold) for at least three new PLR projects in FY2026/27, reflecting commitment to low-carbon development
- Utilise advanced weather analytics and forecasting tools to develop construction timelines and risk mitigation strategies aligned with climate projections
- Expand renewable energy adoption; including rooftop solar and solar common-area installations; to reduce reliance on grid electricity
- Develop PLR's first carbon emissions baseline inventory for Scope 1 and Scope 2 emissions in FY2025/26, as a precursor to target-setting
- Promote green mobility through the provision of bicycle-friendly spaces and EV charging stations in upcoming projects
- Provide staff transport services to reduce carbon emissions from individual employee commuting

OUR APPROACH TO SUSTAINABILITY



Life Below Water

- Implement comprehensive construction site drainage management; using silt fences, sedimentation ponds, and controlled runoff systems; to prevent contamination of waterways and coastal ecosystems
- Ensure all sewage treatment systems (including biomechanical STPs) produce treated discharge meeting national water quality standards before release
- Conduct staff and contractor awareness campaigns on the importance of protecting aquatic ecosystems and responsible waste disposal practices
- Avoid construction activity in designated coastal buffer zones and environmentally sensitive waterfront areas
- Support national environmental programmes that protect Sri Lanka's marine and freshwater biodiversity through corporate contributions and partnerships



Life on Land

- Prioritise indigenous plant species in landscape architecture across all PLR projects, preserving local biodiversity and ecosystem services
- Maintain low building footprints of 30% (The Palace – Gampaha) and 25% (The Colombo Border), with the remainder dedicated to green space, landscaping, and biodiversity
- Design road networks within developments to minimise tree removal and preserve existing natural landscapes
- Use organic fertilisers and sustainable ground treatments in landscaping, avoiding chemical herbicides and pesticides harmful to soil biodiversity
- Introduce the "My Green Birthday" initiative; providing a living plant to each employee on their birthday to embed sustainability culture companywide
- Conduct tree planting programs across PLR project sites and in partnership with community groups and local government bodies



Peace, Justice & Strong Institutions

- Uphold a zero-tolerance policy on bribery, corruption, and fraud across all PLR employees, directors, and contractors; enforced through the Internal Code of Ethics and Conduct, and Gift Policy
- Operate a confidential Ethics Hotline enabling employees and stakeholders to report grievances, unethical practices, or compliance concerns anonymously and without fear of reprisal
- Maintain robust Audit Committee oversight, with regular internal and external audits ensuring financial integrity and regulatory compliance
- Implement transparent supplier and subcontractor vetting processes to reduce the risk of corrupt practices entering the PLR value chain
- Ensure full compliance with Colombo Stock Exchange (CSE) Listing Rules, Securities and Exchange Commission (SEC) regulations, and all applicable laws throughout FY2025/26
- Formally adopt and publish a Whistleblower Protection Policy to safeguard individuals who raise governance concerns in good faith

	**Partnerships for the Goals**
	• Deepen strategic partnerships with Commercial bank, HNB, DFCC, Union Bank, and HNB Finance to deliver innovative homeownership financing solutions reaching underserved demographics
	• Expand collaboration with government bodies, universities, NGOs, and international development agencies to accelerate progress across multiple SDGs
	• Launch "Prime Rajya Sewa Abhiman"; joint capacity-building programs with the Ministry of Public Administration enhancing the soft skills and professional development of public sector employees
	• Pursue Green Building certification partnerships with the Urban Development Authority (UDA) and international green standards bodies
	• Continue to engage the Colombo Stock Exchange and institutional investor community through transparent ESG disclosure and stakeholder forums
	• Formalise university partnership programs for internship, research, and career development, contributing to Sri Lanka's human capital pipeline
	• Explore international partnerships for technology transfer in sustainable construction methodologies and smart building systems

Stakeholder Input in ESG Matters

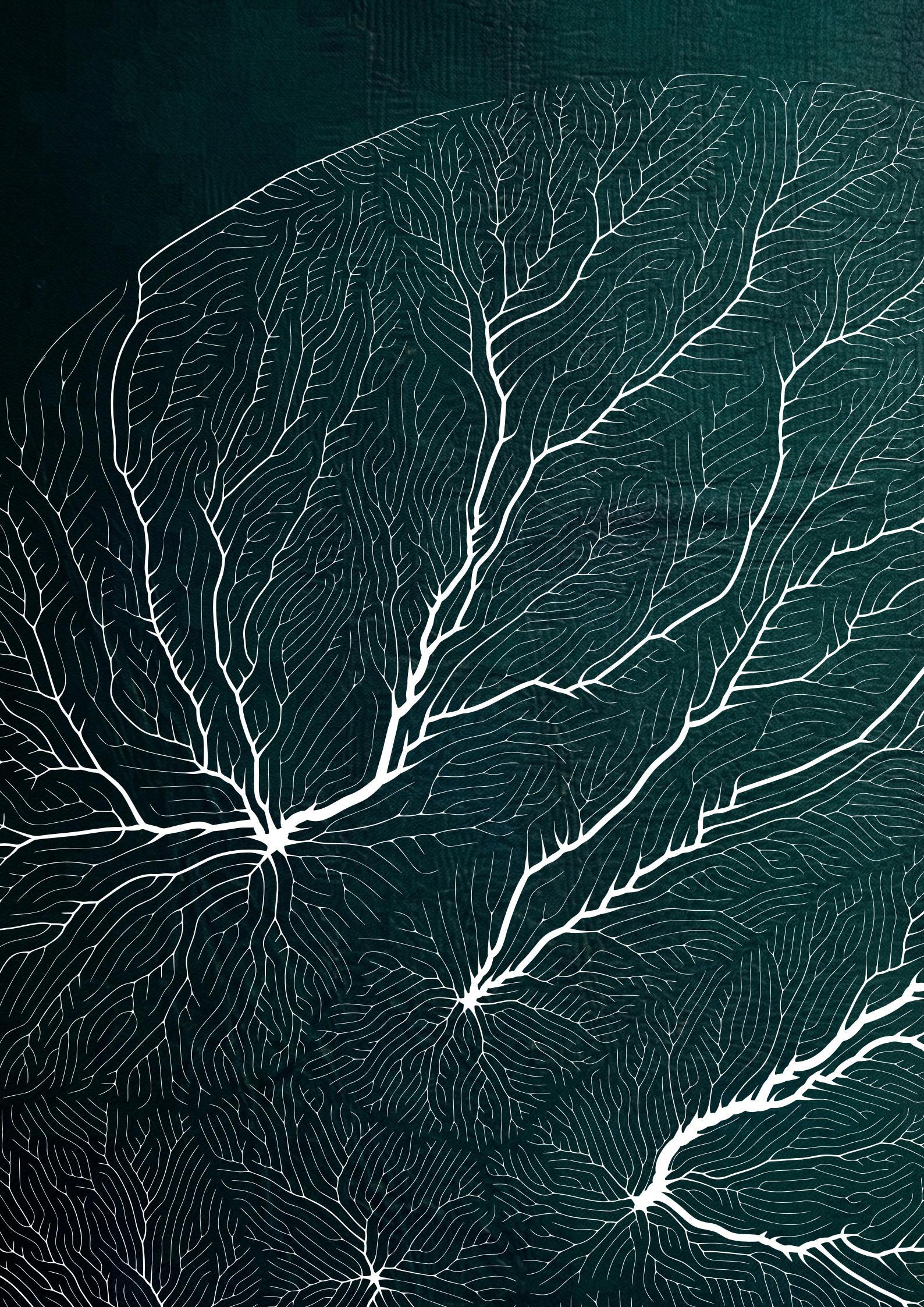
Our approach to sustainability is fundamentally people-centric, recognising that long-term value is created through meaningful engagement with all stakeholders. ESG priorities are shaped through a comprehensive materiality assessment process, ensuring that our actions are aligned with the issues that matter most to our stakeholders and our business.

Stakeholder input is gathered through multiple channels including investor forums, customer relationship management (CRM) feedback tools, employee engagement surveys, community consultations, and supplier engagement sessions. The consistent growth in repeat customer rates and positive engagement metrics reflects the trust and alignment we have built through our sustainability commitments.

FY2026/27 Sustainability Outlook

In FY2026/27, PLR will advance its sustainability journey by strengthening ESG integration across operations and projects, with a focus on governance, resource efficiency, and stakeholder wellbeing. Key priorities include enhancing sustainability reporting, improving environmental performance measurement, and further embedding responsible construction and community development practices.

These initiatives will reinforce PLR's commitment to long-term value creation and its position as a responsible leader in Sri Lanka's real estate sector.





SHAPING THE EXPANSE

CORPORATE GOVERNANCE

GRI 2-9 2-11

Ensuring Accountability, Transparency and Sustainable Value Creation

Prime Lands Residencies PLC remains committed to maintaining high standards of corporate governance, founded on ethical leadership, accountability, transparency, effective oversight and responsible decision-making. The Board recognizes that sound corporate governance is fundamental to protecting shareholder interests, strengthening stakeholder confidence and supporting the long-term sustainability of the Company.

During the year under review, the Board continued to provide strategic direction and oversight to the Company, while ensuring that governance structures, internal controls, risk management practices and compliance mechanisms remained aligned with the requirements of the Companies Act No. 7 of 2007, the Listing Rules of the Colombo Stock Exchange, the applicable regulations of the Securities and Exchange Commission of Sri Lanka and the Code of Best Practice on Corporate Governance issued by CA Sri Lanka.

The Company's governance framework is designed to support disciplined decision-making, clear delegation of authority, effective monitoring of performance and timely escalation of key risks and matters requiring Board attention. The Board is supported by its Sub-Committees, the Executive Committee, Management Committees, the Company Secretary, Internal Audit, Risk and Compliance function and the External Auditors.

Corporate Governance Declaration by the Chairperson

On behalf of the Board of Directors of Prime Lands Residencies PLC, I am pleased to present the Corporate Governance Report for the year ended 31st March 2026.

The Board remains fully committed to upholding the highest standards of corporate governance and ethical conduct in the discharge of its responsibilities. As stewards of shareholder value, we recognize that strong governance is essential to preserving trust, ensuring transparency, managing risks and enabling the Company to pursue sustainable growth in a responsible manner.

During the year under review, the Board continued to provide strategic oversight over the Company's business performance, financial reporting, risk management, regulatory compliance, internal controls and stakeholder engagement. Particular attention was given to strengthening governance practices in response to evolving regulatory requirements, increased stakeholder expectations, changing market conditions, sustainability-related developments and the need for enhanced operational resilience.

The Board is supported by its specialized Sub-Committees, namely the Board Audit Committee, Related Party Transactions Review Committee, Remuneration and Human Resources Committee and Nomination and Governance Committee. These Committees operate under clearly defined Terms of Reference and provide focused oversight over key governance areas, including financial reporting, internal controls, risk management, related party transactions, remuneration, Board composition, succession planning and governance effectiveness.

The Board also continued to place emphasis on ethical conduct, compliance, accountability and transparency across the organization. Directors, Key Management Personnel and employees are expected to act with integrity and in accordance with the Company's Code of Ethics and Conduct, applicable policies and regulatory requirements.

I am pleased to confirm that, to the best of the Board's knowledge, Prime Lands Residencies PLC has complied with the applicable laws, regulations and corporate governance requirements during the year under review. The Board will continue to review and strengthen the Company's governance framework to ensure that it remains relevant, effective and responsive to the expectations of shareholders and other stakeholders.



Sandamini Perera
Executive Chairperson

05 June 2026
Colombo

Governance Highlights for 2025/26

GRI 2-12

During the year, the Board's governance focus was directed towards the following key areas:

Area	Governance focus during the year
Board oversight	Continued monitoring of strategy, financial performance, project progress, sales, recovery, compliance, litigation and key operational matters.
Regulatory Compliance	Strengthened focus on compliance with CSE Listing Rules, corporate governance requirements, AML/CFT obligations and other regulatory correspondence.
Risk Management	Continued review of key risks through the Board Audit Committee, including financial, operational, compliance, legal, IT and project-related risks.
Internal Controls	Oversight over internal audit findings, management responses and agreed action plans through EXCO and Board Audit Committee reporting.
Board Composition and Independence	Continued maintenance of a balanced Board with Executive Directors and Independent Non-Executive Directors, supported by the Senior Independent Director.
Related Party Transactions	Continued review and monitoring of related party transactions through the Related Party Transactions Review Committee.
Ethics and Compliance Culture	Emphasis on ethical conduct, regulatory discipline, anti-corruption awareness, whistleblowing and responsible business practices.
Sustainability and ESG	Continued integration of sustainability considerations into governance, risk management and reporting practices.

Governance Response to Changes in the Operating Environment

The Board recognizes that effective governance requires continuous adaptation to changes in the business, regulatory and stakeholder environment. During the year, the following developments received particular attention:

Development	Governance response
Evolving corporate governance requirements	Continued review of Board and Committee practices, governance disclosures, Board composition, Committee composition and policies in line with CSE Listing Rules and the CA Sri Lanka Code.
Increased regulatory scrutiny	Enhanced monitoring of regulatory correspondence, compliance dashboards, AML/CFT requirements, tax compliance, corporate governance submissions and statutory filings.
Greater focus on anti-corruption and ethical conduct	Continued emphasis on integrity, conflict of interest management, whistleblowing, responsible procurement and transparent decision-making.
Sustainability and ESG expectations	Strengthened consideration of sustainability-related risks and opportunities in the Company's governance and risk management processes.
Digitalization and system reliance	Continued oversight over system-based controls, IT governance, cyber risks, ERP-related controls and data quality.
Market and customer developments	Board-level review of sales, recovery, project delivery, customer service, financing and operational performance.

CORPORATE GOVERNANCE

Approach to Governance

Corporate governance at PLR is not viewed merely as a compliance requirement. It is a core element of the Company's leadership, risk management, stakeholder engagement and value creation process. The Company's governance approach is built on the following principles:

Governance principle	Application at PLR
Accountability	Clear allocation of responsibilities between the Board, Board Sub-Committees, Executive Committee and Management.
Transparency	Timely and balanced disclosure of financial and non-financial information to shareholders, regulators and other stakeholders.
Ethical conduct	Promotion of integrity, professionalism, compliance and responsible conduct through the Code of Ethics and Conduct and related policies.
Effective oversight	Board and Committee review of strategy, performance, risks, internal controls, financial reporting and regulatory compliance.
Stakeholder focus	Consideration of the interests of shareholders, customers, employees, regulators, business partners and communities.
Sustainable value creation	Integration of governance, risk management, compliance and sustainability considerations into decision-making.

External and Internal Governance Framework

External Frameworks

The Company's governance practices are guided by the following external frameworks:

Regulatory / statutory frameworks	Voluntary / best practice frameworks
Companies Act No. 7 of 2007	Code of Best Practice on Corporate Governance issued by CA Sri Lanka
Listing Rules of the Colombo Stock Exchange	Integrated reporting principles
Securities and Exchange Commission of Sri Lanka Act and related regulations	Sustainability and ESG reporting principles
Sri Lanka Accounting and Auditing Standards Act	Internal control and risk management best practices
Inland Revenue Act and other tax regulations	Ethical business and responsible corporate citizenship practices
AML/CFT laws, regulations and FIU directions applicable to the Company	Industry-specific governance and compliance practices

Internal Governance Mechanisms

The Company's internal governance framework includes:

Internal mechanism	Purpose
Articles of Association	Defines the constitutional framework of the Company.
Board Charter	Sets out the role, responsibilities and matters reserved for the Board.
Terms of Reference of Board Sub-Committees	Defines the authority and responsibilities of each Committee.
Code of Ethics and Conduct	Establishes expected standards of integrity and professional conduct.
Board-approved policies and procedures	Provides a structured framework for consistent decision-making.
Delegation of Authority	Ensures clear approval limits and accountability.
Internal Audit, Risk and Compliance function	Provides independent review and assurance over controls, risks and compliance.
External Audit	Provides independent assurance over financial reporting.
Company Secretary	Supports Board processes, statutory compliance and governance administration.

CORPORATE GOVERNANCE
STRUCTURE AND FRAMEWORK

The governance structure of PLR is based on clear lines of authority, responsibility and accountability.

EXTERNAL FRAMEWORKS

- ☑ Regulatory
- ☑ Voluntary



GOVERNANCE STRUCTURE



Shareholders

Board of Directors

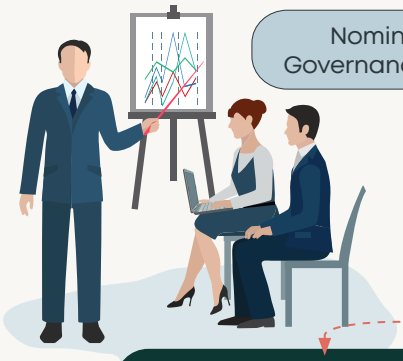
- Remuneration and HR Committee
- Board Audit Committee
- Related Party Transactions Review Committee
- Nomination and Governance Committee
- Executive Committee (EXCO)
- Assurance through External Audit
- Internal Audit, Risk and Compliance

INTERNAL FRAMEWORKS

- Articles of Association of the Company
- Board Charter
- Terms of Reference of Board Sub-Committees
- Code of Ethics and Conduct for employees
- Framework of Board approved Policies and Procedures

ASSURANCE FRAMEWORKS

- Internal Audit Framework
- External Audit





CHAIRPERSON

EXECUTIVE COMMITTEE (EXCO)

MANAGEMENT COMMITTEE

Management Committee - Non-Engineering

KEY FUNCTIONS

Decision making on operational matters related to support services (Finance, IT, Marketing, Real Estate, Legal, Admin & HR) Customer Service, Sales and Recoveries

Management Committee - Engineering

KEY FUNCTIONS

Decision making and managing affairs related to Engineering, Quantity Surveying, Procurement, Quality Assurance, Maintenance and Pre Functions of Management Corporations

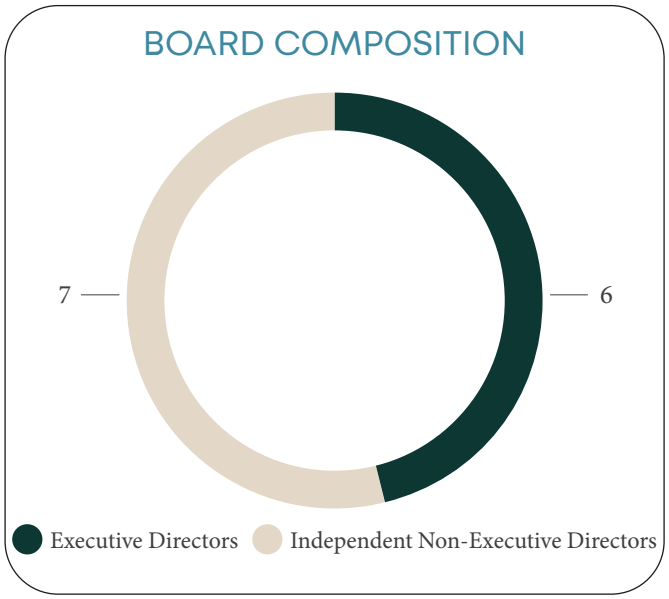
CORPORATE GOVERNANCE

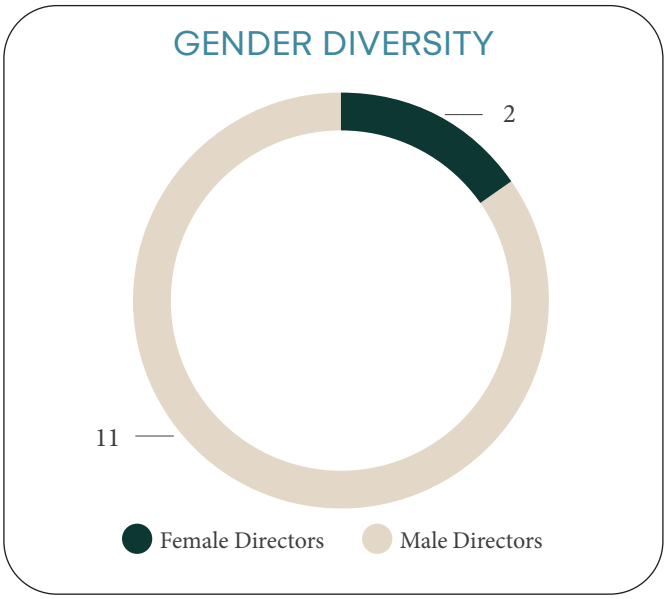
Board Composition and Balance

As at 31 March 2026, the Board comprised **13 Directors**, consisting of **6 Executive Directors and 7 Independent Non-Executive Directors**. The Board composition reflects a balance between executive knowledge of the business and independent oversight.

The Board brings together a diverse range of skills and experience covering real estate, construction, finance, governance, risk management, legal, marketing, engineering, corporate leadership and business strategy. This enables the Board to consider matters from multiple perspectives and make informed decisions in the best interests of the Company and its stakeholders.

The roles of the Chairperson and the Managing Director are separated, thereby maintaining a clear division between Board leadership and executive management. As the Chairperson is an Executive Director, the role of the Senior Independent Director remains important in supporting balanced governance, independent judgement and stakeholder confidence.





Key governance features of the Board

Feature	Governance value
Separation of Chairperson and Managing Director roles	Avoids concentration of authority and supports effective oversight.
Majority Independent Non-Executive representation	Strengthens objectivity, independent judgement and accountability.
Senior Independent Director	Provides an alternative communication channel and supports balanced governance.
Diverse skills and experience	Enhances the quality of Board deliberations and decision-making.
Board Sub-Committee structure	Enables detailed review of specialized areas.

Responsibilities of the Board

The Board is collectively responsible for the long-term success of the Company. Its responsibilities include strategic leadership, oversight of performance, risk management, financial stewardship, governance, compliance and stakeholder accountability.

The following matters are reserved for the Board:

- Approval of the Company's strategy and business plan
- Approval of annual budgets and monitoring of performance against budgets
- Approval of interim and annual financial statements
- Approval of major investments, acquisitions, disposals and capital expenditure
- Approval of dividend policy and dividend declarations

- Changes to capital structure
- Appointment and removal of Directors and Board Committee members
- Approval and amendment of Board and Committee Terms of Reference
- Review and approval of key policies and procedures
- Oversight of risk management and internal controls
- Review of regulatory compliance and significant regulatory correspondence
- Approval of material related party transactions, where applicable
- Oversight of sustainability, ESG and stakeholder-related matters

Board Meetings and Information Flow

Board meetings are scheduled in advance and Directors are provided with sufficient information to enable informed discussion and decision-making. Board papers include financial performance, operational performance, project status, sales and recovery updates, compliance updates, litigation status, regulatory correspondence, risk matters, Committee minutes and other matters requiring Board attention.

The Board met five times during the year under review. The Board, the Board Audit Committee and the Related Party Transactions Review Committee meet at least quarterly, while the Remuneration and Human Resources Committee and the Nomination and Governance Committee meet as required, based on their respective mandates.

Area	Practice
Meeting frequency	Board meetings are held at least quarterly, with additional meetings where necessary.
Board papers	Papers are circulated in advance to allow adequate review.
Agenda planning	Agendas are structured to cover financial, operational, governance, compliance and strategic matters.
Committee reporting	Minutes and recommendations of Board Sub-Committees are tabled to the Board.
Follow-up	Matters requiring action are tracked through follow-up mechanisms and updates are provided to the Board.

Details of the number of meetings held by the Board and its Sub-Committees during the year, together with the composition of each Committee and the individual attendance of members, are presented on page 124.

Board Sub-Committees

GRI 2-13

The Board has established Sub-Committees to provide focused oversight over specialized areas. Each Committee operates under approved Terms of Reference and reports its key deliberations, recommendations and decisions to the Board.

Board Audit Committee

The Board Audit Committee assists the Board in overseeing financial reporting, internal controls, risk management, compliance, internal audit and external audit.
Functions of the Audit Committee are reported on page 166.

Related Party Transactions Review Committee

The Related Party Transactions Review Committee reviews and monitors related party transactions to ensure that such transactions are conducted on normal commercial terms and in compliance with applicable regulatory requirements.
Functions of the Related Party Transactions Review Committee are reported on page 169.

Remuneration and Human Resources Committee

The Remuneration and Human Resources Committee assists the Board in overseeing remuneration policy, HR strategy, employee-related policies, performance evaluation and succession-related matters.

Functions of the Remuneration and Human Resources Committee are reported on page 171.

Nomination and Governance Committee

The Nomination and Governance Committee supports the Board in relation to Board composition, Director appointments, re-election, succession planning, Board evaluation and governance practices.

Functions of the Nomination and Governance Committee are reported on page 173.

Policy Framework

The Company maintains a framework of Board-approved policies and procedures to ensure consistency, compliance, accountability and control across the organization. Policies are reviewed periodically and updated where required to reflect regulatory changes, operational requirements and governance expectations.

Policy area	Key policies / procedures
Governance	Board Charter, Board Committee Terms of Reference, Corporate Governance Policy, Delegation of Authority
Ethics and conduct	Code of Ethics and Conduct, Whistleblowing Policy, Anti-Bribery and Anti-Corruption related procedures, Conflict of Interest procedures
Financial control	Finance Policies, Budgeting Procedures, Payment Authorization Procedures, Procurement and Vendor Onboarding Procedures
Risk and compliance	Risk Management Policy, Internal Audit Framework, Compliance monitoring procedures, AML/CFT Policy
People and culture	HR policies, remuneration procedures, grievance handling and disciplinary procedures
IT and data	IT policies, access controls, information security procedures, data governance practices
Sustainability	Sustainability and ESG-related policies and procedures

Risk Management and Internal Controls

The Board is responsible for ensuring that the Company maintains an effective system of risk management and internal control. The Board Audit Committee supports the Board by reviewing the adequacy and effectiveness of the Company's risk management and internal control framework.

The Company's risk management approach focuses on identifying, assessing, prioritizing, mitigating and monitoring risks that may affect the achievement of business objectives. Key risk areas include strategic, financial, operational, legal, compliance, IT, project, reputational and sustainability-related risks.

A detailed discussion on risk management is presented on page 152.

Digital Governance and Information Technology

The Board recognises the increasing importance of digital governance, data integrity, system controls and cyber resilience. As the Company continues to rely on information systems to support operations, financial reporting, customer management, procurement, payments and compliance, effective IT governance remains a key area of oversight.

During the year, the Board and Management continued to focus on:

Area	Focus
System controls	Ensuring appropriate access rights, approval workflows and segregation of duties.
Data quality	Improving accuracy and completeness of system-generated information.
Cybersecurity	Strengthening awareness, controls and monitoring of cyber-related risks.
Process automation	Reducing manual intervention and improving system-based controls.
ERP governance	Monitoring SAP-related controls, process integration and reporting reliability.
Business continuity	Ensuring system availability and continuity of critical operations.

Ethics, Compliance and Anti-Corruption

The Board sets the tone at the top for ethical conduct, integrity, accountability and compliance. Directors, Key Management Personnel and employees are expected to act honestly, responsibly and in the best interests of the Company.

The Company's Code of Ethics and Conduct sets out the standards expected from employees and Directors. The Company also maintains mechanisms for reporting unethical conduct, including whistleblowing arrangements that support confidential reporting.

The Company maintains a zero-tolerance approach towards bribery, corruption, fraud, unethical conduct and regulatory non-compliance.

Whistleblowing

GRI 2-16 2-25

The Company has established a whistleblowing mechanism to enable employees and relevant stakeholders to report concerns relating to unethical conduct, fraud, misconduct, regulatory breaches, conflicts of interest or any other matters that may adversely affect the Company.

Whistleblowing concerns are reported directly to the Chairman of the Board Audit Committee, ensuring independence, confidentiality and appropriate oversight. This reporting line strengthens the objectivity of the process and provides employees with a secure channel to raise genuine concerns without fear of retaliation.

The whistleblowing mechanism is designed to:

- Encourage reporting of genuine concerns
- Protect confidentiality where possible
- Prevent retaliation against persons raising concerns in good faith
- Ensure matters are reviewed independently and appropriately
- Support corrective action where required

This mechanism forms an important part of the Company's overall governance, risk management and internal control framework.

Conflict of Interest

GRI 2-15

Directors and employees are required to avoid situations where personal interests conflict, or may appear to conflict, with the interests of the Company. Directors are expected to disclose interests in contracts, transactions or other matters in accordance with applicable laws, regulations and Company policies.

Where a conflict arises, the relevant Director or employee is expected to make the required disclosure and abstain from participating in decision-making where appropriate.

Sustainability and ESG Governance

GRI 2-14

The Board recognizes that sustainability and ESG considerations are increasingly important to long-term value creation, stakeholder confidence and regulatory readiness. The Company continues to integrate sustainability-related considerations into governance, risk management, reporting and business decision-making.

Please refer to page 99 for the Company's sustainability-related reporting.

Stakeholder Engagement

The Board recognizes that effective stakeholder engagement is essential to maintaining trust, understanding stakeholder expectations and supporting sustainable business performance.

The Company engages with key stakeholders through structured and ongoing communication channels.

The Annual General Meeting remains the primary forum for direct shareholder engagement. Shareholders are encouraged to participate, raise questions and exercise their voting rights.

Shareholder Rights and Communication

The Company is committed to treating all shareholders fairly and equitably. Price-sensitive information is disclosed to the Colombo Stock Exchange in accordance with applicable Listing Rules, ensuring equal and timely access to information.

Company Secretary

The Company Secretary plays a key role in supporting effective governance and Board administration. The Company Secretary ensures that Board and Committee procedures are properly followed, minutes are maintained, statutory registers are updated and regulatory filings are completed within applicable timelines.

The Company Secretary also advises the Board on governance requirements, supports the circulation of Board Papers, facilitates shareholder meetings and assists Directors in discharging their duties in accordance with applicable laws and regulations.

Conclusion

GRI 2-27

The Board is satisfied that the Company's corporate governance framework remained effective during the year under review and that appropriate mechanisms were in place to support accountability, transparency, ethical conduct, risk management, internal control and regulatory compliance.

The Board will continue to review and strengthen the Company's governance practices in line with regulatory developments, stakeholder expectations and the evolving business environment, with the objective of preserving trust and creating sustainable long-term value for shareholders and other stakeholders.

BOARD AND BOARD SUBCOMMITTEE ATTENDANCE

The number of meetings held by the Board and its Subcommittees during the financial year, together with the individual attendance of members, is set out below:

Number of meetings held

Type of meeting	Number of meetings held
Board meetings	05
Audit Committee meetings	06
Related Party Transactions Review Committee meetings	05
Remuneration and Human Resource Committee meetings	03
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 2025	21st May 2025	21st May 2025	18th July 2025	17th October 2025
7th August 2025	23rd May 2025	23rd May 2025	17th October 2025	26th March 2026
6th November 2025	24th July 202	24th July 2025	29th January 2026	--
16th December 2025	23rd October 2025	23rd October 2025	--	--
12th February 2026	30th January 2026	30th January 2026	--	--
--	26th March 2026	--	--	--

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 2025	7th August 2025	6th November 2025	16th December 2025	12th February 2026
Sandamini Perera	Chairperson/ Executive Director	5	5	✓	✓	✓	✓	✓
Premalal Brahmanage	Executive Director	5	5	✓	✓	✓	✓	✓
Manjula Weerakkody	Executive Director	5	5	✓	✓	✓	✓	✓
Nalinda Heenatigala	Executive Director	5	5	✓	✓	✓	✓	✓
Shehana Brahmanage	Executive Director	5	5	✓	✓	✓	✓	✓
Anura Pathirage	Executive Director	5	5	✓	✓	✓	✓	✓
Deepal Sooriyaarachchi	Non-Executive, Senior Independent Director	5	5	✓	✓	✓	✓	✓
Sanjaya Bandara	Independent Non-Executive Director	5	5	✓	✓	✓	✓	✓
Mahinda Perera	Independent Non-Executive Director	5	5	✓	✓	✓	✓	✓
Dhammika Kalapuge	Independent Non-Executive Director	5	5	✓	✓	✓	✓	✓
Noel Joseph	Independent Non-Executive Director	5	5	✓	✓	✓	✓	✓
Prof. Sampath Amaratunge	Independent Non-Executive Director	5	5	✓	✓	✓	✓	✓
Prof. Ananda Jayawardane *	Independent Non-Executive Director	3	3	n/a	n/a	✓	✓	✓

*Appointed to the Board with effect from 04 September 2025.

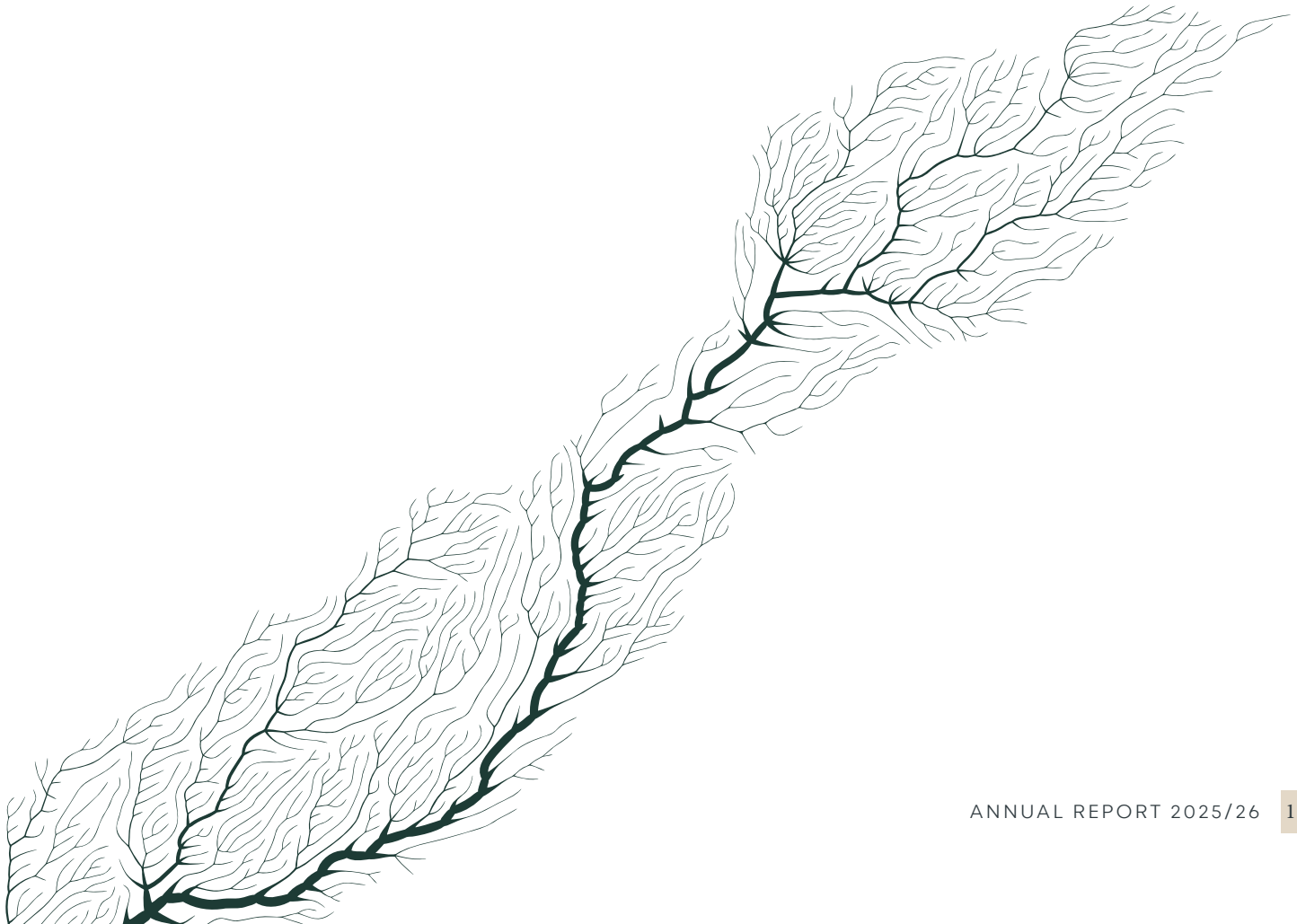
The Subcommittee composition, together with the attendance of the members

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	6/6	C	5/5	M	2/3	M	2/2
Mr. Deepal Sooriyaarachchi	M	6/6	M	4/5	C	3/3	C	2/2
Mr. Mahinda Perera	M	6/6	M	5/5	n/a	n/a	M	2/2
Prof. Ananda Jayawardane *	M	2/2	M	1/1	n/a	n/a	n/a	n/a
Mr. Dhammika Kalapuge	n/a	n/a	n/a	n/a	M	3/3	n/a	n/a
Prof. Sampath Amaratunge*	n/a	n/a	n/a	n/a	M	1/1	n/a	n/a

*Appointed to the subcommittee with effect from 04 September 2025.

Legend
C-Chairman
M-Member



COMPLIANCE WITH CORPORATE GOVERNANCE FRAMEWORKS

The Company is committed to upholding the highest standards of corporate governance. This section sets out the governance framework, practices, and processes adopted by the Company to promote integrity, transparency, accountability, and sustainable value creation for all stakeholders. In this regard, the Company is guided by the Code of Best Practice on Corporate Governance (2023) issued by the Institute of Chartered Accountants of Sri Lanka, the requirements of Section 9 of the Listing Rules of the Colombo Stock Exchange, and the provisions of the Companies Act No. 07 of 2007. Together, these frameworks form the foundation of the Company's governance principles and support the effective oversight and management of its affairs.

Section A

This section outlines the Company's level of compliance with the Code of Best Practice on Corporate Governance (2023) issued by the Institute of Chartered Accountants of Sri Lanka, reflecting its commitment to upholding strong governance standards and adopting best practices in corporate governance.

Level of Compliance with the Code of Best Practice on Corporate Governance as of 31st March 2026

GRI 2-26 2-18

Corporate Governance Principle	Principle No.	Compliance	Level of Compliance and Implementations
The Board	A.1	✓	Under the leadership of the Chairperson, the Board consists of thirteen Directors, of whom seven are Independent Non-Executive Directors. The Board is composed of accomplished professionals with wide-ranging expertise in business leadership, engineering, finance, sales and marketing, legal and compliance, human resources, corporate governance, and risk management. This breadth of experience and diversity of perspective strengthens the Board's ability to provide effective strategic guidance, sound oversight, and long-term stewardship of the Company.
Regular Board meetings, Structure and process of submitting information	A.1.1	✓	The Board meets on a quarterly basis, with additional meetings convened as and when necessary to address specific matters requiring its attention. During the financial year ended 31 March 2026, the Board held five meetings. Board papers containing relevant and timely information are circulated to Directors at least seven days prior to each meeting to facilitate informed deliberation and effective decision-making. These papers generally include: • Quarterly and year-to-date financial statements, together with comparative figures for the corresponding period of the previous financial year and approved budgets; • Details on the use of the common seal and the litigation status of the Company; • The compliance dashboard; • Updates on the progress of ongoing construction projects; • Updates on sales and recovery performance; • Minutes of Board Sub-Committee meetings; • Circular resolutions submitted for ratification; and • Regulatory correspondence.

Corporate Governance Principle	Principle No.	Compliance	Level of Compliance and Implementations
Responsibility of the Board	A.1.2	✓	The Board is primarily responsible for setting the strategic direction of the Company and overseeing the strategic planning process, including the development of the Company's vision and mission. As part of its overall stewardship role, the Board is also responsible for, among other matters: • The appointment of the Chairperson of the Board; • Ensuring effective succession planning for the Managing Director/Chief Executive Officer and key management personnel; • The approval of budgets and major capital expenditure; • Delegating oversight to the Board Audit Committee in relation to the effectiveness of systems for maintaining the integrity of information, internal controls, and risk management; and • Monitoring compliance with applicable laws, regulations, and ethical standards.
Act in accordance with the law and obtain independent professional advice.	A.1.3	✓	The Company places significant emphasis on ensuring compliance with all applicable laws, regulations, and regulatory requirements. To support effective oversight in this regard, statutory and regulatory compliance dashboards are presented at each Board meeting by the General Manager – Legal and the Head of Internal Audit, Risk and Compliance, respectively, and are reviewed and monitored at Board level. Board members are also entitled, whenever considered necessary in the discharge of their duties, to seek independent professional advice from external parties, including the Company's external auditors, legal counsel, and other professional consultants, 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. The Company Secretary is responsible for facilitating due compliance with Board procedures, the Company's Articles of Association, the Listing Rules of the Colombo Stock Exchange, and the Companies Act No. 07 of 2007, as well as for maintaining minutes of Board and Committee meetings and other statutory records. In addition, the Company has obtained Directors' and Officers' Liability Insurance from a reputed insurance provider in Sri Lanka to indemnify Directors and Officers against liabilities arising in the course of discharging their duties, where permitted by law.
Independent judgement of Directors	A.1.5	✓	All Directors exercise independent judgment in matters relating to strategy, performance, resource allocation, risk management, compliance, and standards of business conduct. To support informed and objective decision-making, each Director is provided with a comprehensive set of Board papers in advance of every Board meeting, allowing adequate time to review the matters under consideration and to apply independent judgment effectively.

COMPLIANCE WITH CORPORATE GOVERNANCE FRAMEWORKS

Corporate Governance Principle	Principle No.	Compliance	Level of Compliance and Implementations
Dedication of adequate time and effort by Directors	A.1.6	✓	The Board met on five occasions during the financial year ended 31 March 2026. The Board is satisfied that the Chairperson and all other Directors devoted adequate time and effort during the year to effectively discharge their responsibilities. To facilitate informed deliberation and effective decision-making, the agenda and Board papers are circulated to Directors sufficiently in advance of each meeting, enabling them to review the matters under consideration and seek clarifications, where necessary, prior to the meetings.
Call for resolution by Directors	A.1.7	✓	In accordance with the Company's Articles of Association, resolutions of the Board are passed by majority vote. Further, any Director may call for a matter to be presented to the Board for resolution where he or she considers such action to be in the best interests of the Company.
Training for Directors	A.1.8	✓	The Board recognizes the importance of ensuring that Directors are appropriately equipped to discharge their responsibilities effectively. Accordingly, every newly appointed Director is provided with a suitable induction, while further training and development are made available as necessary, covering both general aspects of directorship and matters specific to the Company and the industry in which it operates. During the year, the Company provided a comprehensive induction program to the newly appointed Director, Prof. Ananda Jayawardane. The induction covered the Company profile, business and industry landscape, key competitors, and presentations by functional heads on their respective areas of operation. In addition, Directors are encouraged to participate in relevant external forums, seminars, and professional development program, and are regularly briefed at Board and Board Committee meetings on significant regulatory and industry developments that may impact the Company and its operations.
Separation of the roles of Chairperson and CEO/MD	A.2	✓	The roles of Chairperson and Managing Director are separate, thereby ensuring a clear division of responsibilities at the highest level of the Company and promoting an appropriate balance of power and authority. For this purpose, the role of the Managing Director is regarded as equivalent to that of the Chief Executive Officer.
Chairman's role & Conduct of Board Meetings	A.3- A.3.1	✓	The Board is headed by the Chairperson, Ms. Sandamini Perera, who provides leadership to the Board and is responsible for ensuring its effective functioning. In discharging this role, the Chairperson works with the Company Secretaries to develop an appropriate agenda for Board meetings, taking into consideration the recommendations of Directors, ensures the timely circulation of Board papers containing sufficient and relevant information, promotes the effective participation of both Executive and Non-Executive Directors, and maintains an appropriate balance of power between Executive and Non-Executive Directors. The Chairperson also ensures that the views expressed by Directors on matters under consideration are duly obtained and that the deliberations and decisions of the Board are appropriately recorded in the minutes.

Corporate Governance Principle	Principle No.	Compliance	Level of Compliance and Implementations
Financial acumen	A.4	✓	The Board comprises Directors with the skills, experience, expertise, and business acumen necessary to provide sound guidance on financial matters and to effectively oversee the financial affairs of the Company. The Board includes a Fellow Member of the Institute of Chartered Accountants of Sri Lanka, two Fellow Members of the Chartered Institute of Management Accountants (UK), and a Fellow Member of the Chartered Institute of Taxation of Sri Lanka. In addition, the other Directors possess the knowledge and capability to contribute meaningfully to the Board's deliberations on financial and related matters.
Board balance	A.5	✓	The Board comprises an appropriate balance of Executive and Non-Executive Directors, thereby ensuring that no individual Director or small group of Directors is able to dominate the Board's decision-making process. The presence of experienced Non-Executive Directors enables objective judgment and independent oversight in the discharge of the Board's responsibilities. In addition, the role of the Senior Independent Director further strengthens the independence of the Board and supports the integrity of its deliberations and decision-making processes.
Majority of Non-Executive Directors	A.5.1	✓	The Chairperson serves in an Executive capacity. Accordingly, in line with the applicable corporate governance requirement, the Board comprises a majority of Non-Executive Directors. Out of the thirteen Directors on the Board, seven are Independent Non-Executive Directors and six are Executive Directors, thereby ensuring an appropriate balance of independence, objectivity, and effective oversight in the Board's deliberations and decision-making processes.
Independent Non-Executive Directors	A.5.2	✓	All seven Non-Executive Directors serving on the Board are considered independent. Accordingly, the Board is satisfied that the Company complies with the applicable requirement relating to Independent Non-Executive Directors under the Code of Best Practice on Corporate Governance (2023) and the Listing Rules of the Colombo Stock Exchange.
Directors independent from management	A.5.3	✓	The independence of Non-Executive Directors is assessed with due regard to their independence from management and freedom from any business or other relationship that could materially interfere, or be reasonably perceived to interfere, with the exercise of their unfettered and independent judgment. In this regard, the Company maintains the Interests Register required under the Companies Act No. 07 of 2007, which includes disclosures relating to Directors' interests in contracts and other relevant interests involving the Company. Related party transactions are reviewed through the established governance framework, and the relevant disclosures are set out on page 169 of this Annual Report.
Annual Declaration of Independence by Non-Executive Director	A.5.4	✓	Each Non-Executive Director submits a signed and dated annual declaration confirming his independence or non-independence against the criteria specified in the Code of Best Practice on Corporate Governance (2023). In addition, at the end of each quarter, all Non-Executive Directors reaffirm whether their declared independence status remains unchanged, thereby supporting ongoing compliance with the applicable governance requirements and enabling the Board to continuously assess their independence.

COMPLIANCE WITH CORPORATE GOVERNANCE FRAMEWORKS

Corporate Governance Principle	Principle No.	Compliance	Level of Compliance and Implementations
Determination of Independence of Director	A.5.5	✓	The Board has, based on the declarations submitted by the Non-Executive Directors and other information available to it, determined that each of the Non-Executive Directors is independent in character and judgment and is free from any relationships or circumstances that could materially interfere, or reasonably be perceived to interfere, with the exercise of independent judgment. The Board has not identified any circumstances requiring a determination of independence beyond the criteria set out in the Code of Best Practice on Corporate Governance (2023). Accordingly, the Independent Non-Executive Directors of the Company are: Mr. Deepal Sooriyaarachchi, Mr. Sanjaya Bandara, Mr. Mahinda Perera, Mr. Noel Joseph, Mr. Dhammika Kalapuge, Prof. Sampath Amaratunge, and Prof. Ananda Jayawardane.
Alternate Director	A.5.6	✓	No alternate Directors were appointed
Appointment of Senior Independent Director	A.5.7	✓	As the Chairperson is not an Independent Director, the Board has appointed Mr. Deepal Sooriyaarachchi as the Senior Independent Director in compliance with the Code of Best Practice on Corporate Governance (2023). During the financial year, the Senior Independent Director met once with the Non-Executive Directors and once with the Executive Directors to discuss and facilitate communication on governance-related matters.
Confidential discussion with Senior Independent Director	A.5.8	✓	The Senior Independent Director is available to meet with Directors on a confidential basis to discuss any concerns relating to governance or any matter that may have an adverse impact on the Company and which has not been adequately addressed through the normal channels of the Board. During the period under review, no matters were brought to the attention of the Senior Independent Director requiring separate confidential discussions with Directors. A report of the Senior Independent Director is set out on page 164 of this Annual Report.
Chairman's meetings with Non-Executive Directors	A.5.9	✓	During the financial year, the Chairperson met with the Non-Executive Directors without the presence of the Executive Directors, thereby providing an opportunity for open discussion on matters relating to the Board's effectiveness, governance, and other issues requiring independent consideration.

Corporate Governance Principle	Principle No.	Compliance	Level of Compliance and Implementations
Recording of Concerns raised by Directors in Board Minutes	A.5.10	✓	Any concerns raised by Directors during the financial year are appropriately recorded in the minutes of Board meetings by the Company Secretary, thereby ensuring that the deliberations of the Board are properly documented and maintained as part of the Company's governance records.
Supply of Information	A.6.1	✓	The Company ensures that Directors receive adequate, accurate, and timely information to support effective decision-making and the proper discharge of their responsibilities. In respect of urgent matters, every effort is made to provide the relevant information as promptly as possible. The Board is provided with a standard set of Board papers that are comprehensive and include detailed analysis of both financial and non-financial information. In addition, Directors may seek further information, clarification, or explanation from any member of the Executive Committee whenever considered necessary.
Adequate time for the conduct of Board Meetings	A.6.2	✓	The agenda for Board meetings, together with the related Board papers, is ordinarily circulated to Directors at least seven days in advance of each meeting in order to facilitate informed deliberation and the effective conduct of Board proceedings.
Appointments of Director to the Board	A.7.1	✓	The Board has established a Nominations and Governance Committee to ensure a formal, transparent, and structured process for the appointment of Directors to the Board. The Committee comprises three Independent Non-Executive Directors and is chaired by Mr. Deepal Sooriyaarachchi, the Senior Independent Director. The Committee is responsible for reviewing and recommending appointments to the Board, having due regard to the skills, experience, independence, and suitability required to support the effective discharge of the Board's responsibilities.
Annual assessment of Board composition	A.7.2	✓	The Nominations and Governance Committee annually assesses the composition of the Board against pre-defined criteria to ensure that the collective knowledge, experience, skills, and diversity of the Board remain aligned with the Company's strategic direction and evolving business needs. The outcomes of these assessments are taken into consideration when identifying and recommending new appointments to the Board, thereby supporting the maintenance of an effective and well-balanced Board. During the year, based on its assessment and recommendation, the Committee recommended the appointment of Prof. Ananda Jayawardane, a Chartered Engineer, to the Board. A detailed profile of the Director is set out on page 29 of this Annual Report.

COMPLIANCE WITH CORPORATE GOVERNANCE FRAMEWORKS

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 to the Board are communicated to shareholders forthwith by way of an announcement to the Colombo Stock Exchange. During the year, the appointment of Prof. Ananda Jayawardane as an Independent Non-Executive Director was duly announced through the Colombo Stock Exchange, and the disclosure included, inter alia, a brief résumé of the Director, the nature of his expertise, the names of companies in which he holds directorships or memberships on Board Committees, and his independence status.
Member of the Committee and the work of the Committee	A 7.5	✓	Refer Nominations and Governance Committee Report on page 173.
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	A.8.3	✓	Any Director who resigns prior to the completion of his or her appointed term is required to submit a written communication to the Board setting out the reasons for such resignation. No such resignations occurred during the year under review.
Appraisal of Board Performance	A.9.1-9.4	✓	The Board has in place a formal and rigorous process for the annual evaluation of its own performance, the performance of its Board Sub-Committees, and that of the Non-Executive Directors. The results of the evaluation are compiled and presented to the Board for consideration, with a view to identifying areas for continuous improvement and enhancing the overall effectiveness of the Board and its Committees.
Disclosure of information in respect of Directors	A.10	✓	The following information in respect of each Director is disclosed in this Annual Report: • Name, qualifications and brief profile (Refer page 22) • The nature of his/her expertise in relevant functional areas (Refer page 22) • Whether Executive, Non-Executive and/or independent Director (Refer page 22) • Names of listed companies in Sri Lanka in which the Director concerned serves as a Director (Refer page 22) • Number of Board meetings of the Company attended during the year (Refer page 124) • 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 22) • 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"

Corporate Governance Principle	Principle No.	Compliance	Level of Compliance and Implementations
Appraisal of Chief Executive Officer	A.11-A.12	✓	At the commencement of each financial year, the Board, in consultation with the Managing Director, sets short-, medium-, and long-term objectives, together with appropriate financial and non-financial targets to be achieved during the year. The performance of the Managing Director is thereafter evaluated by the Board against these agreed objectives and targets in order to assess the extent to which they have been achieved and to ensure alignment with the Company's strategic direction and performance expectations.
Directors' Remuneration	B.1	✓	The Board has established a formal and transparent process for the development of remuneration policies through the Remuneration Committee. The Committee assists the Board in matters relating to the remuneration of Directors and Key Management Personnel, ensuring that such remuneration is determined in a structured and objective manner and is aligned with the Company's strategic objectives, performance, and good governance practices.
Establishment and composition of the Remuneration Committee	B.2.1-B.2.2	✓	The Board has established a Remuneration and Human Resources Committee comprising four Non-Executive Directors, all of whom are Independent. The Committee is chaired by Mr. Deepal Sooriyaarachchi, who serves as the Senior Independent Non-Executive Director.
Remuneration of Executive Directors & Senior Management	B.2.3	✓	In determining the remuneration of Executive Directors and Key Management Personnel, the Remuneration and Human Resources Committee consults the Chairperson on its proposals, thereby ensuring that such remuneration is considered in a structured and informed manner and remains aligned with the Company's performance, responsibilities, and remuneration policies.
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.
Remuneration of Non-Executive Directors	B.2.13-2.14	✓	The Board, as a whole, including the members of the Remuneration and Human Resources Committee, determines the remuneration of Non-Executive Directors, all of whom are Independent Non-Executive Directors. In doing so, due consideration is given to the time commitment, responsibilities, and level of contribution associated with their role, while also having regard to industry best practices and the application of equitable and non-discriminatory principles.
Disclosure of Chairman and Members of the Remuneration Committee	B.2.15	✓	Refer page 171 – for details on Remuneration and Human Resources Committee

COMPLIANCE WITH CORPORATE GOVERNANCE FRAMEWORKS

Corporate Governance Principle	Principle No.	Compliance	Level of Compliance and Implementations
Disclosure of Remuneration	B.3.1 B.3.2		The Annual Report contains the Report of the Remuneration and Human Resources Committee together with a statement of the Company's remuneration policy. Details of the aggregate remuneration paid to Executive Directors and the aggregate fees paid to Non-Executive Directors are disclosed in Note 31 to the Financial Statements on page 233.
Relationship with Shareholders	C.1 - C.2	✓	The Annual General Meeting is held on a timely basis to facilitate effective shareholder participation in the affairs of the Company. The notice of meeting, form of proxy, and related papers are circulated to shareholders in advance of the meeting, thereby providing all shareholders with an adequate opportunity to attend and participate in the Annual General Meeting. The Company is committed to maintaining effective communication with its shareholders. The primary means of communication between the Company and its shareholders is through announcements made to the Colombo Stock Exchange. In addition, the Company uses several channels to provide timely and relevant information to shareholders, including shareholder meetings, the corporate website, and press notices.
Major and Material Transactions	C.3.1-3.3	✓	During the year under review, there were no major transactions as defined under Section 185 of the Companies Act No. 07 of 2007 that materially affected the net asset base of the Company. Where any transaction materially affecting the net asset base of the Company arises, the relevant disclosures will be made in the Interim and/or Annual Financial Statements, as applicable. Further, the Company complies with the applicable disclosure requirements and, where required, obtains shareholder approval by special resolution in respect of related party transactions in accordance with the Listing Rules of the Colombo Stock Exchange.
Accountability and Audit	D		
Financial and Business Reporting	D.1.1	✓	The Board is responsible for presenting an Annual Report, including the Financial Statements of the Company, that is true and fair, balanced, and understandable, and prepared in accordance with Sri Lanka Accounting Standards comprising LKASs and SLFRSs, the Companies Act No. 07 of 2007, and other applicable statutory requirements. The Board is satisfied that the Annual Report provides shareholders and other stakeholders with a balanced and meaningful assessment of the Company's financial position, performance, governance, and outlook. The Company has also adopted certain principles of Integrated Reporting in the preparation of its Annual Report.

Corporate Governance Principle	Principle No.	Compliance	Level of Compliance and Implementations
Financial and Business Reporting	D.1.2	✓	The Board recognizes its responsibility to ensure that statutory and regulatory reporting, together with other price-sensitive information, is presented in a balanced, clear, and understandable manner. In fulfilling this responsibility, the Company has prepared and presented its Interim and Annual Financial Statements in compliance with the Companies Act No. 07 of 2007 and in accordance with Sri Lanka Accounting Standards. The Company has also complied with the applicable reporting and disclosure requirements prescribed by relevant regulatory authorities, including the Listing Rules of the Colombo Stock Exchange.
	D.1.3	✓	Prior to their submission to the Board Audit Committee and the Board, the quarterly and year-end Financial Statements are reviewed by the Director – Finance and the Chief Financial Officer to ensure that the Company's financial records have been properly maintained, that the Financial Statements have been prepared in compliance with the applicable accounting standards, and that they present a true and fair view of the Company's financial position and performance.
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 page 178 covers all of these sections.
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 the Financial Statements is included on page 186 of this Annual Report. In addition, the statement of the Independent Auditors setting out their reporting responsibilities is included on page 186.
Management discussion and analysis	D.1.6	✓	A comprehensive review of the Company's performance, position, and future outlook is set out in the Chairperson's Statement on page 38, the Managing Director's Review on page 42, and the Management Discussion and Analysis on page 54 of this Annual Report.
Summoning an Extra Ordinary General Meeting (EGM) to notify Serious loss of capital	D. 1.7	✓	The circumstances requiring the convening of an Extraordinary General Meeting to notify a serious loss of capital, as contemplated under the Companies Act No. 07 of 2007, did not arise during the financial year under review. Should such circumstances arise, the Company will convene an Extraordinary General Meeting and notify shareholders in accordance with the applicable legal and regulatory requirements.
Related party transactions	D.1.8	✓	Transactions entered by the Company with related parties during the financial year are disclosed in Note 30 to the Financial Statements in accordance with the applicable accounting and regulatory requirements.

COMPLIANCE WITH CORPORATE GOVERNANCE FRAMEWORKS

Corporate Governance Principle	Principle No.	Compliance	Level of Compliance and Implementations
Risk Management and Internal Control	D.2	✓	The Board has established a risk management and internal control framework, supported by the Internal Audit, Risk and Compliance Department, to identify, assess, monitor, and manage key risks facing the Company. The Department reports functionally to the Board Audit Committee, thereby supporting the Board in discharging its responsibilities for maintaining an effective system of risk management and internal control.
	D.2.1	✓	The Board has established an ongoing process for monitoring and reviewing the effectiveness of the Company's risk management and internal control systems. In support of this, the Internal Audit, Risk and Compliance Department carries out regular reviews of the Company's processes and controls, including risk assessments, and reports its findings to the Board Audit Committee, thereby enabling the Board to evaluate the adequacy and effectiveness of the systems in place.
Robust assessment of the principal risk	D.2.1.1	✓	The Company undertakes a robust assessment of its principal risks through the Internal Audit, Risk and Compliance Department, which carries out periodic risk assessments across the business. The key risks identified through this process are reviewed in detail by the Executive Committee, enabling management to evaluate their significance, potential impact, and the adequacy of mitigation measures. Thereafter, 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 and supports the Board in discharging its governance responsibilities in this regard.
	D.2.1.2	✓	Please refer page 152 in the Risk Management report.
	D.2.1.3	✓	The Company does not maintain a separate Board Risk Committee. Instead, oversight of risk management has been combined with the responsibilities of the Board Audit Committee, which reviews and monitors the effectiveness of the Company's risk management and internal control systems. Accordingly, the Board Audit Committee discharges both audit and risk oversight responsibilities in support of the Board's governance framework.
Internal Audit Function	D. 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.

Corporate Governance Principle	Principle No.	Compliance	Level of Compliance and Implementations
Audit Committee	D.3		
Composition of Audit Committee	D.3.1	✓	The Board Audit Committee comprises four Non-Executive Directors, all of whom are Independent. The Committee is chaired by Mr. Sanjaya Bandara, an Independent Non-Executive Director and a Fellow Member of the Institute of Chartered Accountants of Sri Lanka. The members of the Committee collectively possess expertise in finance, risk management, governance, and compliance, enabling the Committee to effectively discharge its responsibilities.
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 Board Audit Committee Report, which sets out the scope of the Committee's responsibilities and the manner in which it discharged its duties during the year, is included on page 166 of this Annual Report.
Risk Committee	D.4	✓	The Company does not maintain a separate Board Risk Committee. In line with Section D.2.1.3 of the Code of Best Practice on Corporate Governance (2023), the audit and risk oversight functions have been combined under the Board Audit Committee, which is responsible for reviewing and monitoring the effectiveness of the Company's risk management and internal control systems.
Related Party Transactions Review Committee	D.5		
Composition of RPTRC	D.5.1 - D.5.2	✓	The Related Party Transactions Review Committee comprises four Non-Executive Directors, all of whom are Independent. The Committee is chaired by Mr. Sanjaya Bandara, an Independent Non-Executive Director. The Committee meets at least once in every calendar quarter, with additional meetings being convened as and when necessary to discharge its responsibilities effectively.
Terms of Reference of the RPTRC	D.5.3	✓	The Related Party Transactions Review Committee operates under a written Terms of Reference, which clearly sets out its purpose, authority, duties, and responsibilities.

COMPLIANCE WITH CORPORATE GOVERNANCE FRAMEWORKS

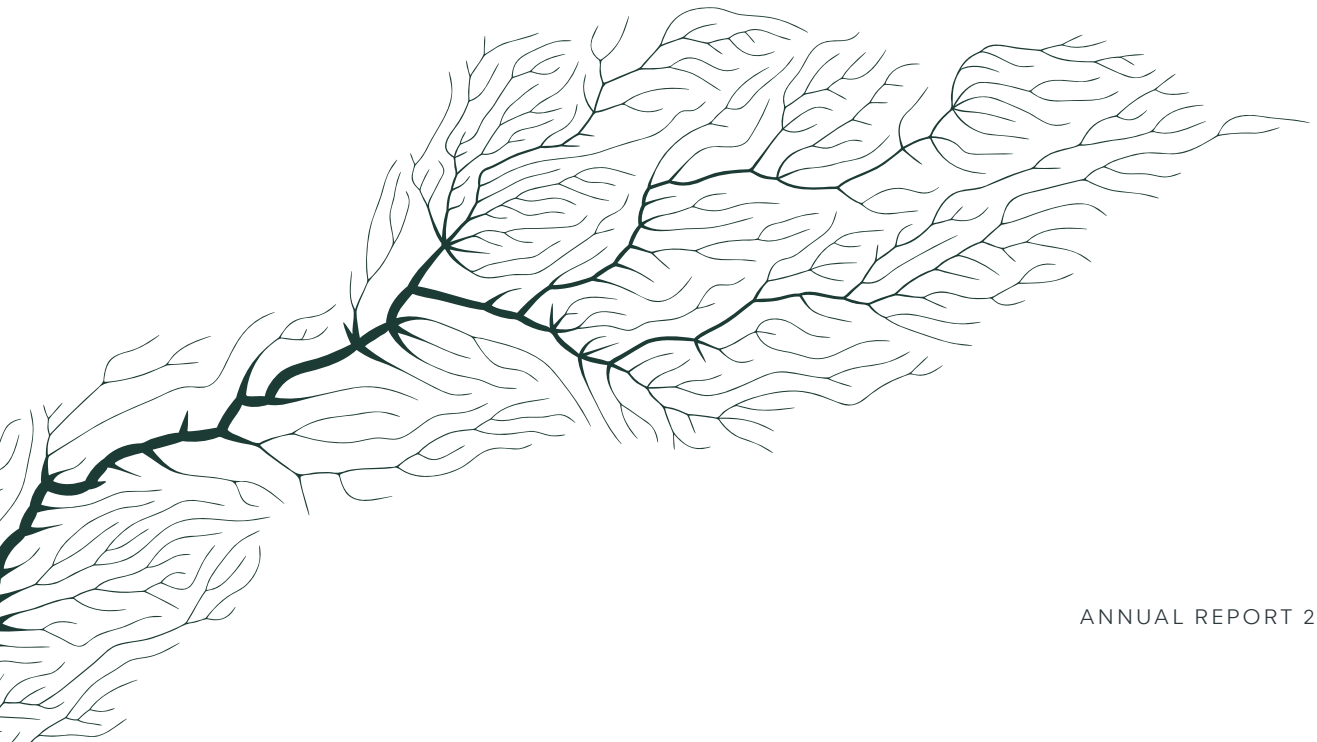
Corporate Governance Principle	Principle No.	Compliance	Level of Compliance and Implementations
Code of Business Conduct & Ethics	D.6.1	✓	The Company has adopted a Code of Business Conduct and Ethics, which applies to Directors, Key Management Personnel, and all employees, and serves as a foundation for promoting integrity, accountability, and ethical behavior across the organization. All covered persons are expected to uphold the principles and standards set out in the Code in the discharge of their duties. During the year under review, no instances of non-compliance with the Code of Business Conduct and Ethics by any Director, Key Management Personnel, or employee were reported. The Code includes provisions, among others, relating to the following: • the prohibition of offering or accepting bribes, whether directly or indirectly; • the restriction on accepting gifts from business partners, service providers, and contractors; • the requirement to act with honesty, objectivity, and due diligence in the discharge of duties; • the prohibition of sexual harassment and discrimination in any form; • the prohibition of the possession or use of prohibited drugs in the workplace; and • the protection of whistleblowers, including safeguards to preserve the confidentiality and privacy of whistleblowers and to ensure that their identities are protected.
Process for material and price-sensitive information	D.6.2	✓	The Company has established policies and procedures to ensure the timely identification and disclosure of material and price-sensitive information. In accordance with these procedures, such information is promptly disclosed to the Colombo Stock Exchange following the relevant decisions of the Board of Directors, thereby ensuring compliance with applicable regulatory requirements and maintaining transparency with shareholders and the market.
Policy for monitoring and disclosure of shares purchased by any directors, KMPs and other employees.	D.6.3	✓	The Company has in place procedures to monitor the acquisition of shares by Directors, and any such transactions are required to be reported immediately to the Company Secretary to facilitate the necessary disclosures to the Colombo Stock Exchange in a timely manner. In addition, any shares purchased by Key Management Personnel or other employees involved in the financial reporting process are required to be reported to the Compliance Department to ensure appropriate monitoring and regulatory compliance.
Procedure to deal with complaints received from whistle-blowers	D.6.4	✓	The Company has adopted a Whistleblowing Policy, which sets out the procedures for reporting concerns, including the designated reporting channel, the manner in which concerns are to be raised, and the process for reviewing and addressing such matters. In terms of the Policy, whistleblowers are required to report concerns directly to the Chairperson of the Board Audit Committee. The Policy also provides appropriate safeguards for the protection of whistleblowers and emphasizes the maintenance of confidentiality in respect of concerns reported and the identity of the whistleblower.

Corporate Governance Principle	Principle No.	Compliance	Level of Compliance and Implementations
Training on the code of business conduct and ethics	D.6.5	✓	The Human Resources Department provides comprehensive induction training to all new employees at the time of onboarding, which includes orientation on the Company's Code of Business Conduct and Ethics. Each employee is also required to acknowledge and sign the Code of Conduct upon appointment. In addition, the Human Resources Department conducts periodic training and awareness program for employees to reinforce the principles set out in the Code and to support continuous professional development across the organization.
Affirmative statement by the Chairperson	D.6.7	✓	The Annual Report includes an affirmative statement by the Chairperson confirming that she is not aware of any material violations of the Company's Code of Business Conduct and Ethics. This statement appears on page 178 of this Annual Report.
Corporate Governance Disclosures	D.7.1	✓	The Corporate Governance Report, which sets out the manner and extent to which the Company has complied with the principles and provisions of the Code of Best Practice on Corporate Governance (2023), is included on page 116 of this Annual Report.
Institutional investors/ Shareholder Voting	E.1	✓	The Company recognizes the rights of institutional investors and all shareholders to exercise their voting rights at general meetings, and facilitates such participation in accordance with applicable legal and regulatory requirements.
Communication with Shareholders	E.1.1	✓	The Board engages with shareholders at general meetings in an open and constructive manner, thereby promoting transparency, fostering mutual understanding, and providing an opportunity to address matters of concern in the interests of both the Company and its shareholders.
Due weight by Institutional Investors	E.2	✓	The Company recognizes the right of institutional investors to give due consideration to matters relating to Board structure and composition when evaluating and exercising their voting rights on relevant resolutions.
Individual Shareholder's Investing/ Divesting decision	F.1	✓	The Company recognizes that investment and divestment decisions are matters for individual shareholders and encourages them to make such decisions based on adequate analysis and, where necessary, after obtaining appropriate independent professional advice.
Individual Shareholder Voting	F.2	✓	The Company encourages individual shareholders to participate in general meetings and to exercise their voting rights, thereby enabling them to play an active role in the governance of the Company.

COMPLIANCE WITH CORPORATE GOVERNANCE FRAMEWORKS

Corporate Governance Principle	Principle No.	Compliance	Level of Compliance and Implementations
Internet of things and Cybersecurity	G	✓	The Board has delegated operational responsibility for matters relating to information technology and cybersecurity to the Information Technology Division, under the leadership of the Chief Information Technology Officer, while retaining overall oversight of technology governance and cyber risk. To support a structured governance framework in this area, the Board has approved the Company's Information Technology Policy and Cybersecurity Policy. As part of the Company's risk management framework, the Board Audit Committee periodically reviews the risk register of the Information Technology function. The risk register is reassessed annually, or more frequently where necessary, in response to emerging risks and review requirements. During the year, the Company also carried out a vulnerability assessment and penetration test, and the results thereof were reviewed at both Board Audit Committee and Board level.
Environment, Society and Governance	H	✓	The Company is committed to integrating sustainability and Environmental, Social, and Governance (ESG) considerations into its business model, strategy, governance framework, and risk management processes, in line with the principles of the Code of Best Practice on Corporate Governance. The Board takes ESG-related risks and opportunities into account in its decision-making to support business resilience, responsible growth, and long-term value creation. The Company also engages regularly with its stakeholders to identify and respond to material sustainability matters. To support this commitment, appropriate governance structures and policies relating to environmental and social matters have been established, together with relevant financial and non-financial performance indicators. The Company's ESG-related disclosures are incorporated in this Annual Report and are guided by recognized reporting frameworks, including the Integrated Reporting Framework and the Global Reporting Initiative Guidelines. The section on compliance with the disclosure requirements of SLFRS S1 and SLFRS S2 is presented on page 99 of this Annual Report. This section outlines the Company's approach to sustainability-related and climate-related disclosures, including the governance, strategy, risk management, and metrics and targets adopted to identify, assess, monitor, and manage relevant risks and opportunities.

Corporate Governance Principle	Principle No.	Compliance	Level of Compliance and Implementations
Establishment and maintenance of Policies	I.1	✓	The Company has established and implemented a comprehensive policy framework to support good governance, ethical conduct, effective oversight, and sustainable value creation. These include policies relating to: (1) the Board of Directors; (2) Board Committees; (3) Corporate Governance, Nominations, and Re-election; (4) Remuneration; (5) the Code of Business Conduct and Ethics applicable to Directors and employees, including policies on trading in the Company's listed securities; (6) Risk Management and Internal Controls; (7) Relations with Shareholders and Investors; (8) Environmental, Social and Governance Sustainability; (9) the Control and Management of Company Assets and Shareholder Investments; (10) Corporate Disclosures; (11) Whistleblowing; and (12) Anti-Bribery and Corruption.
Policy on matters relating to the Board of Directors	I.2 - I.2.2	✓	The Company has established and implemented a Policy on Matters Relating to the Board of Directors, which sets out the principles and procedures governing the composition, roles, responsibilities, and functioning of the Board. The Policy is designed to ensure compliance with the applicable provisions of this section of the Code of Best Practice on Corporate Governance (2023) and the Listing Rules of the Colombo Stock Exchange.



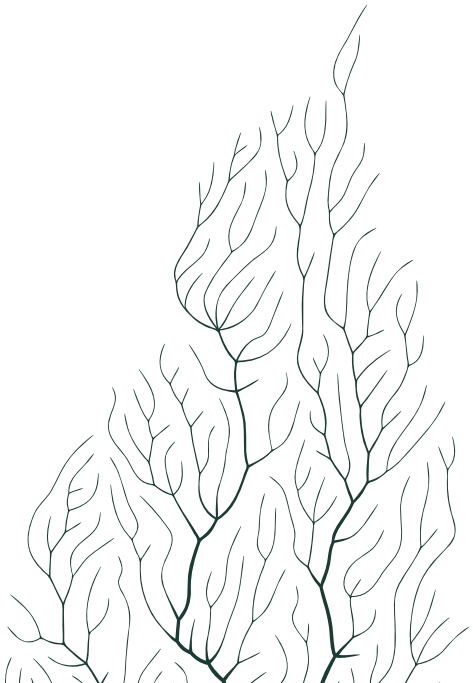
LEVEL OF COMPLIANCE WITH MANDATORY REGULATIONS

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 06 Notes to the Financial Statements on page 195
168 (1) (b)	Signed Financial Statements of the Company for the accounting period	Compliant	Audited Financial Statements - Page 189
168 (1) (c)	Auditors' Report on Financial Statements of the Company	Compliant	Independent Auditor's Report – Page 186
168 (1) (d)	Accounting Policies and changes thereto, if any	Compliant	Notes to the Financial Statements – Page 195
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 178
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company during the accounting period	Compliant	Report of Remuneration and HR Committee - Page 171
168 (1) (g)	The total amount of donations made by the company during the accounting period	Compliant	Social capital - Page 85
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 178
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 189
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 178
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 178



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 and implemented the following policies with effect from 1 October 2024. Details of these policies are also available on the Company's corporate website and may be accessed through the relevant Corporate Governance section. https://www.primeresidencies.lk/corporate-governance (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	Compliant

LEVEL OF COMPLIANCE WITH MANDATORY REGULATIONS

Rule No.	Subject	Applicable Requirement	Compliance Details	Status
9.3.1	Board Committees Composition, responsibilities and disclosures	Listed Entities shall ensure that the following Board committees are established and maintained at a minimum and are functioning effectively. a) Nominations and Governance Committee b) Remuneration Committee c) Audit Committee d) Related Party Transactions Review Committee.	Refer to sub-committee reports on page 166	Compliant
9.3.2		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 page 166	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.	None of the Board Committees is chaired by the Chairperson of the Board. The Chairperson of the Board is Ms. Sandamini Perera, while the Board Audit Committee and the Related Party Transactions Review Committee are chaired by Mr. Sanjaya Bandara, and the Nominations and Governance Committee and the Remuneration and Human Resources Committee are chaired by Mr. Deepal Sooriyaarachchi. This structure supports an appropriate separation of responsibilities and strengthens independent oversight within the Company's governance framework.	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 proper records of all resolutions passed, together with the relevant information and supporting documentation relating to matters considered at General Meetings of the Company.	Compliant

Rule No.	Subject	Applicable Requirement	Compliance Details	Status
9.4.2	Communication and relations with shareholders and investors	Listed Entities shall have a policy on effective communication and relations with shareholders and investors and disclose the existence of the same in the Annual Report and the website of the Listed Entity.	The Company has in place a Policy on Relations with Shareholders and Investors to promote transparent, timely, and effective communication with the investment community. Shareholders and investors may contact the Company through the dedicated email address, investor.info@primeresidencies.lk, which is also made available under the Investor Relations section of the Company's website.	Compliant
9.5 – 9.5.2	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 maintains a Policy on Matters Relating to the Board of Directors in accordance with the Listing Rules of the Colombo Stock Exchange. The Board confirms that no instances of non-compliance with the requirements of this Policy were observed during the year under review.	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	As the Chairperson serves in an Executive capacity, the Company has appointed a Senior Independent Director in compliance with the Listing Rules of the Colombo Stock Exchange. Further, the roles of Chairperson and Chief Executive Officer are not held by the same individual, thereby ensuring a clear separation of responsibilities and an appropriate balance of power and authority at the highest level of the Company.	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

LEVEL OF COMPLIANCE WITH MANDATORY REGULATIONS

Rule No.	Subject	Applicable Requirement	Compliance Details	Status
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.	During the year, the Senior Independent Director met once with the Independent Non-Executive Directors to discuss matters relating to governance, Board dynamics, and other relevant issues requiring independent consideration.	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	During the year, the Senior Independent Director met once with the Non-Executive Directors without the presence of the Chairperson, thereby providing an opportunity for independent discussion on governance and other matters requiring objective consideration.	Compliant
9.6.3(e) & 9.6.4		The SID shall make a signed explanatory disclosure in the Annual Report demonstrating the effectiveness of the duties of the SID.	The report of the Senior Independent Director is set out on page 164 of this Annual Report.	Compliant
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 Nominations and Governance Committee evaluates whether proposed Directors satisfy the fit and proper criteria prescribed under the Listing Rules of the Colombo Stock Exchange before making recommendations to the Board for appointment. During the year, the Committee assessed Prof. Ananda Jayawardane against the applicable fit and proper criteria prior to recommending his appointment as an Independent Non-Executive Director to the Board.	Compliant

Rule No.	Subject	Applicable Requirement	Compliance Details	Status
9.7.4	Fitness of Directors and CEOs	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 Managing Director, whose role is regarded as equivalent to that of the Chief Executive Officer, have submitted declarations confirming that they satisfied the Fit and Proper Assessment Criteria during the financial year and continued to satisfy such criteria as at the date of the respective declarations.	Compliant
9.8.1	Board Composition	The Board of Directors of a Listed Entity shall, at a minimum, consist of five (05) Directors.	As at 31 March 2026, the Board comprised thirteen Directors.	Compliant
9.8.2	Independent Directors	Minimum Number of Independent Directors: a. 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. b. Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change.	As at 31 March 2026, the Board comprised seven Independent Directors out of a total of thirteen Directors.	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 signed and dated declarations in the prescribed format confirming their independence/non-independence in accordance with the applicable regulatory requirements.	Compliant
9.8.5(b)	Disclosure of independent directors	Disclose the names of Directors determined to be 'independent' in the Annual Report.	The profiles of the Directors, including the relevant information pertaining to their status and credentials, are set out on page 22 of this Annual Report.	Compliant
9.8.5(c)	Impairment of independence	If the Board of Directors determines that the independence of an Independent Director has been impaired against any of the criteria set out in Rule 9.8.3, it shall make an immediate Market Announcement thereof.	No circumstances arose during the financial year requiring an immediate market announcement in relation to the independence of Directors. In the event that any such circumstances arise, the Company will make the necessary disclosure to the market promptly in accordance with the applicable regulatory requirements.	Compliant
9.9 (a)-(e)	Alternate Directors	Appointment of Alternate Directors	No Alternate Directors were appointed to the Board during the financial year under review.	Compliant

LEVEL OF COMPLIANCE WITH MANDATORY REGULATIONS

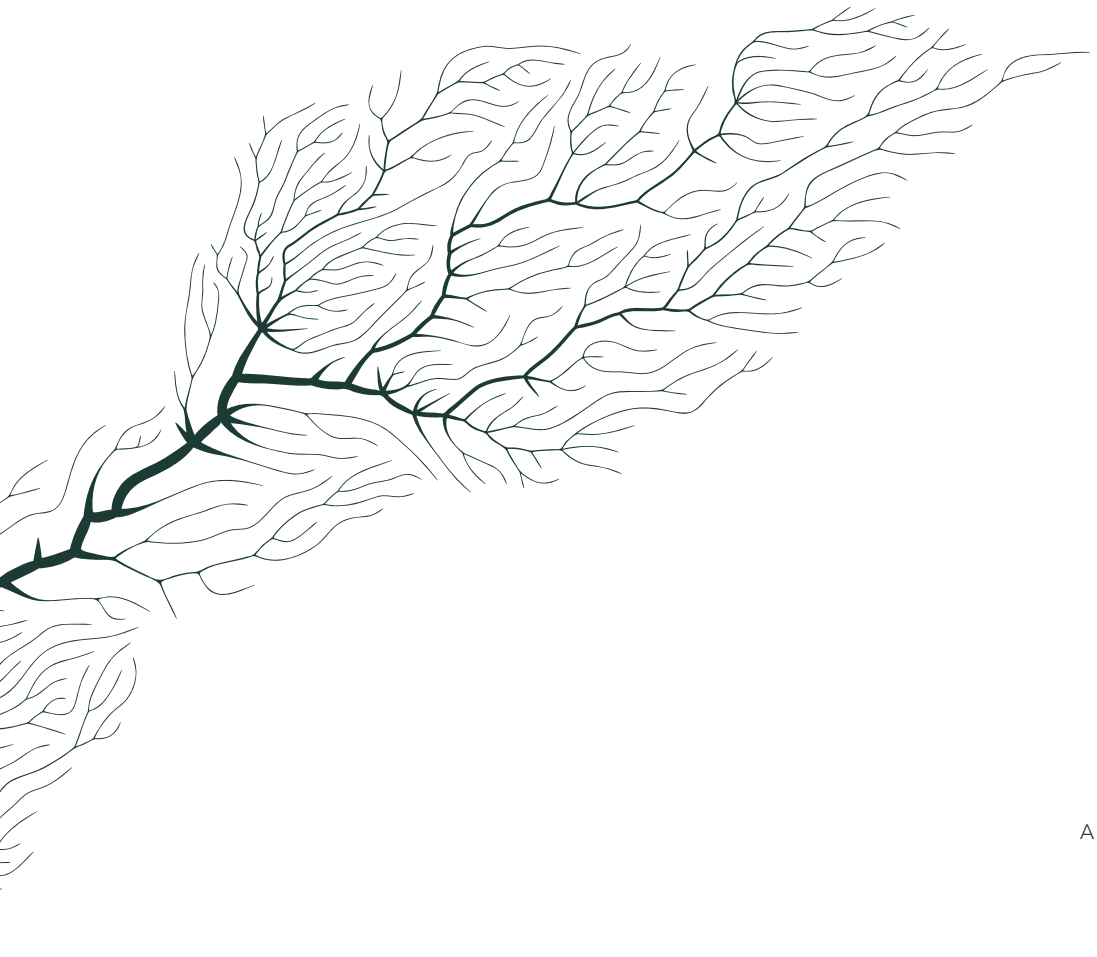
Rule No.	Subject	Applicable Requirement	Compliance Details	Status
9.10.2	Disclosures relating to Directors	Listed Entities shall, upon the appointment of a new Director to its Board, make an immediate Market Announcement	The Company makes an immediate announcement to the Colombo Stock Exchange upon the appointment of a new Director. Such announcement includes the Director's brief résumé, the capacity in which he or she is appointed, any relevant interests in the shares of the Company, and whether the appointment has been reviewed by the Nominations and Governance Committee and recommended to the Board. During the year, the appointment of Prof. Ananda Jayawardane as an Independent Non-Executive Director was duly announced in compliance with this requirement.	Compliant
9.10.3		Listed Entities shall make an immediate Market Announcement regarding any changes to the composition of the Board Committees.	During the year, the following Board Sub-Committees were reconstituted, and the requisite immediate market announcements were made in compliance with the applicable Listing Rules of the Colombo Stock Exchange: 1. Board Audit Committee 2. Remuneration and Human Resources Committee 3. Related Party Transactions Review Committee	Compliant

Rule No.	Subject	Applicable Requirement	Compliance Details	Status
9.10.4	Disclosures relating to Directors	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 22 ii. Corporate governance report (Board attendance)- page 116 iii. Sub-committee reports- page 166 iv. Senior Independent Director's report - page 164	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	Details relating to the composition, responsibilities, and activities of the Board Nominations and Governance Committee are set out in the Report of the Board Nominations and Governance Committee on page 173 of this Annual Report. The Committee has established formal and transparent procedures for the appointment of new Directors and the re-election of Directors, and operates in accordance with written Terms of Reference approved by the Board of Directors.	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 xx	Compliant

LEVEL OF COMPLIANCE WITH MANDATORY REGULATIONS

Rule No.	Subject	Applicable Requirement	Compliance Details	Status
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 171	Compliant
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 171 Annual Report of Directors on the State of Affairs of the Company - Page 178	Compliant
9.13.1-9.13.5	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	The Board Audit Committee also performs the risk oversight functions set out in Rule 9.13 of the Listing Rules. Details of the composition, responsibilities, and activities of the Board Audit Committee, including its risk oversight role, are set out in the Report of the Board Audit Committee on page 166 of this Annual Report.	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	Details of the composition, responsibilities, and activities of the Related Party Transactions Review Committee are set out in the Report of the Related Party Transactions Review Committee on page 169 of this Annual Report.	Compliant

Rule No.	Subject	Applicable Requirement	Compliance Details	Status
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	Detailed disclosures relating to Recurrent Related Party Transactions are set out on page 189 of this Annual Report.	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 169	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 178	Compliant
9.16	Additional disclosures	The following declarations by the Board of Directors to be included in the Annual Report: (a) they have declared all material interests in contracts involving in the Entity; (b) they have conducted a review of the internal controls covering financial, operational and compliance controls and risk management; (c) they made arrangements to make themselves aware of applicable laws, rules and regulations; (d) 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 178 There were no material non-compliances during the financial year.	Compliant



RISK MANAGEMENT REVIEW

GRI 207-2

Managing Risk with Resilience and Accountability

Risk management is a key enabler of sustainable growth, operational resilience and long-term value creation at the Group. The Company operates in a dynamic macroeconomic environment, that is subjected to , interest rates, foreign exchange movements, customer affordability, construction costs, regulatory expectations, technology risks and stakeholder expectations. Accordingly, the ability to identify, assess, manage, and respond to risks in a timely manner remains central to the Company's governance and decision-making process.

Risk management at PLR is a collaborative process involving the Board of Directors, Board Audit Committee, Executive Committee, Internal Audit, Risk and Compliance Department, Department Heads and operational teams. This integrated approach enables the Company to balance risk mitigation with business opportunities, while safeguarding stakeholder interests and maintaining the Company's reputation, financial stability and operational continuity.

Through continuous monitoring, structured risk assessment and transparent escalation, PLR remains committed to strengthening its risk management practices and ensuring that key risks are managed within acceptable levels.

Governing Risk Management

The Board of Directors has overall responsibility for the Company's risk management framework and provides oversight to the effectiveness of risk governance, internal controls and mitigation actions. The Board Audit Committee supports the Board by reviewing the Company's Risk Register, key risk exposures, risk movements and the adequacy of management responses.

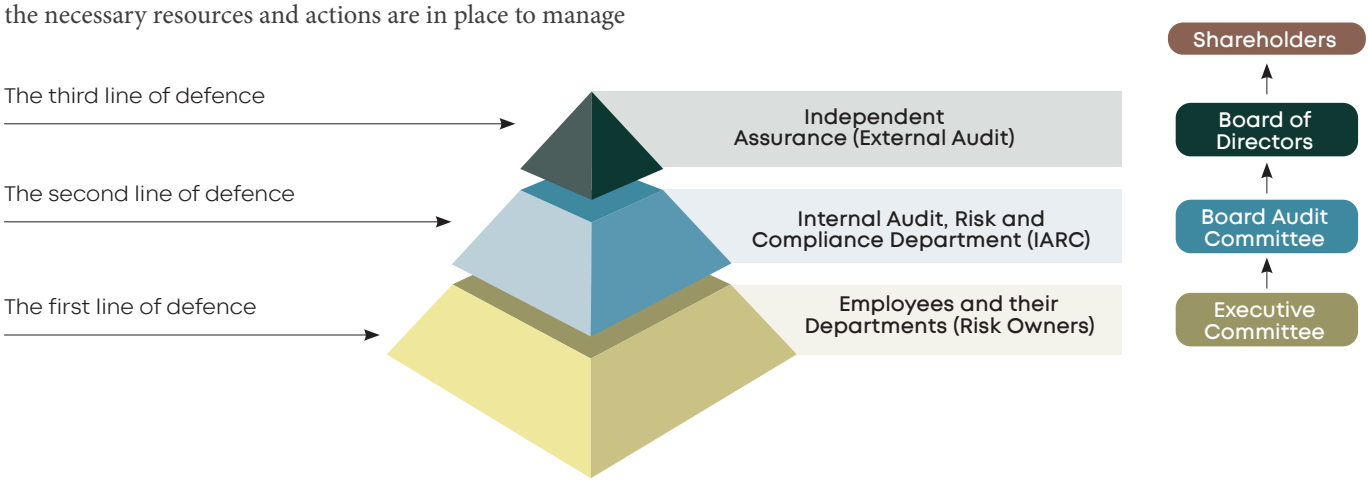
The Executive Committee is responsible for embedding risk management within business operations and ensuring that the necessary resources and actions are in place to manage risks effectively. The Internal Audit, Risk and Compliance Department coordinates the risk review process, maintains the central Risk Register and reports significant risk matters to the Board Audit Committee.

Department Heads and risk owners are responsible for identifying and managing risks within their respective areas and ensuring that controls are implemented and monitored on an ongoing basis.

Three Lines of Defence

PLR's risk governance structure is based on the widely recognised Three Lines of Defence model, which promotes clear accountability, segregation of responsibilities and independent oversight.

Line of Defence	Responsibility	Key Focus
First Line of Defence	Employees, Departments and Risk Owners	Own and manage risks within day-to-day operations; implement internal controls; identify and report risk developments.
Second Line of Defence	Internal Audit, Risk and Compliance Department	Coordinate the risk management process; maintain the Risk Register; support departments in risk assessment; review mitigation actions; report significant matters to the Board Audit Committee.
Third Line of Defence	Independent Assurance, including External Audit	Provide independent assurance over financial reporting, internal controls and related governance processes.



This model ensures that risks are managed at the operational level, reviewed through the risk and compliance process and independently assessed through assurance mechanisms where applicable.

Risk Governance Responsibilities

Governance level	Role in risk management
Board of Directors	Provides overall oversight of the Company's risk management framework, risk appetite, governance structure and strategic risk direction.
Board Audit Committee	Reviews the Risk Register, key risk exposures, risk movements, internal control matters and mitigation progress.
Executive Committee	Ensures that key risks are addressed within business operations and that adequate resources are allocated for risk mitigation.
Internal Audit, Risk and Compliance Department	Coordinates risk reviews, maintains the central Risk Register, supports departments in assessing risks and escalates significant matters.
Department Heads / Risk Owners	Identify, assess, manage and report risks within their functions and ensure that controls are operating effectively.
External Auditors / Assurance Providers	Provide independent assurance over relevant areas, including financial reporting and internal control processes.

Functional Risk Ownership

Risk management is embedded across key functional areas of the Company. Each function plays a specific role in identifying, assessing and managing risks relevant to its activities.

Function	Area of focus
Finance	Interest rate risk, Credit Risk, currency risk, liquidity, borrowings, customer collections and treasury management.
Quantity Surveying	Estimation risk, project cost assumptions, variations, contingencies and budget versus actual monitoring.
Engineering / Project Management	Project timelines, construction progress, contractor performance, labour availability and operational execution.
Information Technology	IT security, system access, cyber risks, data protection, infrastructure availability and technology-related controls.
Legal / Approvals	Title risk, litigation risk, regulatory approvals, statutory clearances, licensing and contractual safeguards.
Procurement	Price escalation, supplier availability, vendor dependency and supply chain resilience.
Human Resources	Talent attraction, retention, employee engagement, succession planning and capability development.
Digital Marketing / Customer-facing functions	Reputation risk, social media monitoring, customer complaints and stakeholder communication.

Map and Manage: Risk Assessment Process

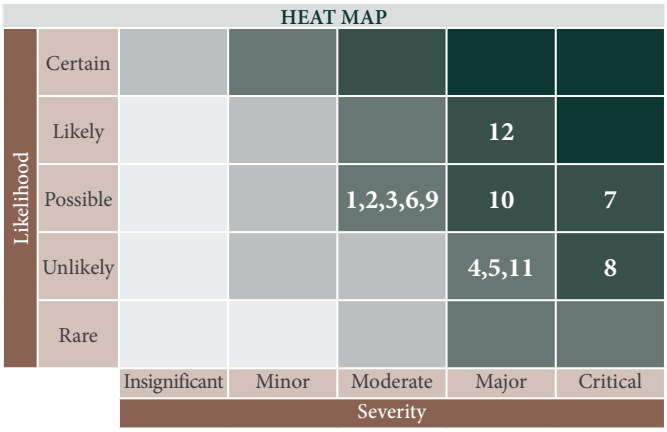
The Company adopts a structured risk assessment process to evaluate risks based on their potential impact and likelihood of occurrence. This enables Management to prioritise risks, determine whether existing controls are adequate and identify areas requiring further mitigation.

Risks are assessed through departmental reviews, internal audit findings, management discussions, project reviews, regulatory developments and external market observations. The results are consolidated into the Company's Risk Register and reviewed by the Board Audit Committee.

A Risk Heat Map is used to visually present the Company's overall risk exposure. The position of each risk on the heat map indicates the level of attention required, based on severity and likelihood. Risks with higher impact and likelihood are subject to greater management focus and oversight.

During the year under review, heightened attention was given to risks relating to system access, legal and regulatory compliance, IT security, project management, estimation accuracy, data governance and regulatory approvals, considering their potential impact on operational continuity, regulatory compliance and stakeholder confidence.

The Risk Heat Map below illustrates the relative positioning of the principal risks based on their likelihood and potential impact. This enables the Board, Audit Committee and Management to identify areas requiring greater oversight, focused mitigation and continuous monitoring.



Risks that exceed PLR's Risk Appetite

1 Currency Risks/ Foreign Exchange Risk
2 Interest Rate Risk
3 Credit Risk
4 Legal, Compliance and Regulatory Risk
5 Reputation Risk
6 Strategic Risk
7 IT and Data Security Risk
8 Data Privacy Risk
9 Disruption in Supply Chain Management
10 Climate-Related Risk
11 Health and Safety Risk
12 Project Management / Operational Risk

Principal Risks and Responses

The following table presents the principal risks identified during the year, together with their potential impact and the key responses adopted by the Company to mitigate and manage these risks.

No	Risk Category	Description of the Risk	Impact to the Company	
1	Currency Risks/ Foreign Exchange Risk	Unusual depreciation/ appreciation of the rupee against foreign currencies.	Possibility of the Sri Lankan Rupee depreciating against hard currencies during the first half of the financial year due to the Middle East war situation, and the resulting impact on sales, driven by: • Increase in crude oil prices • Decline in worker remittances • Reduction in tourist arrivals	
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 on potential customer's affordability	
3	Credit Risk	Slow collection of outstanding sales proceeds from customers.	Delays in customer collections may affect cash flow, working capital management and the Company's ability to meet funding requirements in a timely manner. It may also increase finance costs and create additional pressure on project funding and operational liquidity	
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 cause to loss of reputation, and consequently impact sales.	

	Severity of Impact	Likelihood	Mitigating Strategy
	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 alternative for foreign suppliers for future procurements. • Enter into Forward Exchange Contract with the banks after taking an assessment, in order to hedge the exchange risk. • Buildup foreign currency reserve from the money received from sales.
	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 minimize 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 favorable 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	Possible	• Continuous monitoring of long-outstanding customer balances through system-generated reports. • Regular recovery meetings and follow-up of overdue amounts. Facilitation of bank and financial institution funding options for customers. • Expediting the signing of Sales Agreements to formalise customer commitments. • Strengthening coordination between the Sales and Recovery teams to improve timely collections.
	Major	Unlikely	• The Company regularly reviews the laws and regulations applicable to the business to ensure compliance. • A regulatory approval checklist is maintained for each project, covering all approvals required before launch, sale, construction, handover, and transfer. • 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

No	Risk Category	Description of the Risk	Impact to the Company	
5	Reputation Risk	The potential for negative publicity or damage to a company's good standing that 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 impact negatively 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 Organization Competition from the multinational construction development companies involved in the local construction industry.	
7	IT and Data Security Risk	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.	Unauthorized access to proprietary information or intellectual property can result in competitive disadvantage, loss of market share, and damage to operation.	
9	Disruption in Supply Chain Management	This risk of interruptions in the flow of materials, equipment, or services 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.	

	Severity of Impact	Likelihood	Mitigating Strategy
	Major	Unlikely	• Implement sound HR practices and robust governance measures to foster a culture of shared values and integrity, prioritizing 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	• 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 favorable terms with suppliers and contractors, thereby enhancing bargaining power. • Capitalize 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, develpment and financing.
	Critical	Possible	• Implement stringent cybersecurity measures including robust firewalls, antivirus software, and spam filters to safeguard against cyber threats. • Utilize 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. • Regular backups taken hourly, daily, weekly and monthly • DR systems to ensure the availability of the system services • Enforce strict IT security policies to govern the usage of technology resources and promote adherence to best practices for information security.
	Critical	Unlikely	• 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 minimize human errors.
	Moderate	Possible	• 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.

No	Risk Category	Description of the Risk	Impact to the Company	
10	Climate-Related Risk	Changes in weather patterns and extreme weather events, including rising temperatures, heatwaves, intense rainfall, flooding, landslides and prolonged droughts, may affect construction activities and project execution.	Climate-related events may disrupt construction progress, affect site stability, create health and safety risks for workers, cause labour shortages and result in delays to project completion. Such delays may also affect customer commitments and project cost management.	
11	Health and Safety Risk	Risk of possible threats to 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.	
12	Project Management / Operational Risk	Construction progress may be affected due to delays against approved project timelines and difficulties faced by contractors in sourcing required labour.	Delays in project execution may result in cost overruns, delayed handover, customer dissatisfaction, reputational impact and pressure on project cash flows.	

Types of Risks Managed

The Company's risk management framework covers a broad range of risks that may affect strategy, operations, financial stability, compliance and reputation.

Risk type	Description
Strategic Risk	Risks that may affect the Company's long-term direction, market positioning and ability to achieve strategic objectives.
Operational Risk	Risks arising from project execution, internal processes, people, systems, contractors, suppliers and day-to-day operations.
Financial Risk	Risks relating to credit, interest rates, foreign exchange, liquidity, project cost and price escalation.
Technology and Data Risk	Risks relating to IT security, system access, data governance, cyber threats, infrastructure availability and information protection.
Legal and Compliance Risk	Risks arising from laws, regulations, approvals, title matters, litigation and contractual obligations.
People Risk	Risks relating to talent attraction, retention, employee capability, succession and engagement.
Reputational Risk	Risks arising from negative stakeholder perception, customer dissatisfaction, social media commentary or failure to meet expectations.

Risk Culture and Awareness

The Company continues to promote a risk-aware culture by encouraging risk owners to consider risk implications in day-to-day decision-making, project execution, customer management, regulatory compliance and operational activities.

Risk ownership is embedded across departments, with Department Heads and functional teams responsible for identifying, managing and escalating risks within their respective areas. This approach supports timely corrective action and strengthens accountability at operational level.

	Severity of Impact	Likelihood	Mitigating Strategy
	Major	Possible	• Climate-related risk factors are assessed in advance and incorporated into project planning where relevant. • Available data from authorities such as the NBRO and DMC are reviewed to identify flood-prone, landslide-prone or other climate-sensitive areas. • In the event of unavoidable delays caused by external climate-related events, the Company maintains transparent communication with customers and provides appropriate explanations regarding changes to project timelines.
	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 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 sanitization of work floors. • Conduct continuous inspections and implement regular pest control measures.
	Major	Likely	• Weekly project progress monitoring reviews are carried out to compare actual progress against approved timelines. Labour availability and daily labour records are monitored against the project master programme, with delays escalated for timely corrective action.

Risk awareness is further reinforced through management discussions, Board Audit Committee reporting, internal audit follow-ups and continuous monitoring of agreed action plans. Through this approach, the Company seeks to ensure that risk management remains a practical and ongoing discipline rather than a periodic compliance exercise.

Sustainability and ESG Considerations

The Company recognizes that sustainability and ESG-related matters may influence its risk profile and long-term resilience. ESG considerations are incorporated into relevant risk areas, including regulatory compliance, stakeholder engagement, reputation management, employee well-being, procurement, data protection and governance practices.

The Company will continue to consider sustainability-related matters when assessing risks that may affect project delivery, customer confidence, employee safety, compliance, brand reputation and long-term business performance.

Sustainability-related risks and opportunities are discussed in detail on pages 99.

Future Outlook

Looking ahead, PLR will continue to strengthen its risk management framework in response to evolving market conditions, regulatory developments, digital transformation, project execution challenges and stakeholder expectations.

The Company will place greater emphasis on enhancing the maturity of its risk identification, assessment, monitoring and escalation processes, while ensuring that risk management remains integrated with strategic planning, operational execution and governance reporting. Continued focus will also be placed on improving the quality of risk information presented to the Board Audit Committee, enabling timely oversight and informed decision-making.

Through disciplined risk governance, proactive monitoring and continuous improvement of controls, Prime Lands Residencies PLC remains committed to managing risks effectively while pursuing sustainable growth and long-term stakeholder value creation.

STAKEHOLDER ENGAGEMENT

GRI 2-29

Fostering communication, collaboration, and strong relationships to ensure we align our operations with stakeholder expectations, we communicate with diverse stakeholder groups to ensure sustainable business operations. Addressing stakeholder concerns and opportunities, we mitigate risks, and deliver and derive value through these vital partnerships. The key criterion is that it is embedded in good governance, sustainability, and national development.

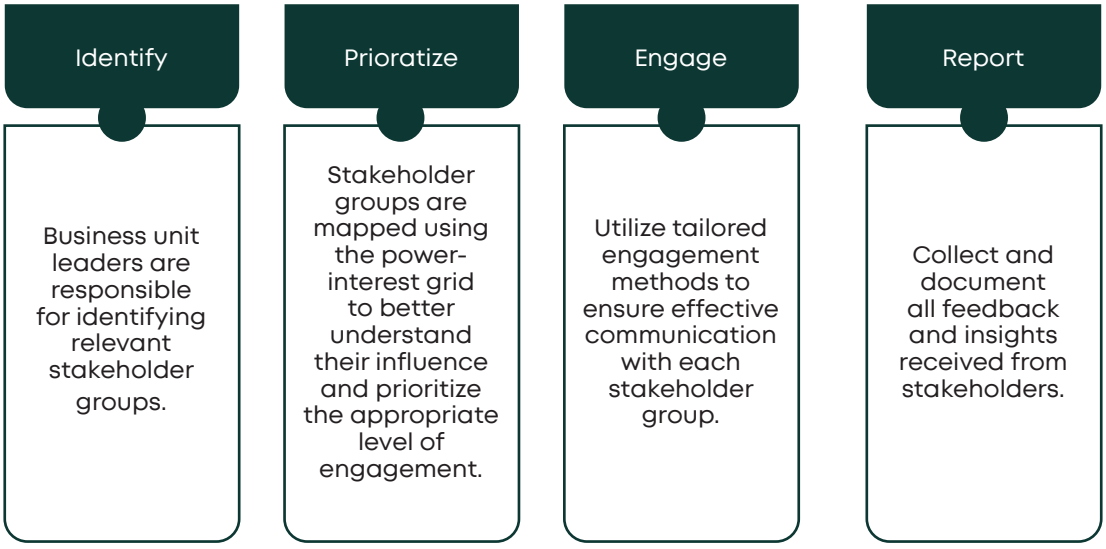
The Process

We manage our key relationships in a structured manner generating measurable KPIs and transparent sustainability reporting. The process is underpinned by three foundational pillars.



Stakeholder Prioritization

A well-defined set of practices involving two-way interactions are carried out to ensure desired outcomes are achieved. We use a four-pronged method to assess the impact our stakeholder groups have on the business as their aspirations are critically important to decision making.



Relevant forums and committees receive stakeholder feedback. These are then communicated to senior management to be considered when making business decisions.

Our stakeholder engagement is built on transparent communication and proactive collaboration, empowering each group to contribute meaningfully to value creation. The table below outlines our structured engagement process.

Stakeholder Mapping Process

GRI 2-29, 207-3

SR NO	Stakeholder	Power	Interest	Engagement Mechanism	Frequency	Mode	Key Concerns	PLR's Response
1	Shareholders	High	High	• Interim Financial Statements • Annual Report and AGM • Announcements to the CSE • Digital Platforms • Press Releases • Investor Forums	• Quarterly • Annually • As required • As required • As required • As needed	Manage Closely	• Financial Performance • Business Strategies and Operational Efficiency • Governance Stability and Sustainability • Risk Management	We adopt a disciplined financial management approach to ensure sufficient reinvestment into the business while meeting all stakeholder commitments responsibly.
2	Employees	Low	High	• HR Digital platform (HRIS), • WhatsApp Groups, Group Email • One- on- one discussions • Staff meetings • Regular Performance Reviews • Training need analysis • Remuneration and Benefit Reviews	• Continuous/ Ongoing • Continuous/ Ongoing • As required • As required • Reviews and discussions • Annually	Keep Informed	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.

STAKEHOLDER ENGAGEMENT

SR NO	Stakeholder	Power	Interest	Engagement Mechanism	Frequency	Mode	Key Concerns	PLR's Response
3	Key Customers	High	High	• One-on-one communications • Digital communications • Marketing activities • Press Releases	• As needed • On going • On going • On going	Manage Closely	• Product affordability and quality • Support Services • Access to Information • Timely delivery of projects	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.
4	Government	High	Low	• One-on-one meetings • Compliance verification • Frequency - On going • Frequency - On going • Frequency - On going	• When required • On going	Keep Satisfied	• Regulatory and statutory compliance • Environmental management and compliance • Health and safety management	We take proactive measures to comply with all applicable regulations and ensure that we remain transparently committed to social and environmental impact enhancement.
5	Contractors, Suppliers, and Service Providers	Low	High	• One-on-one meetings • Progress reviews • Other correspondence	• As required • Ongoing • Ongoing	Keep Informed	• Cost effectiveness and the quality of the work performed • Timely delivery of projects • Procurement practices • Payment schedule • Business ethics and compliance • Supply chain management	• 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.

SR NO	Stakeholder	Power	Interest	Engagement Mechanism	Frequency	Mode	Key Concerns	PLR's Response
6	Providers of Debt Capital	High	Low	• One-on-one meetings • Project Evaluations • Other correspondence • Financial performances	• As required • As required • Continuous and Ongoing • Ongoing	Keep Satisfied	• Financial Stability and liquidity • Organizational resilience • Business continuity	PLR aims to enhance our credibility among the banking sector by meeting all debt service obligation in a timely manner.
7	Community	Low	Low	• Annual Report • Digital Platforms • Announcements in CSE • Press Releases	• Annually • Ongoing • As required • Ongoing	Monitor	Development opportunities for regional economies	PLR remains committed to contribute towards improving community well-being and the development of sustainable communities locally & globally.
8	Potential Investors	Low	High	• Annual Report • Digital Platforms • Announcements in CSE • Press Releases • Investor Forums	• Annually • Ongoing • As and when required • Ongoing • As needed	• Monitor • Keep Informed	• Financial Stability and liquidity • Organizational resilience Business continuity	PLR is a well-established market leader in the real estate development sector. Its brand equity is high, and the visibility is extreme.



Stakeholders that are categorized as exercising high-power can directly shape business outcomes through decision making authority and control of critical resources. Interest based stakeholders though lacking in direct leverage, can by their perceptions and concerns influence reputation, social license, and long term resilience.

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



Mr. Deepal Sooriyaarachchi
Senior Independent Director

Dear Shareholders,

I am pleased to present this statement as the Senior Independent Director of Prime Lands Residencies PLC for the financial year ended 31st March 2026.

The Company has appointed a Senior Independent Director in view of the Chairperson of the Board being an Executive Director. This appointment provides an important governance safeguard by strengthening independent oversight, supporting balanced Board deliberations and providing an additional channel through which Directors and shareholders may raise governance-related matters where required.

My role as Senior Independent Director is to support the effective functioning of the Board while preserving independent judgement within the Boardroom. In performing this role, I continued to act as an independent sounding board to the Chairperson, facilitated constructive engagement among Directors and remained available to Directors for confidential discussion on matters relating to governance, Board effectiveness and the conduct of Board affairs.

The responsibilities of the Senior Independent Director are set out in the Board-approved governance framework and are aligned with Rule 9.6.3 of Section 9 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.

Role and Governance Contribution

During the year, I engaged with the Chairperson on matters relating to Board effectiveness, the quality of Board discussions, governance practices and the overall functioning of the Board.

I also supported open and constructive communication among Executive, and Independent Directors. These engagements helped ensure that different perspectives were appropriately considered in Board deliberations and that matters requiring further attention were escalated in a timely and constructive manner.

As Senior Independent Director, I remained available as an independent and confidential point of contact for Directors who wished to discuss matters relating to Board governance or raise concerns requiring independent consideration. I was also available to shareholders where governance-related concerns could not be addressed through the usual communication channels.

Activities During the Year

During the financial year ended 31st March 2026, I focused on the following key areas:

Area	Contribution During the Year
Board effectiveness	Engaged with the Chairperson and Directors on the effective functioning of the Board
Independent oversight	Facilitated discussion among Independent Non-Executive Directors
Governance practices	Supported the Board in maintaining sound governance practices and transparent decision-making
Director engagement	Provided an independent channel for Directors to raise matters requiring confidential or independent consideration
Shareholder accountability	Remained available to shareholders on governance-related matters where required

Meetings Chaired and Director Engagement

In accordance with the applicable Listing Rule requirements, I chaired meetings of the Independent Directors and Executive Directors during the year.

A meeting of the Independent Directors was held without the presence of the other Executive Directors to discuss matters relating to the Company, the operation of the Board and governance practices. Matters discussed and recommendations arising from the meeting were communicated, where appropriate, to the Chairperson and the Board.

One meeting was held with the Executive Directors to facilitate open communication on governance-related matters, provide feedback and support the effective functioning of the Board.

These meetings provided a structured forum for Directors to express their views openly, review governance matters and support continuous improvement in the Board's functioning.

Confirmation

I confirm that I discharged my responsibilities as Senior Independent Director during the financial year ended 31 March 2026 in accordance with Rule 9.6.3 of Section 9 of the Listing Rules of the Colombo Stock Exchange and the applicable principles of the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka.

I also confirm that I was entitled to exercise a casting vote at meetings of the Independent Directors and Non-Executive Directors, where applicable. The need to exercise such casting vote did not arise during the year.

I will continue to support the Board in maintaining a governance culture founded on independence, constructive challenge, accountability and transparency in the interests of the Company and its shareholders.



Deepal Sooriyaarachchi
Senior Independent Director

05 June 2026
Colombo, Sri Lanka

AUDIT COMMITTEE REPORT



Mr. Sanjaya Bandara
Independent Non-Executive Director

Governance Focus of the Committee

The Audit Committee continued to play a central role in assisting the Board to preserve the integrity of the Company's financial reporting, strengthen the control environment and monitor the effectiveness of risk, compliance and assurance activities during the financial year ended 31 March 2026.

In a year where the real estate sector continued to operate with changing market, regulatory and financial reporting expectations, the Committee placed particular emphasis on the quality of financial information, reliability of key judgements, discipline in internal controls, and timely follow-up of audit and compliance matters.

The Committee's work was carried out within the framework of the CSE Listing Rules, the Code of Best Practice on Corporate Governance issued by CA Sri Lanka, the Companies Act No. 07 of 2007 and other applicable regulatory requirements.

Composition

As at 31 March 2026, the Audit Committee comprised the following Directors:

Name	Capacity
Mr. Sanjaya Bandara – Chairman	Independent Non-Executive Director
Mr. Deepal Sooriyaarachchi	Senior Independent Director
Mr. Mahinda Perera	Independent Non-Executive Director
Prof. Ananda Jayawardane*	Independent Non-Executive Director

*Appointed to the Board on 04 September 2025
*Appointed to the committee on 6th November 2025

The Committee composition supports independent oversight of financial reporting, audit, risk and compliance matters. The Chairman of the Committee is a member of a recognized professional accounting body and possesses the required financial knowledge and experience to lead the Committee's deliberations.

The Director – Finance, Chief Financial Officer, Head of Internal Audit, Risk and Compliance, external auditors and relevant members of management attended meetings by invitation when their input was required.

Audit Committee Charter

The Company has a formal Audit Committee Charter which sets out the Committee's authority, responsibilities, scope of work and reporting obligations. The Charter is reviewed periodically and updated where required to reflect changes in regulatory requirements, governance expectations and the operating environment of the Company.

The Charter enables the Committee to obtain necessary information from management, engage directly with the internal audit function and external auditors, and seek independent professional advice where required to discharge its responsibilities effectively.

Meetings and Reporting to the Board

The Committee met 06 times during the year. Attendance of members is given on page 124 of this Annual Report.

Matters discussed by the Committee were reported to the Board through formal minutes and updates from the Committee Chairman. This ensured that matters requiring Board attention were escalated in a timely manner.

Areas of Oversight During the Year

The Committee's agenda during the year covered the following broad areas:

Area of Oversight	Focus During the Year
Financial reporting	Review of quarterly and annual financial statements, key accounting judgements and compliance with SLFRS/ LKAS
External audit	Review of audit plan, audit scope, audit findings, management letter points and auditor independence
Internal audit	Approval of internal audit plan, review of audit reports and monitoring of agreed actions

Area of Oversight	Focus During the Year
Risk management	Review of key business, financial, operational, IT and compliance risks
Compliance	Review of statutory, tax, AML/CFT, governance and regulatory compliance matters
Internal controls	Review of control gaps identified through internal audit, management reviews and follow-up reports

Financial Reporting and Significant Judgements

The Committee reviewed the quarterly and annual financial statements before recommending them to the Board for approval. In doing so, the Committee considered whether the financial statements were prepared using appropriate accounting policies, reasonable estimates and adequate disclosures.

Particular attention was given to areas requiring management judgement, including revenue recognition, cost recognition, provisions, tax matters, related party disclosures and compliance with applicable accounting standards.

The Committee also reviewed explanations and supporting information provided by management and discussed relevant matters with the external auditors before making its recommendation to the Board.

Internal Control and Risk Management

The Committee reviewed the adequacy and effectiveness of the Company's internal control and risk management processes through reports submitted by management, internal audit, external audit and compliance functions.

The Committee recognizes that internal control systems are designed to manage, rather than eliminate, business risks. Accordingly, the Committee's review focused on whether key business, financial, operational, compliance and information technology risks were being identified, assessed, monitored and addressed through appropriate control responses.

During the year, the Committee paid particular attention to the timeliness and quality of management responses, implementation of agreed corrective actions, recurring control weaknesses and the need to strengthen process-level accountability across business functions.

Where control gaps were identified, the Committee required management to agree on corrective actions, assign responsibility and provide implementation timelines. Progress against agreed actions was monitored through follow-up reporting.

Internal Audit Assurance

Internal audit assurance is provided through the Company's in-house Internal Audit, Risk and Compliance function, which operates independently of the activities reviewed and reports functionally to the Audit Committee.

The annual internal audit plan is prepared using a risk-based approach, taking into account the Company's key business processes, operational risks, regulatory obligations, previous audit findings, management concerns and areas requiring enhanced control focus.

The Committee reviewed and approved the internal audit plan for the financial year and monitored its implementation during the year. Internal audit reports were submitted to the Committee, setting out key observations, risk implications, root causes, recommendations and management responses.

The Committee considered the significance of audit findings, the adequacy of corrective actions proposed by management and the timelines agreed for implementation. Matters with higher risk implications or recurring control weaknesses were discussed in greater detail with management.

During the year, the internal audit function carried out reviews covering key areas of the Company's operations, including procurement and vendor-related controls, project cost and quantity surveying processes, sales and recovery activities, sales commission payments, revenue and cost recognition, legal documentation and agreement execution, AML/CFT compliance, payment controls, bank reconciliations, IT general controls and statutory compliance processes.

The Committee also reviewed follow-up reports on previously agreed audit actions to assess whether management had implemented corrective measures within the agreed timelines. Where delays, recurring issues or control gaps were noted, the Committee directed management to provide explanations, strengthen accountability and implement appropriate remedial action.

Based on the work carried out and the reports submitted during the year, the Committee is satisfied that internal audit assurance was obtained in a structured and risk-based manner, supporting the Committee's oversight of the Company's internal controls, risk management and governance processes.

AUDIT COMMITTEE REPORT

External Audit

The Committee reviewed the external audit plan, audit approach, areas of audit focus and reporting timelines with the external auditors.

Following completion of the audit, the Committee considered the audit findings, key audit matters, management letter observations and responses provided by management. The Committee also held discussions with the external auditors without the presence of executive management, where considered necessary.

Auditor Independence and Re-appointment

The Committee assessed the independence, objectivity and effectiveness of the external auditors.

In carrying out this assessment, the Committee considered written confirmations received from the external auditors, the nature and extent of non-audit services provided, compliance with applicable ethical and professional requirements, audit partner rotation and the quality of the audit engagement.

Where non-audit services were provided by the external auditors, the Committee considered whether such services could affect their independence or objectivity.

Based on its assessment, the Committee is satisfied that the independence and objectivity of the external auditors were not impaired during the financial year.

Having reviewed the performance, independence and effectiveness of the external auditors, the Committee has recommended to the Board that Messrs BDO Partners be re-appointed as external auditors of the Company for the financial year ending 31 March 2027, subject to approval by shareholders at the Annual General Meeting.

Compliance and Regulatory Matters

The Committee reviewed key compliance matters reported during the year, including statutory compliance, tax compliance, AML/CFT obligations, CSE Listing Rule requirements and other regulatory correspondence.

The Committee emphasized the importance of timely regulatory responses, accurate compliance reporting and documented evidence to support compliance confirmations.

Assurance from Managing Director and Chief Financial Officer

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

The Committee also considered confirmations provided by management on the adequacy of internal controls, compliance with applicable laws and regulations, and the proper maintenance of financial records.

Evaluation of the Committee

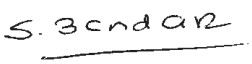
The Committee carried out an evaluation of its own effectiveness during the year. The assessment considered the adequacy of its composition, quality of information received, level of challenge provided to management, follow-up discipline and effectiveness of reporting to the Board.

The Committee concluded that it had discharged its responsibilities effectively during the year.

Conclusion

The Audit Committee is satisfied that it has provided appropriate oversight over financial reporting, audit, risk, compliance and internal control matters during the financial year ended 31 March 2026.

The Committee will continue to support the Board in strengthening assurance, accountability and governance across the Company.



Sanjaya Bandara
Chairman – Audit Committee

05 June 2026
Colombo

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT



Mr. Sanjaya Bandara
Independent Non-Executive Director

Governance Focus of the Committee

The Related Party Transactions Review Committee continued to provide independent oversight over transactions between the Company and its related parties during the financial year ended 31 March 2026.

The Committee's primary objective was to ensure that related party transactions were identified, reviewed and disclosed in a manner that protects the interests of the Company and its shareholders, particularly minority shareholders.

In carrying out its responsibilities, the Committee considered whether such transactions were entered into in the ordinary course of business, on normal commercial terms and without conferring an unfair advantage on any related party.

Composition

As at 31 March 2026, the Committee comprised the following Directors:

Name	Capacity
Mr. Sanjaya Bandara – Chairman	Independent Non-Executive Director
Mr. Deepal Sooriyaarachchi	Senior Independent Director
Mr. Mahinda Perera	Independent Non-Executive Director
Prof. Ananda Jayawardane*	Independent Non-Executive Director

*Appointed to the Board on 04 September 2025
*Appointed to the committee on 6th November 2025

The Director – Finance, Chief Financial Officer, Company Secretary, Head of Internal Audit, Risk and Compliance and relevant members of management attended meetings by invitation when required.

Meetings and Board Reporting

The Committee met 5 times during the financial year. Attendance of members is set out on page 124 of this Annual Report.

The Committee reported its observations and recommendations to the Board through formal minutes and periodic updates.

Review Framework

The Company maintains a structured process to identify, record, review and approve related party transactions. The process includes declarations from Directors and Key Management Personnel, maintenance of a related party register, review of proposed transactions and periodic reporting to the Committee.

The Committee reviewed transactions against the requirements of the CSE Listing Rules and the Company's internal policy on related party transactions.

Work Performed During the Year

During the year, the Committee focused on the following areas:

Area	Committee Focus
Identification of related parties	Reviewed updates to related party information and declarations
Transaction review	Considered recurrent and non-recurrent transactions submitted by management
Commercial terms	Reviewed whether transactions were on normal commercial terms
Threshold assessment	Assessed transactions against applicable CSE disclosure thresholds
Board reporting	Communicated matters requiring Board attention
Annual Report disclosures	Reviewed the adequacy of related party disclosures

Review of Transactions

The Committee reviewed the related party transactions entered into during the financial year and satisfied itself that such transactions were not prejudicial to the interests of the Company or its minority shareholders.

There were no non-recurrent related party transactions during the year which exceeded the thresholds requiring specific disclosure in the Annual Report.

Recurrent related party transactions exceeding the applicable disclosure thresholds are disclosed on page 233 of this Annual Report.

Further details of related party transactions are disclosed in Note 31 to the Financial Statements.

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

Disclosure and Compliance

The Committee ensured that related party transaction disclosures were considered in line with the requirements of the CSE Listing Rules. The Listing Rules require specific annual report disclosures for recurrent and non-recurrent related party transactions where the relevant thresholds are exceeded, and also require a report from the Related Party Transactions Review Committee.

The Committee confirms that it reviewed the related party transactions of the Company during the financial year and communicated its observations to the Board.

Committee Effectiveness

The Committee reviewed its effectiveness during the year, including the adequacy of information received, timeliness of submissions by management and the effectiveness of the related party transaction review process.

The Committee concluded that it had discharged its responsibilities effectively.

Conclusion

The Related Party Transactions Review Committee remains committed to maintaining a transparent and disciplined process for reviewing related party transactions. The Committee will continue to support the Board in ensuring that such transactions are carried out with fairness, independence and proper governance.

S. Bandara

Sanjaya Bandara
Chairman – Related Party Transactions Review Committee

05 June 2026
Colombo

REMUNERATION AND HUMAN RESOURCES COMMITTEE REPORT



Mr. Deepal Sooriyaarachchi
Senior Independent Director

Governance Focus of the Committee

The Remuneration and Human Resources Committee continued to assist the Board in overseeing remuneration, performance, succession planning, Leadership Development and key human resource matters during the financial year ended 31 March 2026.

The Committee's focus was to ensure that remuneration decisions support the Company's ability to attract, retain and motivate competent leadership, while maintaining fairness, transparency and alignment with shareholder interests.

Composition

As at 31 March 2026, the Committee comprised the following Directors:

Name	Capacity
Mr. Deepal Sooriyaarachchi – Chairman	Senior Independent Director
Mr. Sanjaya Bandara	Independent Non-Executive Director
Mr. Dhammika Kalapuge	Independent Non-Executive Director
Prof. Sampath Amaratunge*	Independent Non-Executive Director

*Appointed to the committee on 6th November 2025.

The Committee does not comprise Executive Directors. The Chairperson, Chief Human Resources Officer, and relevant members of management attended meetings by invitation where necessary.

Meetings and Reporting to the Board

The Committee met 03 times during the financial year. Attendance of members is set out on page 124 of this Annual Report.

The minutes of Committee meetings were submitted to the Board, enabling the Board to remain informed of the matters discussed, recommendations made and actions arising from the Committee's deliberations.

Where Board approval was required, the Committee submitted its recommendations for consideration and approval, particularly in relation to remuneration, human resource policy matters, succession planning and other matters falling within the Committee's scope.

Remuneration Philosophy

GRI 2-20 2-23 2-24

The Company's remuneration philosophy is based on maintaining a balance between business performance, individual contribution, market competitiveness and long-term sustainability.

The Committee recognizes that remuneration should not encourage short-term decision-making at the expense of long-term value. Accordingly, remuneration decisions are considered with reference to performance, role responsibility, capability, market conditions and affordability.

Remuneration Policy

GRI 2-19

The Company's remuneration policy is designed to:

Objective	Application
Attract and retain talent	Maintain competitive remuneration for critical leadership and technical roles
Encourage performance	Link rewards to individual and Company performance
Ensure fairness	Apply consistent principles across comparable roles
Support long-term value	Align remuneration with strategic priorities and sustainable business outcomes
Maintain independence	Ensure Non-Executive Directors receive fixed fees only

Executive remuneration may include fixed and performance-related components where applicable, while Non-Executive Directors receive fixed fees only and are not eligible for performance-based incentives.

REMUNERATION AND HUMAN RESOURCES COMMITTEE REPORT

Matters Reviewed During the Year

During the year, the Committee reviewed and considered the following matters:

Area	Committee Focus
Executive remuneration	Reviewed remuneration of Executive Directors and senior management
Performance rewards	Considered annual increments, bonuses and performance-based rewards
HR policies	Reviewed key HR-related policies and recommended improvements
Succession planning	Considered leadership continuity and Key Management Personnel succession
Talent development	Reviewed employee capability development and training initiatives
Market alignment	Considered competitiveness of remuneration against market conditions
Governance	Ensured remuneration decisions were made through an appropriate approval process

Executive and Non-Executive Director Remuneration

GRI 2-21

During the year, the Committee reviewed remuneration applicable to Executive Directors and made recommendations to the Board where necessary. No Director was involved in determining or approving his/her own remuneration. Non-Executive Directors were paid fixed fees for their service on the Board and Board Committees and did not receive performance-related payments.

The aggregate remuneration paid to Executive and Non-Executive Directors for the financial year ended 31 March 2026 amounted to Rs. 102.7 Mn.

Human Resources Oversight

The Committee also reviewed broader human resource matters that support the Company's strategic objectives. These included leadership development, succession planning, performance management, staff retention and capability building.

The Committee encouraged management to continue strengthening structured performance evaluation, talent development and succession planning processes across key functions.

Use of Independent Advice

The Committee may obtain independent professional advice on remuneration or human resource matters where necessary. Any such advice will be used to support informed decision-making and ensure that remuneration practices remain appropriate and aligned with governance expectations.

Committee Effectiveness

The Committee carried out an evaluation of its own effectiveness during the year. The review considered the quality of information received, independence of judgement, effectiveness of remuneration oversight and contribution to human resource governance.

The Committee concluded that it had effectively discharged its responsibilities during the year.

Conclusion

The Remuneration and Human Resources Committee remains committed to supporting a fair, transparent and performance-oriented remuneration framework. The Committee will continue to assist the Board in ensuring that the Company's remuneration and human resource practices support long-term business performance and stakeholder value.



Deepal Sooriyaarachchi
Chairman – Remuneration and Human Resources Committee

05 June 2026
Colombo

NOMINATION AND GOVERNANCE COMMITTEE REPORT



Mr. Deepal Sooriyaarachchi
Senior Independent Director

Governance Focus of the Committee

The Nomination and Governance Committee continued to support the Board in strengthening the Company's governance framework, Board composition, Director evaluation process and succession planning during the financial year ended 31st March 2026.

The Committee's role is not limited to recommending appointments. It also ensures that the Board has the right mix of independence, experience, judgement, sector knowledge and diversity required to guide the Company in a changing business and regulatory environment.

The CSE Listing Rules require the Nominations and Governance Committee to maintain a formal procedure for appointment and re-election of Directors, evaluate appointments to the Board and Board Committees, consider re-election of Directors, review Board composition, oversee performance evaluation and review the corporate governance framework.

Composition

As at 31 March 2026, the Committee comprised the following Directors:

Name	Capacity	Date of Appointment to the Committee
Mr. Deepal Sooriyaarachchi – Chairman	Senior Independent Director	08th November 2023
Mr. Mahinda Perera	Independent Non-Executive Director	08th November 2023
Mr. Sanjaya Bandara	Independent Non-Executive Director	08th November 2023

The Committee does not comprise Executive Directors. The composition of the Committee supports independent judgement in matters relating to Board appointments, re-election, governance and evaluation.

Director – Finance, Chief Human Resources Officer, Company Secretary, Head of Internal Audit, Risk and Compliance and relevant senior management members attended meetings by invitation where appropriate.

Meetings and Board Reporting

The Committee met 2 times during the year. Attendance of members is set out on page 124 of this Annual Report.

The Committee reported its recommendations and key deliberations to the Board for approval or information, as applicable.

Director Nomination and Re-election Process

GRI 2-10

The Company has a documented process for the appointment and re-election of Directors. The Committee applies this process to ensure that recommendations to the Board are transparent, objective and aligned with the Company's long-term requirements.

In evaluating Directors for appointment or re-election, the Committee considers:

Evaluation Area	Matters Considered
Knowledge and experience	Relevance to the Company's business, strategy and governance needs
Professional background	Finance, engineering, legal, risk, governance, real estate, HR, strategy and business leadership expertise
Independence of judgement	Ability to provide objective and constructive challenge
Time commitment	Capacity to attend meetings and contribute effectively
Fit and proper status	Integrity, reputation, competence and financial soundness
Board balance	Contribution to the overall mix of skills, diversity and independence

No Committee member participates in decisions relating to his or her own appointment or re-election.

NOMINATION AND GOVERNANCE COMMITTEE REPORT

Board Composition and Diversity

The Committee reviewed the size, structure and composition of the Board and Board Committees during the year.

The Board comprises individuals with experience across finance, engineering, audit, legal, governance, human resources, real estate, strategy, risk management and business leadership. This range of experience supports effective oversight of the Company's operations and strategic direction.

The Committee recognizes that Board diversity is not limited to gender. It includes diversity of skills, industry exposure, professional discipline, age, experience and independent thinking. The Committee will continue to support the Board in improving diversity while ensuring that appointments are based on merit and the needs of the Company.

Re-election of Directors

All Directors are required to submit themselves for re-election at regular intervals and at least once in every three years.

During the year, the Committee reviewed the Directors proposed for re-election by considering their attendance, contribution, independence, experience, other directorships and continued ability to discharge their responsibilities.

Details of Directors proposed for re-election are as follows:

Name of the Director	Board Sub Committee Memberships (as of 31/03/2026)	Date of First Appointment as a Director	Date of Last Re-election as a Director	Directorships in Other Listed Entities (Last 3 Years)	Material Relationships
Mr. M. Perera	Board Audit Committee- Member Board RPTR Committee- Member Board N&G Committee-Member*	03rd February 2021	30th June 2023	**Commitments over the preceding three years** HNB Finance PLC (Resigned with effect from 01st April 2023) **Present commitments** Details are given in profiles of Board of Directors on page 27	None
Mr. D. H. Kalapuge	Remuneration & Human Resources Committee - Member	03rd February 2021	30th June 2023	Commitments over the preceding three years None **Present commitments** Details are given in profiles of Board of Directors on pages Report of Remuneration and HR Committee - Page 26	None

**Mr. Mahinda Perera served as the Chairman of the Board Nominations and Governance Committee until 28 May 2025. Following the reconstitution of the Committee by the Board, Mr. Perera continued to serve as a Member of the Committee with effect from 29 May 2025.*

Board and MD Evaluation

The Committee oversaw the annual performance evaluation of the Board, Board Committees and the Managing director.

The evaluation considered the quality of Board discussions, strategic oversight, quality of information submitted to the Board, effectiveness of Committees, participation of Directors, follow-up of decisions and overall governance effectiveness.

The results of the evaluation were reviewed by the Committee and reported to the Board.

Succession Planning

The Committee reviewed succession planning for the Board and Key Management Personnel. The review focused on continuity of leadership, readiness of internal talent, critical role coverage and the availability of skills required to support the Company's strategy.

Corporate Governance Framework

During the year, the Committee reviewed the Company's corporate governance framework, including policies required under the CSE Listing Rules.

The Committee also reviewed management updates on compliance with the Companies Act, SEC Act, CSE Listing Rules and other applicable governance requirements. Any areas requiring improvement were referred to management for action.

Director Induction and Continuous Development

Newly appointed Director, Professor Ananda Jayawardane, was provided with induction covering the Company's business, governance framework, Board procedures, CSE Listing Rules and applicable regulatory requirements.

Existing Directors were kept updated on major business developments, regulatory changes and governance matters through Board papers, Committee papers, management presentations and regulatory updates.

Independence and Fit and Proper Confirmation

The Board obtained declarations from Directors and assessed the independence of Independent Directors against the criteria set out in the CSE Listing Rules.

The Company also obtained annual fit and proper declarations from Directors as required by the Listing Rules. The Board is satisfied that the Directors meet the applicable fit and proper criteria.

Compliance Statement

The Committee confirms that the Company has complied with the applicable corporate governance requirements under the CSE Listing Rules during the financial year ended 31 March 2026.

Committee Effectiveness

The Committee evaluated its own performance during the year. The evaluation considered the quality of deliberations, adequacy of information, effectiveness of the nomination and re-election process, governance oversight and reporting to the Board.

The Committee concluded that it had effectively discharged its responsibilities.

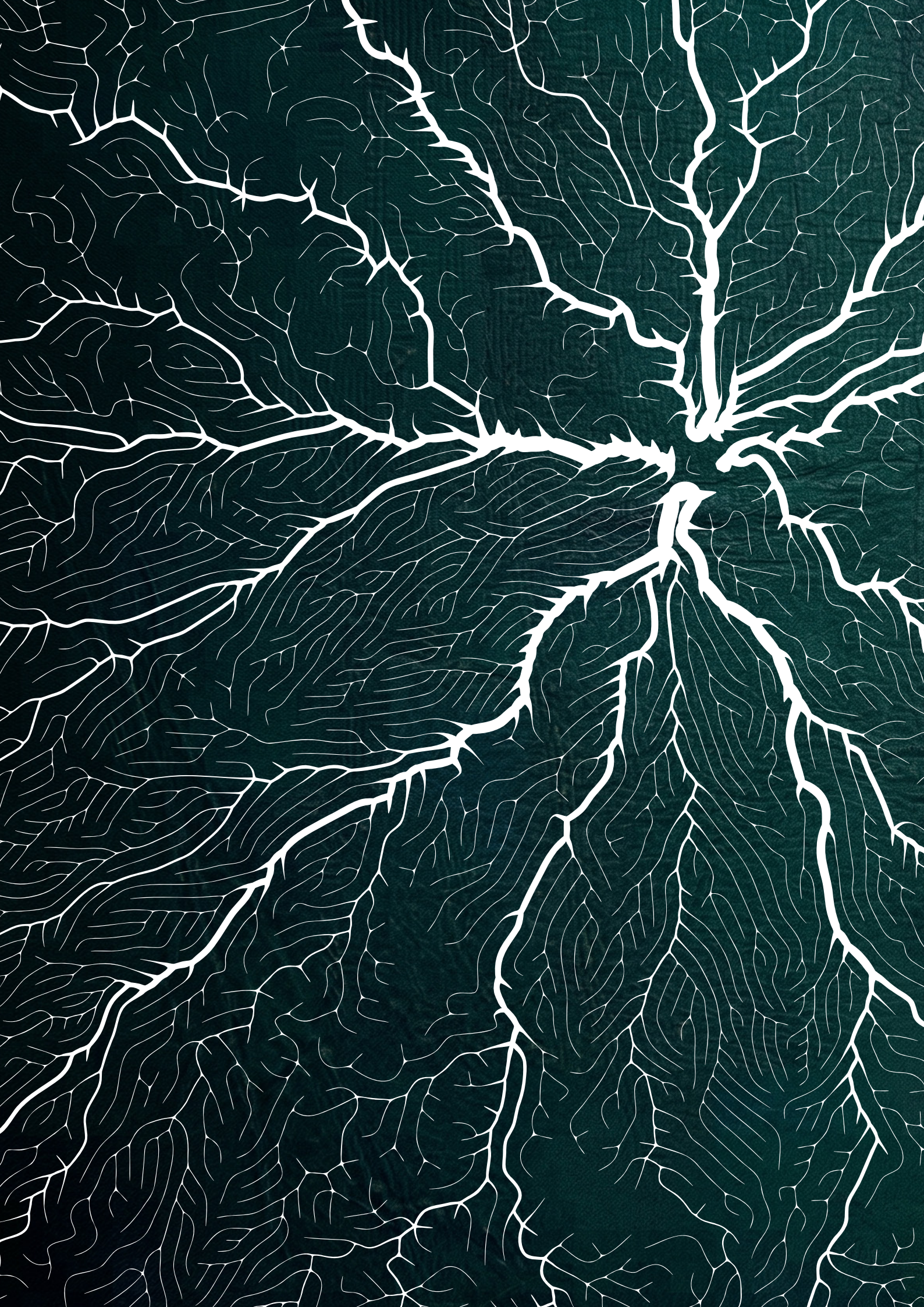
Conclusion

The Nomination and Governance Committee will continue to support the Board in maintaining a capable, independent and effective governance structure. The Committee remains focused on ensuring that the Board is equipped to provide sound leadership, strategic direction and accountability to shareholders.



Deepal Sooriyaarachchi
Chairman – Nomination and Governance Committee

05 June 2026
Colombo



FINANCIAL REPORTS

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GROUNDED IN LEGACY

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 31 March 2026 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 05 June 2026.

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 page 07 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 land. 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 31 March 2026 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 (page 38) and the Managing Director's Review (page 42). 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 (page 54) and Capital Management Reports (page 63)

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 the Companies Act No. 7 of 2007.

The financial statements of the Company, which are duly certified by the Director of Finance and Chairperson, have been approved by the Board of Directors, and signed by the Executive Director (Mr. Premalal Brahmanage) and the Board Audit Committee Chairman, are shown on Page 191 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 31 March 2026, 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 178 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 31 March 2026 and the Auditor's Report issued thereon is given on Page 189 of this Annual Report.

ACCOUNTING POLICIES AND CHANGES DURING THE YEAR

Significant new accounting policies adopted in preparation of the financial statements of the Company are given on Page 195. 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 01 April 2025 to 31 March 2026.

FINANCIAL RESULTS

REVENUE

Total Revenue of the Company for the FY 2025/26 was Rs. 11,031 Mn (Rs. 8,260 Mn for the FY 2024/25) A more descriptive analysis of Revenue is given in Note 04 to the Financial Statements on Page 212.

FINANCIAL RESULTS

	2025/26 Rs. Mn	2024/25 Rs. Mn
Revenue	11,031	8,260
Operating profit	2,692	1,592
Profit before taxation	2,823	1,803
Profit after taxation	2,061	1,231
Profit brought forward from the previous year	6,491	6,125
Dividend proposed/paid for the year	750	563

The Company recorded a Net Profit of Rs. 2,061 Mn for the FY 2025/26 (Rs. 1,231 Mn for the FY 2024/25). 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. 762 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.

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

DIVIDEND

An Interim Dividend of Rs. 0.80 per share has been declared to be paid on 26th June 2026 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 31 March 2026 amounted to Rs.424 Mn (Rs. 35 Mn as at 31 March 2025). The details of Property, Plant, and Equipment are presented in Notes 10, 11, and 13 on Page 215 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 31 March 2026 amounted to Rs. 1,205 Mn (Rs. 1,022 Mn as at 31 March 2025). The figure includes the fair value gain of Rs. 124 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. 28,133 Mn (Rs. 14,320 Mn as at 31 March 2025), of which Rs. 1,312 Mn is attributed to the lands segment.

INVESTMENTS

Details of investments held by the Company are disclosed in Notes 14 and 16 on Page 221 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. 7,985 Mn respectively as at 31 March 2026 (Rs. 3,450 Mn and Rs. 6,491 Mn as at 31 March 2025).

Details of the movement of Retained Earnings and Stated Capital are provided in the Statement of Changes in Equity on Page 192 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 251 and shareholder information and information on trading have been provided under the title Share Information on Page 249 of this Annual Report and is presented with the purpose of providing more price-sensitive information to the shareholders which includes;

- 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 75.15% of the Company's ordinary voting shares as at 31 March 2026. 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. 249.

INFORMATION TO SHAREHOLDERS

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

BOARD OF DIRECTORS

As at 31 March 2026, the Directors of Prime Lands Residencies PLC consisted of 13 Directors with wide financial, commercial knowledge and experience. The qualifications and experience of the Directors are provided on Page 22 of this Annual Report. The following Directors held office as at the end of the financial year.

Executive / Non-Executive	Independence / Non- Name of Director status	Independence status
Mr. Premalal Brahmanage	Executive	Non- Independent
Ms. Sandamini Perera	Executive	Non- Independent
Mr. Manjula Weerakkody	Executive	Non- Independent
Mr. Nalinda Heenatigala	Executive	Non- Independent
Ms. 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
Snr. Prof. Ananda Jayawardane	Non-Executive	Independent

RESIGNATIONS AND APPOINTMENTS

Snr. Prof. Ananda Jayawardane was appointed to the Board on 04 September 2025. He serves as a Non - Executive, Non-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 233 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	7,711,000	6,345,700

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 31 March 2025 and 31 March 2026 are given on Page 250 of this Annual Report.

DIRECTOR'S MEETINGS

The details of Directors' meetings are presented in the Corporate Governance Report on page 124 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 Page 166 of this Annual Report.

REMUNERATION AND HUMAN RESOURCES COMMITTEE

The Report of the Remuneration and Human Resources Committee is given on Page 171 of this Annual Report.

NOMINATION AND GOVERNANCE COMMITTEE

The Report of the Nomination and Governance Committee is given on Page 173 of this Annual Report.

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

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The Report of the Related Party Transactions Review Committee is given on Page 169 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 Page 233 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 page 166, 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 Head of 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 page 116 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
- 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 page 166 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 page 76 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, s8upport 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 page 85 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 page 91 and Our Approach to Sustainability section on page 99 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 237 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.

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

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. 1.8 Mn (Rs. 1.7 Mn for the FY 2024/25) 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 30 June 2026 at 10.00 am.

NOTICE OF MEETING

Notice of the meeting relating to the Twenty-First Annual General Meeting is provided on Page 253 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
Executive Chairperson

Colombo
05 June 2026

FINANCIAL CALENDAR - 2025/26

	Due Date	Complied Date
Submission of unaudited interim financial statements to the Colombo Stock Exchange (Rule-7.4 (a))		
Three months ended 30th June 2025	14-Aug-2025	7-Aug-2025
Six months ended 30th September 2025	14-Nov-2025	6-Nov-2025
Nine months ended 31st December 2025	14-Feb-2026	12-Feb-2026
Twelve months ended 31st March 2026	30-May-2026	29-May-2026
Audited Financial Statements and Annual Report		
Authorisation for issue of Audited Financial Statements for 2025/26		28-May-2026
Publication of Annual Report for the financial year ended 31 March 2026		05-Jun-2026
21st Annual General Meeting to be held on		30-Jun-2025
Dividends		
First interim dividend (final dividend) for 2024/25 paid on		27-Jun-2025
First interim dividend for 2025/26 - Declared on		28-May-2026

INDEPENDENT AUDITOR'S REPORT

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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 2026 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 195 to 248.

In our opinion, the accompanying Financial Statements give a true and fair view of the financial position of the Company as at 31st March 2026 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. 28,133,153,364/- as at 31st March 2026. Inventory Properties account for 76% 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.

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.

INDEPENDENT AUDITOR'S REPORT

As a 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.

BDO Partners

CHARTERED ACCOUNTANTS
Colombo

28 May 2026
SR/cc

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST MARCH 2026	Note	For the year ended 31.03.2026 Rs.	For the year ended 31.03.2025 Rs.
Revenue	4	11,031,333,018	8,259,800,877
Cost of sales		(7,206,549,915)	(5,835,901,479)
Gross profit		3,824,783,103	2,423,899,398
Other income	5	99,236,012	82,974,996
Gain on fair valuation of investment properties	12	124,014,095	43,761,069
Distribution expenses		(574,229,583)	(457,734,706)
Administrative expenses		(782,127,498)	(501,110,029)
Operating profit		2,691,676,129	1,591,790,728
Finance income	6.1	500,044,674	455,045,589
Finance expenses	6.2	(368,573,254)	(243,428,552)
Profit before taxation	7	2,823,147,549	1,803,407,765
Tax expenses	8	(761,836,382)	(572,329,013)
Profit for the year		2,061,311,167	1,231,078,752
Other comprehensive income			
Items that will not be re-classified to profit or loss			
Actuarial loss on retirement benefits obligation	21.3	(6,879,501)	(775,358)
Tax on other comprehensive income		2,063,850	232,607
Other comprehensive income for the year, net of tax		(4,815,651)	(542,751)
Total comprehensive income for the year		**2,056,495,516**	**1,230,536,001**
Earnings per share	**9**	**2.20**	**1.31**

Figures in brackets indicate deductions.

The accounting policies and notes on pages 195 to 248 form an integral part of these Financial Statements.

Colombo
28 May 2026

STATEMENT OF FINANCIAL POSITION

AS AT 31ST MARCH 2026	Note	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
ASSETS			
Non-current assets			
Property, plant and equipment	10	118,124,990	26,936,599
Right-of-use assets	11	306,078,431	8,435,874
Investment properties	12	1,205,000,000	1,022,000,000
Intangible assets	13	214,480	245,567
Financial assets at amortised cost	14	504,524,056	411,813,982
Total non-current assets		2,133,941,957	1,469,432,022
Current assets			
Inventory properties	15	28,133,153,364	14,319,934,392
Financial assets - Fair value through profit or loss	16	453,658,440	413,177,844
Advance paid to contractors	17	964,896,034	394,966,117
Advances, deposits and other receivables	18	106,600,920	108,247,079
Cash and cash equivalents	19	5,021,391,888	5,354,050,349
Total current assets		34,679,700,646	20,590,375,781
Total assets		**36,813,642,603**	**22,059,807,803**
EQUITY AND LIABILITIES			
Equity			
Stated capital	20	3,450,000,000	3,450,000,000
Retained earnings		7,985,468,203	6,491,472,687
Total equity		11,435,468,203	9,941,472,687
Non-current liabilities			
Retirement benefits obligation	21	58,961,258	43,608,689
Interest bearing borrowings	22	4,006,570,999	358,298,333
Lease liabilities	23	110,463,365	-
Deferred tax liabilities	24	133,645,233	114,472,857
Total non-current liabilities		4,309,640,855	516,379,879

AS AT 31ST MARCH 2026	Note	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Current liabilities			
Trade and other payables	25	1,037,588,520	774,724,134
Amount due to related party	26	4,322,844	2,213,640
Interest bearing borrowings - current portion	22	2,366,113,331	446,815,884
Lease liabilities - current portion	23	54,586,503	2,264,106
Customer advance collection	27	14,749,795,323	8,691,345,748
Income tax payable	28	705,571,130	530,493,253
Bank overdraft	19	2,150,555,894	1,154,098,472
Total current liabilities		21,068,533,545	11,601,955,237
Total liabilities		25,378,174,400	12,118,335,116
Total equity and liabilities		36,813,642,603	22,059,807,803
Net assets value per ordinary share	38	12.20	10.60

Figures in brackets indicate deductions.
The accounting policies and notes on pages 195 to 248 form an integral part of these Financial Statements.

Certification
We certify that the above Financial Statements have been prepared in compliance with the requirements of the Companies Act No.07 of 2007.



Mr. Pathirage Anura W. Perera
Director - Finance

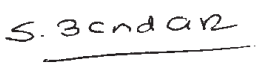


Ms. H.K. Sandamini R. Perera
Chairperson

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 by:



Mr. Brahmanage Premalal
Director



Mr. Sanjaya Bandara
Director

Colombo
28 May 2026

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH 2026	Stated capital Rs.	Retained earnings Rs.	Total Rs.
Balance as at 01st April 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
Profit for the year	-	2,061,311,167	2,061,311,167
Other comprehensive income for the year, net of tax	-	(4,815,651)	(4,815,651)
Dividend paid	-	(562,500,000)	(562,500,000)
Balance as at 31st March 2026	**3,450,000,000**	**7,985,468,203**	**11,435,468,203**

Figures in brackets indicate deductions.

The accounting policies and notes on pages 195 to 248 form an integral part of these Financial Statements.

Colombo
28 May 2026

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH 2026	Note	For the year ended 31.03.2026 Rs.	For the year ended 31.03.2025 Rs.
Cash flows from operating activities			
Profit before taxation		2,823,147,549	1,803,407,765
Adjustment for:			
Depreciation and amortisation	10/11	57,739,994	7,275,934
Amortisation	13	57,088	57,088
Provision on retirement benefits obligation	21	10,907,833	9,254,800
Overdraft interest	6.2	134,898,781	22,790,377
Lease interest	6.2	15,065,602	408,544
Loan interest	6.2	182,878,303	97,783,694
Interest on debentures	14	(24,513,539)	(23,558,629)
Fair value loss/(gain) on share investment	16.4	715,141	(105,000)
Fair value gain unit trust investment	5	(33,981,096)	(12,877,844)
Exchange loss/(gain) on investment in debenture	14	(68,196,535)	30,799,968
Fair value gain on investment properties	12	(124,014,095)	(43,761,069)
		151,557,477	88,067,863
Operating cash flows before change in working capital		2,974,705,026	1,891,475,628
Changes in working capital			
Increase in inventory properties	15	(13,813,218,972)	(4,512,651,080)
(Increase)/decrease in contractor advances	17	(569,929,917)	138,640,827
Decrease/(increase) in advances, deposits and other receivables	18	1,646,159	(80,852,006)
Increase in trade and other payables	25	262,864,585	140,381,111
Increase in amounts due to related parties	26	2,679,659	896,152
Increase in customer advance collection	27	6,058,449,575	5,164,632,741
Cash generated from/(used in) operations		(5,082,803,885)	2,742,523,373
Income tax paid	28	(534,051,641)	(498,664,135)
WHT paid	28	(31,470,638)	-
Interest paid	6.2	(134,898,781)	(22,790,377)
Gratuity paid	21	(3,005,220)	(2,833,650)
Net cash generated from/(used in) operating activities		(5,786,230,165)	2,218,235,211
Cash flows from investing activities			
Acquisition of intangible assets	13	(26,001)	-
Expenses incurred on investment property	12	(58,985,905)	-
Acquisition of property, plant and equipment	10	(101,130,727)	(18,023,752)
Acquisition of right-of-use asset	11/23	(139,956,976)	-
Investment in quoted security share	16.1	(7,214,840)	-
Withdrawal of unit trust	16.3	427,165,464	-
Investment in unit trust	16.3	(427,165,464)	(400,000,000)
Net cash used in investing activities		(307,314,449)	(418,023,752)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH 2026	Note	For the year ended 31.03.2026 Rs.	For the year ended 31.03.2025 Rs.
Cash flows from financing activities			
Lease instalments paid	23	(57,763,079)	(6,440,019)
Dividends paid		(562,500,000)	(562,500,000)
Proceeds from interest bearing borrowings	22	6,403,336,000	720,000,000
Repayment of interest bearing borrowings	22	(835,765,887)	(799,325,212)
Loan interest paid	6.2	(182,878,303)	(97,783,694)
Net cash generated from/(used in) financing activities		4,764,428,731	(746,048,925)
Net increase/(decrease) in cash and cash equivalents during the year		(1,329,115,883)	1,054,162,534
Cash and cash equivalents as at the beginning of the year (Note A)		4,199,951,877	3,145,789,343
Cash and cash equivalents as at the end of the year (Note B)	**19**	**2,870,835,994**	**4,199,951,877**
Cash and cash equivalents as at the beginning of the year			**Note A**
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 overdraft		(1,154,098,472)	(806,544,166)
		4,199,951,877	**3,145,789,343**
Cash and cash equivalents as at the end of the year			**Note B**
Short-term deposit		4,823,640,883	4,442,798,390
Cash in hand		151,858,807	80,356,035
Cash at bank		45,892,198	830,895,924
Bank overdrafts		(2,150,555,894)	(1,154,098,472)
		2,870,835,994	**4,199,951,877**

Figures in brackets indicate deductions.

The accounting policies and notes on pages 195 to 248 form an integral part of these Financial Statements.

Colombo
28 May 2026

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 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 2026 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 2026 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 2026 were authorised for issue on 28 May 2026 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 benefit 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 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 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.

2.8 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.

2.9 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.

2.9.1 Judgements

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.

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. Judgement 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.

2.9.2 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 2026. 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	2.10
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 benefit 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

2.10 Going concern

The Company has prepared the Financial Statements for the year ended 31st March 2026 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 2026, based on available information, 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 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, ongoing geopolitical tensions including the current war in the Gulf region, may create additional economic uncertainty through potential increases in global oil prices, disruptions to international shipping routes and higher logistics and transportation costs have been considered as of the reporting date and specific disclosures have been made under the relevant notes to the Financial Statements. The Directors are 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 have 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.

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 the Management.

The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether the 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 the 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 its 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 shall be 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.

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 de-recognised 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 a currently 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 a 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.

3.4 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 a part of this assessment, the Company considers certain indicators such as whether the lease is for t he 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 a part of "other income".

3.5 Intangible assets

3.5.1 Software

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.

3.6 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

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.

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
- 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 2.8.1.

A five-step model with reference to SLFRS 15, revenue from contracts with customers is applied before the revenue is recognized:

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
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.

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 Prime Lands Residencies PLC instead of obtaining legal services to transfer deeds from the 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 the presentation 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 Costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as a 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 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 profit or loss except to the extent that it relates to items recognised directly in equity or in OCI.

Income tax provisions for the year ended 31st March 2026 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. The 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, favourable and unfavourable, 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

The 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.

a) The following amendments are effective from the period beginning at 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.

- **Presentation and Disclosure in Financial Statements (SLFRS 18)**

The objective of this standard is to give investors more transparent and comparable information about companies' financial performance, thereby enabling better investment decisions. SLFRS 18 introduces three sets of new requirements to improve companies reporting of financial performance and give investors a better basis for analysing and comparing companies.

- Standardized Categories in the Statement of Profit or Loss: Income and expenses will be classified into three distinct categories as operating, investing, and financing along with mandatory subtotals to significantly improve comparability across companies.
- Transparency of Management-defined Performance Measures (MPMs): Requiring companies to disclose specific non-GAAP/non-SLFRS performance measures in a single note, including a full reconciliation to the most directly comparable SLFRS subtotal.
- Enhanced Principles for Grouping Information (Aggregation and Disaggregation): Establishing clearer guidance on whether information belongs in the primary financial statements or the notes, ensuring material information is not obscured.

- **Subsidiaries without Public Accountability: Disclosures (IFRS 19)**

The objective of this standard is to establish a voluntary, reduced disclosure framework that eligible subsidiaries are permitted to apply in place of the disclosure requirements specified in other SLFRS Accounting Standards.

An eligible subsidiary electing to apply IFRS 19 must continue to follow the recognition, measurement, and presentation criteria mandated by all other applicable IFRS Accounting Standards. Except under specified circumstances, the reduced disclosure provisions of IFRS 19 will supersede the disclosure requirements of those individual standards.

Furthermore, in accordance with the materiality principles outlined in IFRS 18 (Presentation and Disclosure in Financial Statements), an entity applying IFRS 19 is not required to provide a specific disclosure if the resulting information is deemed immaterial.

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 31.03.2026 Rs.	For the year ended 31.03.2025 Rs.
Revenue from contracts with customers	**11,031,333,018**	**8,259,800,877**
4.1 Revenue Streams		
Sale of apartment	9,691,369,273	6,147,643,924
Sale of land	1,339,963,745	2,112,156,953
	11,031,333,018	**8,259,800,877**
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.		
Revenue recognised at point in time	1,339,963,745	2,112,156,953
Revenue recognised over time	9,691,369,273	6,147,643,924
	11,031,333,018	**8,259,800,877**

5. OTHER INCOME

	For the year ended 31.03.2026 Rs.	For the year ended 31.03.2025 Rs.
Rent	30,670,000	22,500,000
Fair value gain on investments in quoted shares	-	105,000
Legal fee	22,574,216	29,553,496
Commission	12,010,700	17,938,656
Fair value gain on investment in unit trusts	33,981,096	12,877,844
	99,236,012	**82,974,996**

6. FINANCE INCOME AND EXPENSES

6.1 Finance income

	For the year ended 31.03.2026 Rs.	For the year ended 31.03.2025 Rs.
Interest	380,429,878	442,209,061
Late payment fee	4,559,571	12,836,528
Foreign exchange gain	115,055,225	-
	500,044,674	**455,045,589**

6.2 Finance expenses

	For the year ended 31.03.2026 Rs.	For the year ended 31.03.2025 Rs.
Bank loan charges	30,612,583	28,855,288
Loan interest	182,878,303	97,783,694
Lease interest	15,065,602	408,544
Overdraft interest	134,898,781	22,790,377
Interest on customer refunds	4,322,038	6,651,457
Foreign exchange loss	-	86,939,192
Transaction cost incurred to investment in FVTPL	80,806	-
Fair value loss on investments in quoted shares	715,141	-
	368,573,254	**243,428,552**

7. PROFIT BEFORE TAXATION IS STATED AFTER CHARGING ALL EXPENSES INCLUDING THE FOLLOWING:

	For the year ended 31.03.2026 Rs.	For the year ended 31.03.2025 Rs.
Directors' remuneration	49,711,000	48,345,700
Staff salaries, bonus, allowances and incentives	281,596,193	245,653,033
Defined contribution plan costs - EPF and ETF	31,533,062	23,910,645
Depreciation and amortisation	57,797,052	7,333,024
Auditors' remuneration	1,894,125	1,725,000
Provision for retirement benefits obligation	10,907,833	9,254,800

8. TAXATION

	Note	For the year ended 31.03.2026 Rs.	For the year ended 31.03.2025 Rs.
Income tax	8.1	741,891,547	524,962,930
Income tax over provision in previous year	28	(1,291,391)	-
Deferred tax provision for the year	24	21,236,226	47,366,083
		761,836,382	**572,329,013**

8.1 Reconciliation of the accounting profit to current tax expense

	Note	For the year ended 31.03.2026 Rs.	For the year ended 31.03.2025 Rs.
Profit before taxation		2,823,147,549	1,803,407,765
Income considered separately - Investment		(569,095,069)	(521,452,973)
Income considered separately - Others		(39,144,487)	(30,775,184)
Disallowable items		72,448,531	119,516,806
Allowable items		(77,513,345)	(20,105,466)
Less : Qualifieng payments		(100,000,000)	-
Business income		2,109,843,179	1,350,590,948
Income considered separately - Investment		569,095,069	521,452,973
Exempt income		(245,110,911)	(152,942,672)
Investment income		323,984,158	368,510,301
Income considered separately - Others		39,144,487	30,775,184
Taxable income		2,472,971,824	1,749,876,433
Income tax on taxable income			
Income tax rate at the statutory rate of:	30%	741,891,547	524,962,930
Income tax expense for the year		**741,891,547**	**524,962,930**

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 31.03.2026 Rs.	For the year ended 31.03.2025 Rs.
Amounts used as numerator		
Profit attributable to ordinary shareholders (Rs.)	2,061,311,167	1,231,078,752
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.)	2.20	1.31

There were no potentially dilutive ordinary shares outstanding at any time during the financial year.

9.1 Dividend Per Share

	For the year ended 31.03.2026 Rs.	For the year ended 31.03.2025 Rs.
Dividend paid for the year (Rs.)	562,500,000	562,500,000
Dividend per share (Rs.)	0.60	0.60

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								
Description	Office equipment Rs.	Plant and machinery Rs.	Computers and accessories Rs.	Furniture and fittings Rs.	Motor vehicles Rs.	Electrical items Rs.	Structures and improvements Rs.	Building work-in-progress Rs.	Total Rs.
10.1 Gross carrying amounts									
Balance as at 01.04.2025	23,200	10,976,817	21,186,664	7,822,783	94,125,132	13,844,561	-	-	147,979,157
Add: Additions during the year	-	3,489,000	11,073,903	17,225,690	2,670,001	7,428,586	14,360,444	44,883,103	101,130,727
Add: Transferred from right- of- use assets	-	-	-	-	12,000,000	-		-	12,000,000
Balance as at 31.03.2026	23,200	14,465,817	32,260,567	25,048,473	108,795,133	21,273,147	14,360,444	44,883,103	261,109,884
10.2 Accumulated depreciation									
Balance as at 01.04.2025	23,200	5,310,766	15,264,833	3,407,483	93,749,127	3,287,149	-	-	121,042,558
Add: Transferred from right-of-use asset	-	-	-	-	9,187,486	-	-	-	9,187,486
Add: Depreciation for the year	-	1,225,198	3,357,782	2,627,450	1,316,113	4,228,307	-	-	12,754,850
Balance as at 31.03.2026	23,200	6,535,964	18,622,615	6,034,933	104,252,726	7,515,456	-	-	142,984,894
10.3 Carrying amount									
Balance as at 31.03.2025	-	**5,666,051**	**5,921,831**	**4,415,300**	**376,005**	**10,557,412**	-	-	**26,936,599**
Balance as at 31.03.2026	-	**7,929,853**	**13,637,952**	**19,013,540**	**4,542,407**	**13,757,691**	**14,360,444**	**44,883,103**	**118,124,990**

10.4 During the financial year, the Company acquired property, plant and equipment to the aggregate value of Rs. 101,130,727 (2024/25 – Rs. 18,023,752). The cash payments amounting to Rs. 101,130,727 (2024/25 – Rs. 18,023,752) 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 (2024/25 - 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 2026.

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 2026.

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 2026.

10.9 Property, plant and equipment of the Company include fully depreciated assets having a gross carrying value of Rs.104,589,288 (2025: Rs.104,304,088).

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Freehold assets		
Office equipment	23,200	23,200
Plant and machinery	3,794,367	3,794,367
Computers and accessories	10,014,267	9,729,067
Furniture and fittings	3,162,927	3,162,927
Motor vehicles	85,525,132	85,525,132
Electrical items	2,069,395	2,069,395
	104,589,288	**104,304,088**

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

	As at 31.03.2026			As at 31.03.2025	
	Motor vehicle Rs.	Building Rs.	Total Rs.	Motor vehicle Rs.	Total Rs.
Cost					
Balance as at the beginning of the year	67,213,021	-	67,213,021	110,338,021	110,338,021
Add: During the year additions	278,013,932	67,426,283	345,440,215	-	-
Less: Transferred to property, plant and equipment	(12,000,000)	-	(12,000,000)	(43,125,000)	(43,125,000)
Balance as at the end of the year	333,226,953	67,426,283	400,653,236	67,213,021	67,213,021
Accumulated amortisation					
Balance as at the beginning of the year	58,777,147	-	58,777,147	99,167,272	99,167,272
Add: Amortisation for the year	24,437,353	20,547,791	44,985,144	2,734,875	2,734,875
Less: Transferred to property, plant and equipment	(9,187,486)	-	(9,187,486)	(43,125,000)	(43,125,000)
Balance as at the end of the year	74,027,014	20,547,791	94,574,805	58,777,147	58,777,147
Carrying amount as at the end of the year	**259,199,939**	**46,878,492**	**306,078,431**	**8,435,874**	**8,435,874**

12. INVESTMENT PROPERTIES

	Land Rs.	Building Rs.	Total Rs.
Balance as at 01.04.2024	571,600,000	194,400,000	766,000,000
Add: Fair value gain/(loss) during the year	70,444,663	(26,683,595)	43,761,068
Add: Transferred from inventory properties	126,108,499	86,130,433	212,238,932
Balance as at 31.03.2025	768,153,162	253,846,838	1,022,000,000
Add: Additions during the year	-	58,985,905	58,985,905
Add: Fair value gain during the year	97,471,838	26,542,257	124,014,095
Balance as at 31.03.2026	**865,625,000**	**339,375,000**	**1,205,000,000**

Investment properties consist of freehold land and Building at No 123, Castle Street, Colombo 08, freehold land and building given on rent at No. 61, D. S. Senanayake Mawatha, Colombo 08, and freehold land and building given on rent at No. 57, D. S. Senanayake Mawatha, Colombo 08.

12.1 The amount recognised to profit or loss on investment property is as follows:

	For the year ended 31.03.2026 Rs.	For the year ended 31.03.2025 Rs.
Rental income earned	30,670,000	22,500,000
Operating expenditure	(2,162,512)	(1,034,199)
Fair value gain during the year	124,014,095	43,761,069
	152,521,583	**65,226,870**

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 31.03.2026 Rs.	As at 31.03.2025 Rs.
Land and Commercial Buidling	R.M.N. Priyadarshani	P 33.50	Comparison method	504,000,000	368,000,000
No 123, Castle Street, Colombo 08	[Incorporated Valuer]				
	- Report date : 31/03/2026				
Land and Commercial Building	R.M.N. Priyadarshani	P 12.20	Comparison/ Investment method	431,000,000	419,000,000
No. 61, D S Senanayake Mawatha, Colombo 08	[Incorporated Valuer]				
	- Report date : 31/03/2026				
Land and Commercial Building	R.M.N. Priyadarshani	P 11.65	Comparison/ Investment method	270,000,000	235,000,000
No. 57, D S Senanayake Mawatha, Colombo 08	[Incorporated Valuer]				
	- Report date : 31/03/2026				
				1,205,000,000	**1,022,000,000**

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) Land and commercial building at No. 123, Castle Street, Colombo 08			
Land - Lot No. 1 in Plan No. 2074	P 33.50	13,000,000	435,500,000
Commercial building	6,855 sq.ft.	10,000	68,550,000
			504,050,000
Rounding effect			50,000
Fair value of the subject property			**504,000,000**
b) Land and commercial building at No. 61, D. S. Senanayake Mawatha, Colombo 08			
Land - Lot 1A in Plan No. 4751/9000	P 12.20	19,500,000	237,900,000
Commercial building	13,427 sq.ft.	18,500	248,399,500
Less: 22% for depreciation			(54,647,890)
			193,751,610
Rounding effect			651,610
Fair value of the subject property			**431,000,000**
c) Land and commercial building at No. 61, D. S. Senanayake Mawatha, Colombo 08			
Land - Lot A in Plan No. 2730	P 11.65	16,500,000	192,225,000
Commercial building	8,276 sq.ft.	16,500	136,554,000
Less: 43% for depreciation			(58,718,220)
			77,835,780
Rounding effect			60,780
Fair value of the subject property			**270,000,000**

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	2026	2025	Sensitivity
Anticipated maintenance cost	20% from annual rent income	20% from annual rent income	Decrease will result in increase in fair value gain
Capitalisation YP rate	6%	6%	Increase will result in decrease in fair value gain
Price per perch LKR million. No 123, Castle Street, Colombo 08	13.00	11.00	Increase will result in increase in fair value gain
Price per perch LKR million. No. 61, D. S. Senanayake Mawatha, Colombo 08	19.50	18.50	Increase will result in increase in fair value gain

12.6 The significant assumptions used by the valuer are as follows :

Assumptions	2026	2025	Sensitivity
Price per perch LKR million. No. 57, D. S. Senanayake Mawatha, Colombo 08	16.50	15.00	Increase will result in increase in fair value gain
Future rental income Per Sq.Ft No. 61, D. S. Senanayake Mawatha, Colombo 08	Rs. 2,324	Rs. 2,250	Increase will result in increase in fair value gain
Future rental income Per Sq.Ft No. 57, D. S. Senanayake Mawatha, Colombo 08	Rs. 2,471	Rs. 2,375	Increase will result in increase in fair value gain

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 2026.

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%		1,038,857,143	(166,142,857)
-1%		1,252,800,000	47,800,000
	5%	1,089,117,000	(115,883,000)
	-5%	1,167,132,600	(37,867,400)

12.8 The valuation of investment properties as at 31st March 2026 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 31.03.2026 Rs.	As at 31.03.2025 Rs.
a) Lot No. 1 in Plan No. 2074 situated at No. 123, Castle Street, Colombo 08		
Land	291,000,000	291,000,000
Commercial building		
Cost	68,550,000	-
Accumulated depreciation	-	-
	68,550,000	-
Carrying value	**359,550,000**	**291,000,000**
b) Lot A in Plan No. 4751/9000 situated at No. 61, D. S. Senanayake Mawatha, Colombo 08		
Land	62,603,760	62,603,760
Commercial building		
Cost	97,162,188	97,162,188
Accumulated depreciation	(45,994,896)	(42,552,372)
	51,167,292	54,609,816
Carrying value	**113,771,052**	**117,213,576**
c) Lot A in Plan No. 2730 situated at No. 57, D. S. Senanayake Mawatha, Colombo 08		
Land	126,108,499	126,108,499
Commercial building		
Cost	86,191,283	86,191,283
Accumulated depreciation	(4,309,564)	(861,913)
	81,881,719	85,329,370
Carrying value	**207,990,218**	**211,437,869**

12.12 Leasing arrangements

Minimum lease payments receivable on leases of investment property is as follows:		
Less than one year	55,279,200	11,800,000
One to five years	199,925,700	14,700,000
More than five years	-	-
	255,204,900	**26,500,000**

The investment properties are leased out to tenants under operating leases with rentals payable as per the lease terms.

13. INTANGIBLE ASSETS

13.1 Software

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Cost		
Balance as at the beginning of the year	572,438	572,438
Add: Additions during the year	26,001	-
Balance as at the end of the year	598,439	572,438
Amortisation		
Balance as at the beginning of the year	326,871	269,783
Add: Amortisation for the year	57,088	57,088
Balance as at the end of the year	383,959	326,871
Written-down value at the end of the year	**214,480**	**245,567**

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 31.03.2026 Rs.	As at 31.03.2025 Rs.
Balance as at the beginning of the year	411,813,982	419,055,321
Add : Exchange gain/(loss) for the year	68,196,535	(30,799,968)
Add : Interest receivable during the year	24,513,539	23,558,629
Balance as at the end of the year	**504,524,056**	**411,813,982**

	As at 31.03.2026 Number of debentures Nos.	Carrying amount Rs.	As at 31.03.2025 Number of debentures Nos.	Carrying amount Rs.
Debt securities - unquoted debenture	2,034	504,524,056	2,034	411,813,982
	2,034	**504,524,056**	**2,034**	**411,813,982**
Maturing within one year	-	-	-	-
Maturing after one year	2,034	504,524,056	2,034	411,813,982
	2,034	**504,524,056**	**2,034**	**411,813,982**

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 31.03.2026 Rs.	As at 31.03.2025 Rs.
- Apartments	26,820,521,924	12,239,496,367
- Lands	1,312,631,440	2,080,438,025
	28,133,153,364	**14,319,934,392**

15.2 Inventory Properties - Apartments

Balance as at the beginning of the year	12,239,496,367	6,815,071,803
Add : Cost incurred during the year	20,826,290,030	9,808,079,135
	33,065,786,397	16,623,150,938
Less : Disposals during the year (Recognised in cost of sales)	(6,245,264,473)	(4,297,524,138)
Transferred to investment properties	-	(86,130,433)
Balance as at the end of the year	**26,820,521,924**	**12,239,496,367**

15.3 Inventory Properties - Lands

Balance as at the beginning of the year	2,080,438,025	3,204,450,441
Add : Cost incurred during the year	149,940,704	504,948,727
	2,230,378,729	3,709,399,168
Less : Disposals during the year (Recognised in cost of sales)	(917,747,289)	(1,502,852,644)
Transferred to investment properties	-	(126,108,499)
Balance as at the end of the year	**1,312,631,440**	**2,080,438,025**

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 31.03.2026 Rs.	As at 31.03.2025 Rs.
Quoted equity securities	16.1	6,799,500	**300,000**
Unit trusts	16.2	446,858,940	412,877,844
		453,658,440	**413,177,844**

16.1 Quoted equity securities

	As at 31.03.2026			As at 31.03.2025		
	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	240,000	15,000	638,740	300,000
Colombo Dockyard PLC	34,000	4,845,000	4,156,500	-	-	-
Lanka Milk Foods (CWE) PLC	30,000	2,369,840	2,403,000	-	-	-
	79,000	**7,853,580**	**6,799,500**	**15,000**	**638,740**	**300,000**

16.2 Unit trusts

	As at 31.03.2026			As at 31.03.2025		
	Number units Nos.	Cost Rs.	Fair value Rs.	Number 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
NDB Wealth Money Income Funds	12,660,543	427,165,464	446,858,940	-	-	-
	12,660,543	**427,165,464**	**446,858,940**	**10,862,539**	**400,000,000**	**412,877,844**

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 for capital appreciation.

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Quoted equity securities		
Investment in equity securities	7,514,641	195,000
Increase/ (decrease) in market value	(715,141)	105,000
	6,799,500	**300,000**
Unit trusts		
Investment in unit trusts	427,165,464	400,000,000
Increase in market value	19,693,476	12,877,844
	446,858,940	**412,877,844**

16.4 Amounts recognised in profit or loss

Changes in fair value on quoted equity securities	(715,141)	105,000
Changes in fair value on investment in unit trusts	19,693,476	12,877,844
	18,978,335	**12,982,844**

17. ADVANCE PAID FOR CONTRACTORS

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Balance as at the beginning of the year	394,966,117	533,606,944
Add : Advance paid for contractors during the year	820,144,391	236,293,022
Less : Transferred to inventory properties during the year	(250,214,474)	(374,933,849)
Balance as at the end of the year	964,896,034	394,966,117

18. ADVANCES, DEPOSITS AND OTHER RECEIVABLES

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Staff advance	3,682,573	3,982,447
Other utility advance	35,447,434	49,652,448
Project advance	13,140,657	15,613,962
Refundable deposits	39,937,365	38,998,222
Management Corporation	8,446,369	-
Other receivable	5,946,522	-
	106,600,920	108,247,079

19. CASH AND CASH EQUIVALENTS

19.1 Short-term deposits

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Fixed deposits	4,823,640,883	4,442,798,390
	4,823,640,883	4,442,798,390

19.2 Favourable balances

Cash in hand	151,758,807	80,256,035
Petty cash	100,000	100,000
Cash at banks	45,892,198	830,895,924
	197,751,005	911,251,959
Total short-term deposits and favourable balance	**5,021,391,888**	**5,354,050,349**

19.3 Unfavourable balances

Bank overdraft	2,150,555,894	1,154,098,472
	2,150,555,894	**1,154,098,472**
Cash and cash equivalents for the purpose of statement of cash flows	**2,870,835,994**	**4,199,951,877**

Fixed deposits pledged as security against borrowings are disclosed in Note 30.

20. STATED CAPITAL

20.1 Ordinary shares

	Note	As at 31.03.2026 Rs.	As at 31.03.2025 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**

	For the year ended 31st March 2026		For the year ended 31st March 2025	
	No. of shares	Rs.	No. of shares	Rs.
20.1.1 Movement during the year				
Balance as at the beginning of the year	937,500,000	3,450,000,000	937,500,000	3,450,000,000
Balance as at the end of the year	937,500,000	3,450,000,000	937,500,000	3,450,000,000

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 31.03.2026 Rs.	As at 31.03.2025 Rs.
Balance as at the beginning of the year	43,608,689	32,418,497
Amount charged for the year	17,787,334	10,030,158
Payments made during the year	(3,005,220)	(2,833,650)
Amount transferred from Prime Lands (Private) Limited	570,455	3,993,684
Balance as at the end of the year	**58,961,258**	**43,608,689**
21.2 Amount recognised in the statement of comprehensive income		
Current service cost for the year	6,546,964	5,364,580
Interest cost for the year	4,360,869	3,890,220
	10,907,833	**9,254,800**
21.3 Amount recognised in other comprehensive income		
Actuarial loss for the year	6,879,501	775,358
	6,879,501	775,358

21.4 Messrs. Actuarial and Management Consultants (Pvt) Ltd, Actuaries, carried out an actuarial valuation of the retirement benefits obligation for the Company as at 31st March 2026. 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:

Actuarial assumptions	As at 31.03.2026	As at 31.03.2025
Discount rate	10%	10%
Salary increment rate	7%	7%
Staff turnover	17%	22%
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.

	2025/2026 Rs.	2024/2025 Rs.
Discount rate		
Effect on retirement benefits obligation due to 5% increase	47,143,033	37,123,998
Effect on retirement benefits obligation due to 5% decrease	71,786,598	52,917,609
Salary increment rate		
Effect on retirement benefits obligation due to 1% increase	61,390,657	1,487,796
Effect on retirement benefits obligation due to 1% decrease	56,683,453	(1,409,285)

* The figures in brackets indicate decrease

21.6 Maturity profile of the defined benefit obligation

Within the next 12 months	9,278,194	8,710,765
Between 1 and 5 years	32,093,452	25,932,560
Between 6 and 10 years	14,122,088	6,214,331
Beyond 10 years	3,467,524	2,751,033
	58,961,258	**43,608,689**

22. INTEREST BEARING BORROWINGS

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Balance as at the beginning of the year	805,114,217	884,439,429
Loans obtained during the year	6,403,336,000	720,000,000
	7,208,450,217	1,604,439,429
Repayments during the year	(835,765,887)	(799,325,212)
Balance as at the end of the year	6,372,684,330	805,114,217
Repayable within one year	2,366,113,331	446,815,884
Repayable between one and five years	4,006,570,999	358,298,333

Long-term loans	Term of the loan	Maturity period	Interest rate	Facility amount (Rs.)	Capital outstanding as at 31.03.2026 (Rs.)
Seylan Bank PLC - Term loan	Capital repayment within 48 months	Apr-30	AWPLR + Margin	400,000,000	400,000,000
Smapath Bank PLC	Capital repayment within 36 monthly instalments	Jun-27	AWPLR + Margin	1,000,000,000	678,550,000
Sampath Bank PLC	Capital repayment within 96 monthly instalments	Jul-26	AWPLR + Margin	450,000,000	450,000,000
Sampath Bank PLC	Capital repayment within 48 monthly instalments	Mar-30	AWPLR + Margin	1,785,000,000	1,785,000,000
Hatton National Bank PLC	Capital repayment within 60 monthly instalments	Nov-30	AWPLR + Margin	1,500,000,000	1,500,000,000
Commercial Bank of Ceylon	Capital repayment within 41 monthly instalments	Dec-27	AWPLR + Margin	350,000,000	174,965,000
Bank of Ceylon	Capital repayment within 36 monthly instalments	Feb-30	AWPLR + Margin	700,000,000	595,833,331

Short-term loans	Term of the loan	Maturity period	Interest rate	Facility amount (Rs.)	Capital outstanding as at 31.03.2026 (Rs.)
DFCC - revolving loan	Capital repayment within 6 monthly instalments	Jun-26	AWPLR + Margin	200,000,000	200,000,000
HNB - revolving loan	Capital repayment within 6 monthly instalments	Jun-26	AWPLR	500,000,000	500,000,000
Seylan Bank PLC -revolving loan	Capital repayment within 6 monthly instalments	Jul-26	AWPLR + Margin	6,962,000	6,962,000
Seylan Bank PLC - revolving loan	Capital repayment within 6 monthly instalments	Jul-26	AWPLR + Margin	26,500,000	26,500,000
Seylan Bank PLC -revolving loan	Capital repayment within 6 monthly instalments	Jul-26	AWPLR + Margin	34,541,000	34,541,000
Seylan Bank PLC - revolving loan	Capital repayment within 6 monthly instalments	Jun-26	AWPLR + Margin	20,333,000	20,333,000

Assets pledged as security against borrowings and the facility details are disclosed in Note 30.

23. LEASE LIABILITIES

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Balance as at the beginning of the year	3,641,019	10,081,038
Lease obtained during the year	243,533,934	-
Repayments during the year	(57,763,079)	(6,440,019)
Balance as at the end of the year	189,411,874	3,641,019
Interest in suspense		
Balance as at the beginning of the year	1,376,913	1,785,457
Lease obtained during the year	38,050,695	-
Charged to the statement of comprehensive income	(15,065,602)	(408,544)
Balance as at the end of the year	24,362,006	1,376,913
Net lease creditor at the end of the year	165,049,868	2,264,106
Repayable within one year	54,586,503	2,264,106
Repayable between one and five years	110,463,365	-
	165,049,868	**2,264,106**

23.1 Maturity analysis of lease liability - discounted

Less than 2 years	116,646,638	2,264,106
2- 5 years	48,403,230	-
	165,049,868	**2,264,106**

23.2 Maturity analysis of lease payment - undiscounted

Less than 2 years	138,166,967	3,641,019
2- 5 years	51,244,907	-
	189,411,874	**3,641,019**

23.3 Amount recognised in profit or loss on SLFRS 16 - Leases

Lease under SLFRS 16		
Amortisation of right-of-use assets	44,985,144	2,734,875
Interest expense on lease liabilities	15,065,602	408,544
	60,050,746	3,143,419

23.4 Amount recognised in cash flow on SLFRS 16 - Leases

Payment of lease liabilities	(57,763,079)	(6,440,019)

24. DEFERRED TAX LIABILITIES

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
The movement of deferred tax		
Balance as at the beginning of the year	114,472,857	67,339,381
Recognised in statement of comprehensive income	21,236,226	47,366,083
Recognised in other comprehensive income	(2,063,850)	(232,607)
Balance as at the end of the year	**133,645,233**	**114,472,857**

Deferred tax provision for the year
Deferred tax assets/(liabilities) are attributable to the following:

	As at 31.03.2026		As at 31.03.2025	
	Temporary difference Rs.	Tax Rs.	Temporary difference Rs.	Tax Rs.
Deferred tax assets				
Employee benefits	58,961,258	17,688,377	43,608,689	13,082,607
Lease Liability	165,049,868	49,514,960	-	-
	224,011,126	67,203,337	43,608,689	13,082,607
Deferred tax liabilities				
Property, plant and equipment	(72,496,812)	(21,749,042)	(136,743,975)	(41,023,193)
Investment properties	(385,912,741)	(115,773,822)	(288,440,903)	(86,532,271)
Right of use asset	(211,085,685)	(63,325,706)	-	-
	(669,495,238)	(200,848,570)	(425,184,878)	(127,555,464)
Net deferred tax liability	(445,484,112)	(133,645,233)	(381,576,189)	(114,472,857)

Movement in deferred tax balance during the year

	Balance as at 01.04.2025 Rs.	Recognised in profit or loss Rs.	Recognised in OCI Rs.	Balance as at 31.03.2026 Rs.
Employee benefits	13,082,607	2,541,920	2,063,850	17,688,377
Property, plant and equipment	(41,023,193)	19,274,151	-	(21,749,043)
Investment properties	(86,532,271)	(29,241,551)	-	(115,773,822)
Lease Liability	-	49,514,960	-	49,514,960
Right of use asset	-	(63,325,706)	-	(63,325,706)
Net deferred tax asset/ (liability)	**(114,472,857)**	**(21,236,226)**	**2,063,850**	**(133,645,233)**

Deferred tax has been determined based on the effective tax rate of 30%.

25. TRADE AND OTHER PAYABLES

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Accrued expenses	110,938,751	150,436,108
Stamp duty	58,754,364	67,531,270
Retention	775,482,581	485,701,107
Contractors payments	-	4,064,427
Dividend	1,279,358	1,294,273
SSCL	34,243,315	5,820,831
Refundable deposits	700,000	700,000
VAT	56,190,151	59,176,118
	1,037,588,520	**774,724,134**

26. AMOUNT DUE TO RELATED PARTY

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Prime Lands (Private) Limited	4,322,844	2,213,640
	4,322,844	**2,213,640**

27. CUSTOMER ADVANCE COLLECTION

	Note	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Project advance	27.1	14,637,751,619	8,538,940,294
Direct customer deposits		112,043,704	152,405,454
		14,749,795,323	**8,691,345,748**

27.1 Project advance

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Balance as at the beginning of the year	8,538,940,294	3,461,944,642
Add: During the year advance received	17,130,144,343	13,336,796,529
	25,669,084,637	16,798,741,171
Less : Transferred to statement of comprehensive income	(11,031,333,018)	(8,259,800,877)
Balance as at the end of the year	**14,637,751,619**	**8,538,940,294**

28. INCOME TAX PAYABLE

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Balance as at the beginning of the year	530,493,253	219,989,096
Less : WHT credit	(31,470,638)	(17,099,428)
During the year payment	(534,051,641)	(498,664,135)
	(35,029,026)	(295,774,467)
Add : Income tax expense during the year	741,891,547	524,962,930
Less : Income tax over provision in previous year	(1,291,391)	-
Add : Adjustment for Surcharge Tax levied under the Surcharge Tax Act No. 14 of 2022	-	301,304,790
Balance as at the end of the year	**705,571,130**	**530,493,253**

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

Capital commitments arising from contracts entered into with vendors in respect of construction works amounting to Rs. 12,234,012,630/- as at the reporting date. This commitment is contingent upon the successful execution of the respective contract agreements.

In addition, financial guarantees issued to the Urban Development Authority to securing the land depicted as Lot No. 01 in the Survey Plan No. 2675 dated 20th May 2023 amounting to Rs. 858,176,295/- and Rs. 950,123,755/- which are due on 01st March 2027 and 01st March 2028, respectively.

29.2 Contingent liabilities

The Company does not have significant contingencies as at the reporting date.

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 31.03.2026 Rs.	As at 31.03.2025 Rs.
Primary mortage 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
Lien Over the fixed deposits amounting to LKR 820,000,000 of the company	DFCC Bank PLC - Revolving Loan	200,000,000	200,000,000	-
Further mortgage over the property of Prime Lands (Pvt) Ltd at No. 75/1, D.S. Senanayake Mawatha, Colombo 08	DFCC Bank PLC - Overdraft	500,000,000	312,738,430	42,454,482
Lien over 400,000,000 Nos of HNB Finance PLC shares owned by Prime Lands (Pvt) Ltd	Seylan Bank PLC - Term Loan	1,500,000,000	-	300,000,000
Lien over the Fixed Deposits amounting to LKR 2,318,000,000	Seylan Bank PLC - Overdraft	2,197,600,000	1,058,760,822	743,740,581
Primary mortgage bond over the property at D.S. Senanayake Mawathe, Colombo 08	Seylan Bank PLC - Term Loan	400,000,000	400,000,000	-
Primary mortgage bond over the property at The Border Colombo, Peliyagoda	Sampath Bank PLC -Term Loan	1,000,000,000	678,550,000	220,000,000
Primary mortgage bond over the property at the Golf - Colombo 08	Sampath Bank PLC - Term Loan	450,000,000	450,000,000	-
Primary mortgage bond over the property at Elvitigala Mawatha, Colombo 05	Sampath Bank PLC - Term Loan	1,785,000,000	1,785,000,000	-
Primary mortgage bond over the property at Thalakotuwa Gardens	Hatton National Bank PLC - Term Loan	1,500,000,000	1,500,000,000	-
Primary mortgage bond over the property at Chandraleka Mawatha	Commercial Bank of Ceylon PLC -Term Loan	350,000,000	174,965,000	274,985,000
Primary motgage bond over the property at Jadore - Negambo	Bank of Ceylon - Term Loan	700,000,000	595,833,331	-
	Bank of Ceylon - Overdraft	250,000,000	137,534,061	-
Lien over USD A/C amounting to USD 1,036,032	Sampath Bank PLC - Overdraft	400,000,000	278,908,891	51,844,800
Lien over Fixed deposit amounting to LKR 82 MN of the company				
Corporate guarantee of Rs. 100 Mn from Prime Lands (Pvt) Ltd				
Corporate guarantee from Prime Lands (Pvt) Ltd	Hatton National Bank PLC - Overdraft	500,000,000	296,012,132	292,451,814
Corporate guarantee from Prime Lands (Pvt) Ltd	Hatton National Bank PLC - Revolving Loan	500,000,000	500,000,000	-
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	42,231,279	-
Corporate guarantee from Prime Lands (Pvt) Ltd	Commercial Bank of Ceylon PLC - Overdraft	50,000,000	-	-

31. RELATED PARTY DISCLOSURES

31.1 Parent and ultimate controlling party

The immediate and ultimate parent of the Company as at 31st March 2026 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 31.03.2026 Rs.	For the year ended 31.03.2025 Rs.
Directors	Short-term benefit	49,711,000	48,345,700

(c) Transactions with key Management Personnel

Related key personnel	Relationship	Nature of the transaction	For the year ended 31.03.2026 Rs.	For the year ended 31.03.2025 Rs.
Mr. B Premalal	Director	Advance payment for apartments at The Colombo Border	40,845,000	11,670,000
Mrs. H K S R Perera	Director	Advance payment for apartments at The Colombo Border	26,350,000	15,880,000
Mr. N L S Joseph	Director	Advance payment for apartment at The Colombo Border	4,956,000	9,151,000
Ms. Shehana Brahmanage	Director	Advance payment for apartment at The Colombo Border	20,640,000	-
Mr. Nalinda Heenatigala	Director	Advance payment for apartment at Jadore - Negombo	17,231,949	6,880,000
Mr. Anura Pathirage	Director	Advance payment for apartment at The Palace - Gampaha	10,416,095	-
Mrs. Dinusha Fernando	GM Legal	Advance payment for apartment at The Colombo Border	4,400,000	656,000

31.3 Related party transactions

Related companies	Relationship	Nature of the transaction	For the year ended 31.03.2026 Rs.	For the year ended 31.03.2025 Rs.
Prime Lands (Private) Limited	Parent Company	Advances paid to acquire lands for apartments projects	47,205,000	305,807,500
		Shared service fee paid to Prime Lands (Pvt) Ltd	36,900,000	30,750,000
		Rent paid to Prime Lands (Pvt) Ltd	6,150,000	6,150,000
		Rent income from Prime Lands (Pvt) Ltd	8,400,000	2,100,000
		Commission income from Prime Lands (Pvt) Ltd	6,890,108	17,938,656
		Commission expense to Prime Lands (Pvt) Ltd	180,026,189	105,693,621
		Intercompany settlements (Net)	-	3,097,531
HNB Finance PLC	Related Company	Rent income from HNB Finance PLC	22,270,000	20,400,000
		Lease rental paid	1,750,908	6,440,019
		Lease interest paid	142,807	408,544
NJ Consultants	Common Director	MEP Design fee paid to NJ Consultants	47,735,059	11,576,991
Diyanillakelle Estate (Pvt) Ltd	Common Director	Payment made for accommodation	62,646	-
Regent Caterers (Pvt) Ltd	Related Company	Payments for catering services for events	8,801,211	7,421,886
Prime Constructions (Pvt) Ltd	Related Company	Construction management services for 43, By the Sea - Marine Drive and The Palace - Gampaha	14,668,416	174,817,101
		Interim payment made for the construction works for The Border Colombo Tower C	698,743,917	298,525,758
		Interim Payments made for the constructions works for The Border Colombo Tower A	989,817,167	-
		Interim Payments made for the constructions works for the Seasons - Colombo 08	809,397,629	-
		Payments for construction work done for Castle Street - Warehouse	51,958,275	-
		Payment for work done at Mon Vie - Thalakotuwa Gardens	665,641	-
Prime Realty (Pvt) Ltd	Related Company	Commission expense to Prime Realty (Pvt) Ltd	45,861,133	22,619,717
Bhoomi Realty Holdings (Pvt) Ltd	Related Company	Commission expenses to Bhoomi Realty Holdings (Pvt) Ltd	2,463,199	-

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

Below is the recurrent related party transaction which in aggregate value exceeds 10% of the gross revenue of the Company as per 31st March 2026 audited Financial Statements, which required additional disclosures in the 2025/26 Annual Report under Colombo Stock Exchange listing Rule 9.14.8(2).

Name of Related 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	Affiliated Company	Contract awarded during the financial year **01. The Colombo Border** **(a). Main Contract - Tower A** Commencement of the constructions: June 2025 Duration - 30 months Contract Value - Rs. 2,528,337,829	Rs. 2,528,337,829	23%	• 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 activities, 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 31.03.2026	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	-	504,524,056	-	504,524,056
Financial investments - quoted equity shares	6,799,500	-	-	6,799,500
Financial investments - unit trusts	446,858,940	-	-	446,858,940
Cash and cash equivalents	-	5,021,391,888	-	5,021,391,888
	453,658,440	5,525,915,944	-	5,979,574,384
Financial liabilities				
Interest bearing borrowings	-	-	6,372,684,330	6,372,684,330
Lease liabilities	-	-	165,049,868	165,049,868
Amount due to related party	-	-	4,322,844	4,322,844
Trade and other payables	-	-	1,037,588,520	1,037,588,520
Bank overdraft	-	-	2,150,555,894	2,150,555,894
	-	-	6,730,201,456	9,370,201,456

Balance as at 31.03.2025	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	-	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

33. FAIR VALUE MEASUREMENT AND RELATED FAIR VALUE DISCLOSURES

33.1 Determination of fair value and fair value hierarchy

As at 31st March 2026, 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 31.03.2026				
Financial assets - Fair value through profit or loss	453,658,440	-	-	453,658,440
Investment property - Land and building	-	-	1,205,000,000	1,205,000,000
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

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 Rs.	Building Rs.	Total Rs.
Investment Properties			
Balance as at 01.04.2024	571,600,000	194,400,000	766,000,000
Add: Transferred from inventory property	126,108,499	86,130,433	212,238,932
Add: Fair value gain/(loss) 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
Add: Addition for the year	-	58,985,905	58,985,905
Add: Fair value gain during the year	97,471,838	26,542,257	124,014,095
Balance as at 31.03.2026	**865,625,000**	**339,375,000**	**1,205,000,000**

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**	• Anticipated maintenance cost
Land and commercial building	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.	• Discount rate
No. 123, Castle Street, Colombo 08		• Future rental income per Sq. Ft.
No. 61, D. S. Senanayake Mawatha, Colombo 08		• Price per perch
No. 57, D. S. Senanayake Mawatha, Colombo 08		

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 Eighty Cents (Rs. 0.80) per ordinary share amounting Rs.750,000,000/- on 28th May 2026.

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 the 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 principally 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.

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 31.03.2026 Rs.	As at 31.03.2025 Rs.
Carrying amount		
Financial assets at amortised cost	504,524,056	411,813,982
Financial assets - FVTPL	453,658,440	413,177,844
Cash and cash equivalents	5,021,391,888	5,354,050,349
	5,979,574,384	**6,179,042,175**

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 31.03.2026						
Non-derivative financial liabilities						
Trade and other payables	1,037,588,520	112,218,109	925,370,411	-	-	1,037,588,520
Bank overdraft	2,150,555,894	2,150,555,894	-	-	-	2,150,555,894
Loans and borrowings	6,372,684,330	309,128,332	2,056,984,998	4,006,571,000	-	6,372,684,330
Lease liabilities	165,049,868	16,820,871	51,062,613	121,528,391	-	189,411,875
Amounts due to related party	4,322,844	4,322,844	-	-	-	4,322,844
	9,730,201,456	**2,593,046,050**	**3,033,418,022**	**4,128,099,391**	-	**9,754,563,463**
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**

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 2026		
Investments in unquoted debentures	2,034,000	-
Bank balances	307	20,099
As at 31st March 2025		
Investments in unquoted debentures	2,034,000	-
Bank balances	303	69,414

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.

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:

	Increase/ Decrease in Exchange rate	Effect On profit Before tax (Rs.)
2026		
US Dollar (USD)		
LKR appreciated against USD by	25%	388,729,744
LKR depreciated against USD by	-25%	(388,729,744)
Australian Dollar(AUD)		
LKR appreciated against AUD by	25%	107,638,630
LKR depreciated against AUD by	-25%	(107,638,630)
2025		
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)

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 31.03.2026 Rs.	As at 31.03.2025 Rs.
Fixed rate instruments		
Financial assets		
Fixed deposit	4,823,640,883	4,442,798,390
Financial assets at amortised cost	504,524,056	411,813,982
	5,328,164,939	4,854,612,372
Financial liabilities		
Lease creditors	(165,049,868)	(2,264,106)
	5,493,214,807	**4,856,876,478**
Variable rate instruments		
Financial assets		
Bank balance	45,892,198	830,895,924
Financial liabilities		
Loans and borrowings	(6,372,684,330)	(805,114,217)
Bank overdraft	(2,150,555,894)	(1,154,098,472)
	(8,523,240,224)	(1,959,212,689)
	(8,477,348,026)	**(1,128,316,765)**

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 31.03.2026 Rs.	For the year ended 31.03.2025 Rs.	For the year ended 31.03.2026 Rs.	For the year ended 31.03.2025 Rs.
5% increase	7,121,273	14,600,573	7,121,273	14,600,573
5% decrease	(7,121,273)	(14,600,573)	(7,121,273)	(14,600,573)

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.

	2026 Rs.	2025 Rs.
Trading shares		
Quoted equity securities	6,799,500	300,000

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.

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%	339,400
	- 5%	(339,400)

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 behaviour. 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 31.03.2026	As at 31.03.2025
Debt to equity ratio	57%	8%

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 carbon emmission
- high energy use in construction and operation of building to enhance the energy effeciency
- 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 neighbourhood 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 a 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 approach, aligned with best practices to guide the Company to avoid 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 minimising 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 fertiliser
Local employment	% of construction workforce sourced locally	95% local labour target per project
Board oversight	ESG review frequency by the Board or SSC	Quarterly

36.5 Green House Gass (GHG) emission accounting

To align with SLFRS S1 and S2, the sustainability-related and climate-related disclosure standards introduced by CA Sri Lanka, the Company engaged an external consultant, Messrs. Co-Energy (Pvt) Ltd, to perform a comprehensive GHG assessment. The assessment was carried out for the reporting period from 01 April 2025 to 31 March 2026. The GHG inventory and assessment methodology were established in accordance with the principles and requirements of ISO 14064-1:2018 standard.

The Company recognises climate changes as a material risk with direct implications for its long term business resilience. Therefore, the first step towards achieving net zero commitment, the Company initiated the scope 01 and 02 GHG quantification. The scope 03 emission will be measured starting from next financial year onwards.

The GHG assessment includes direct emissions, indirect emissions from imported energy, transportation, products used by the organisation and other indirect emissions. The consolidation approach considers all operations and processes that influence the operational decisions and policies of the Company.

The GHG assessment covers all operations of the Company within the defined organisational boundary, encompassing the Company's head office, warehouse, completed condominium project (the Palace - Gampaha) and ongoing apartment constructions (J'adore - Negombo, the Colombo Border - Peliyagoda and the Seasons - Colombo 08).

Scope 01: Direct GHG emission

Emission source	**tCO2e**
Direct emissions from stationary consumption	2.56
Direct emissions from mobile combustion	45.55
Direct fugitive emissions from the release of GHG in anthropogenic system	24.25
Total GHG direct emission	**72.36**

Scope 02: Indirect GHG emission

Emission source	**tCO2e**
Indirect emission from imported electricity including GHG emission related to the production and consumption of electricity imported by the Company	194.11
Total GHG indirect emission	194.11
Total GHG emission	**266.47**

The GHG emission profile of the Company, the largest emission is from electricity consumption. Initiatives will be taken to reduce electricity consumption as applicable. Furthermore, from direct GHG emission of scope 01, the highest emission is from head office, own vehicles and diesel vehicles. Reduction strategies will be focusing on these high emission.

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 31.03.2026 Rs.	For the year ended 31.03.2025 Rs.	For the year ended 31.03.2026 Rs.	For the year ended 31.03.2025 Rs.	For the year ended 31.03.2026 Rs.	For the year ended 31.03.2025 Rs.
Revenue	9,691,369,273	6,147,643,924	1,339,963,745	2,112,156,953	11,031,333,018	8,259,800,877
Cost of sales	(6,288,802,626)	(4,333,048,835)	(917,747,289)	(1,502,852,644)	(7,206,549,915)	(5,835,901,479)
Gross profit	3,402,566,647	1,814,595,089	422,216,456	609,304,309	3,824,783,103	2,423,899,398
Other income	92,827,893	74,562,387	6,408,119	8,412,609	99,236,012	82,974,996
Gain on fair valuation of investment property	124,014,095	43,761,069	-	-	124,014,095	43,761,069
Distribution expenses	(547,430,308)	(415,491,567)	(26,799,275)	(42,243,139)	(574,229,583)	(457,734,706)
Administrative expenses	(664,808,373)	(400,888,023)	(117,319,125)	(100,222,006)	(782,127,498)	(501,110,029)
Operating profit	2,407,169,954	1,116,538,955	284,506,175	475,251,773	2,691,676,129	1,591,790,728
Finance income	495,485,103	442,209,061	4,559,571	12,836,528	500,044,674	455,045,589
Finance expenses	(331,715,929)	(219,085,697)	(36,857,325)	(24,342,855)	(368,573,254)	(243,428,552)
Profit before taxation	2,570,939,128	1,339,662,319	252,208,421	463,745,446	2,823,147,549	1,803,407,765
Tax expenses	(693,777,046)	(425,154,881)	(68,059,337)	(147,174,133)	(761,836,382)	(572,329,014)
Profit for the year	**1,877,162,082**	**914,507,438**	**184,149,084**	**316,571,313**	**2,061,311,167**	**1,231,078,751**
Segmental assets	35,501,011,163	19,979,369,778	1,312,631,440	2,080,438,025	36,813,642,603	22,059,807,803
Segmental liabilities	23,829,034,010	9,052,557,476	992,876,417	3,065,777,640	25,378,174,400	12,118,335,116

38. NET ASSETS VALUE PER ORDINARY SHARE

	As at 31.03.2026	As at 31.03.2025
Amounts used as numerator		
Equity holders' funds (Rs.)	11,435,468,203	9,941,472,687
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.)	**12.20**	**10.60**

39. COMPARATIVE INFORMATION

Comparative figures have been re-classified where necessary in line with the presentation requirements for the current year.

SHARE INFORMATION

A. TWENTY MAJOR SHAREHOLDERS

	Name of the shareholder	As at 31 March 2026		As at 31 March 2025	
		Shareholding	Percentage (%)	Shareholding	Percentage (%)
1	Prime Lands (Pvt) Ltd	704,499,970	75.15%	749,999,970	80.00%
2	Mr. O. Senanayake	11,938,782	1.27%	N/Q	N/Q
3	Hatton National Bank PLC - Capital Alliance Quantitative Equity Fund	10,131,142	1.08%	N/Q	N/Q
4	Peoples Leasing and Finance PLC/ S.P. perera	6,926,484	0.74%	N/Q	N/Q
5	Commercial Bank of Ceylon PLC/ H.G. Balasuriya	5,850,000	0.62%	N/Q	N/Q
6	Ranavav Holdings (Pvt) Ltd	5,673,097	0.61%	N/Q	N/Q
7	Union Assurance PLC-Universal Life Fund	5,525,862	0.59%	N/Q	N/Q
8	Deutsche Bank AG Trustee To Lynear Wealth Dynamic Opportunities Fund	5,116,651	0.55%	N/Q	N/Q
9	Mr. H.K.C.P. Perera	5,000,000	0.53%	5,000,000	0.53%
10	Seylan Bank PLC/O.Senanayake	4,302,504	0.46%	N/Q	N/Q
11	Seylan Bank PLC/A.C.Senanka	3,529,907	0.38%	2,346,375	0.25%
12	Miss N.T.M.S. Cooray	2,496,943	0.27%	N/Q	N/Q
13	Thread Capital (Private) Limited	2,408,278	0.26%	3,836,405	0.41%
14	Mr. S.P. Perera	2,368,816	0.25%	N/Q	N/Q
15	Invenco Capital Private Limited	2,360,010	0.25%	N/Q	N/Q
16	Stafford International School(Pvt) Ltd	2,205,392	0.24%	N/Q	N/Q
17	Mr. F.R. Muzammil	2,175,000	0.23%	N/Q	N/Q
18	J.B. Cocoshell (Pvt) Ltd	2,117,415	0.23%	4,345,065	0.46%
19	Lynear Wealth Management/Mr. Hanif Yusoof	2,101,589	0.22%	N/Q	N/Q
20	Mr. H.G. Balasuriya	1,875,000	0.20%	N/Q	N/Q
		788,602,842	84.12%	815,481,207	86.98%
	Others	148,897,158	15.88%	122,018,793	13.02%
		937,500,000	**100.00%**	**937,500,000**	**100.00%**

N/Q- Not qualify for top 20 shareholders as at 31 March 2025

B. PUBLIC AND NON PUBLIC SHAREHOLDINGS

	As at 31 March 2026			As at 31 March 2025		
	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	10,456	100.00	937,500,000	5,615	100.00
Less:- Shares held by non public	705,800,000	4	75.29	751,300,000	4	80.14
Shares held by the public and No. of shareholders	231,700,000	10,452	24.71	186,200,000	5,611	19.86
Float adjusted market capitalisation (Under option 5) LKR	10,843,560,000			2,215,780,000		

SHARE INFORMATION

C. DISTRIBUTION OF SHAREHOLDERS

	As at 31 March 2026			As at 31 March 2025		
	No. of shareholders	No. of shares	Percentage %	No. of shareholders	No. of shares	Percentage %
1 - 1,000	5,776	1,844,230	0.20	2,308	802,042	0.09
1,001 - 10,000	3,257	13,033,076	1.39	1,984	8,987,571	0.96
10,001 - 100,000	1,148	36,214,542	3.86	1,079	37,428,614	3.99
100,001 - 1000,000	236	71,533,660	7.63	209	54,738,213	5.84
Over 1000,000	39	814,874,492	86.92	35	835,543,560	89.12
Total	10,456	937,500,000	100.00	5,615	937,500,000	100.00

D. CATEGORIES OF SHAREHOLDERS

	As at 31 March 2026			As at 31 March 2025		
	No. of shareholders	No. of shares	Percentage %	No. of shareholders	No. of shares	Percentage %
Local individuals	10,059	128,323,533	13.69%	5,392	118,328,519	12.62%
Local institutions	369	808,864,926	86.28%	209	815,685,798	87.01%
Foreign individuals	28	311,541	0.03%	11	1,478,692	0.16%
Foreign institutions	-	-	0.00%	3	2,006,991	0.21%
	10,456	937,500,000	100.00%	5,615	937,500,000	100.00%

E. PERFORMANCE AT THE CSE

Market Price per share	As at 31 March 2026	As at 31 March 2025
Highest	60.70	12.00
Lowest	33.40	11.70
Last Traded Price	46.80	11.90

F. SHAREHOLDINGS OF DIRECTORS

	As at 31 March 2026		As at 31 March 2025	
	No. of shares	Percentage %	No. of shares	Percentage %
Mr. Brahmanage Premalal	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%	Nil	0.00%
Snr. Prof. Ananda Jayawardane	Nil	0.00%	Nil	0.00%

FIVE YEAR SUMMARY

Income Statement	Year Ended 31 March 2026 Rs.	Year Ended 31 March 2025 Rs.	Year Ended 31 March 2024 Rs.	Year Ended 31 March 2023 Rs.	Year Ended 31 March 2022 Rs.
Revenue	11,031,333,018	8,259,800,877	8,090,379,095	19,798,684,442	9,510,383,251
Gross Profit	3,824,783,103	2,423,899,398	2,224,979,157	5,420,995,606	2,422,102,250
Operating Profit	2,691,676,129	1,591,790,728	1,735,246,109	4,759,365,480	1,936,561,052
Profit before Tax	2,823,147,549	1,803,407,765	1,590,593,285	3,979,316,420	1,847,921,605
Tax Expenses	(761,836,382)	(572,329,013)	(461,591,584)	(628,084,657)	(165,548,364)
Profit for the year	2,061,311,167	1,231,078,752	1,129,001,701	3,351,231,763	1,682,373,241

Statement of Financial Position	31 March 2026 Rs.	31 March 2025 Rs.	31 March 2024 Rs.	31 March 2023 Rs.	31 March 2022 Rs.
Current Assets	34,679,700,646	20,590,375,781	14,550,152,197	16,620,245,974	17,723,347,307
Current Liabilities	21,068,533,545	11,601,955,237	5,598,913,156	7,411,117,022	10,387,644,546
Net-current Assets	13,611,167,101	8,988,420,544	8,951,239,041	9,209,128,952	7,335,702,761
Non-current Assets	2,133,941,957	1,469,432,022	1,209,982,631	902,475,682	1,143,134,968
Non-current Liabilities	4,309,640,855	516,379,879	586,480,196	725,307,973	1,786,655,184
Net Assets	11,435,468,203	9,941,472,687	9,574,741,476	9,386,296,661	6,692,182,545

Key indicators					
Basic earning per share (Rs.)	2.20	1.31	1.20	3.57	1.86
Net assets per share (Rs.)	12.20	10.60	10.21	10.01	7.14
Return on equity (%)	18%	12%	12%	36%	25%
Return on assets (%)	6%	6%	7%	19%	9%
Debt/equity ratio (%)	57%	8%	9%	15%	51%
Divided per share-(Rs.)	0.80	0.60	0.60	1.00	0.70
Dividend payout (%)	36%	46%	50%	28%	39%
Dividend Cover (Times)	2.75	2.18	2.01	3.57	2.66
Market Value per Share (Rs.)	46.80	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

Statement of use	Prime Lands Residencies PLC has reported the information cited in this GRI content index for the period 01 April 2025 to 31 March 2026 with reference to the GRI Standards.		
GRI 1 used	GRI 1: Foundation 2021		
GRI STANDARD	DISCLOSURE	LOCATION	PAGE NO
GRI 2: General Disclosures 2021	2-1 Organizational details	Our Integrated Annual Report	4
	2-2 Entities included in the organization's sustainability reporting	Our Integrated Annual Report	4
	2-3 Reporting period, frequency and contact point	Our Integrated Annual Report	4
	2-4 Restatements of information	Our Integrated Annual Report	4
	2-5 External assurance	Our Integrated Annual Report	4
	2-6 Activities, value chain and other business relationships	Our Integrated Annual Report	4
	2-7 Employees	Human Capital	76
	2-8 Workers who are not employees	Human Capital	76
	2-9 Governance structure and composition	Corporate Governance Section	116
	2-10 Nomination and selection of the highest governance body	Corporate Governance Section	173
	2-11 Chair of the highest governance body	Corporate Governance Section	116
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance Section	117
	2-13 Delegation of responsibility for managing impacts	Corporate Governance Section	121
	2-14 Role of the highest governance body in sustainability reporting	Corporate Governance Section	123
	2-15 Conflicts of interest	Corporate Governance Section	123
	2-16 Communication of critical concerns	Corporate Governance Section	122
	2-17 Collective knowledge of the highest governance body	Board Directors and Management Team Section	20-30
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance Section	126
	2-19 Remuneration policies	Corporate Governance Section	171
	2-20 Process to determine remuneration	Corporate Governance Section	171
	2-21 Annual total compensation ratio	Corporate Governance Section	172
	2-22 Statement on sustainable development strategy	Our ESG Focus	96
	2-23 Policy commitments	Corporate Governance Section	171
	2-24 Embedding policy commitments	Corporate Governance Section	171
	2-25 Processes to remediate negative impacts	Corporate Governance Section	122
	2-26 Mechanisms for seeking advice and raising concerns	Corporate Governance Section	126
	2-27 Compliance with laws and regulations	Corporate Governance Section	123
	2-28 Membership associations	Social and Relationship Capital	85
	2-29 Approach to stakeholder engagement	Stakeholder Management Section	160
	2-30 Collective bargaining agreements	Human Capital	76
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Material Topics Section	44
	3-2 List of material topics	Material Topics Section	44
	3-3 Management of material topics	Material Topics Section	44
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Strategy and Resource Allocation Section	56
	201-2 Financial implications and other risks and opportunities due to climate change	S1 report - Transitional Relief applied for S2	99
	201-3 Defined benefit plan obligations and other retirement plans	Human Capital	76
	201-4 Financial assistance received from government	Not applied for any financial assitance from the government	

Statement of use	Prime Lands Residencies PLC has reported the information cited in this GRI content index for the period 01 April 2025 to 31 March 2026 with reference to the GRI Standards.		
GRI 1 used	GRI 1: Foundation 2021		
GRI STANDARD	DISCLOSURE	LOCATION	PAGE NO
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Human Capital, Gender Parity Section	76
	202-2 Proportion of senior management hired from the local community	Human Capital, Gender Parity Section	76
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Review of Our Business Portfolio Section	54
	203-2 Significant indirect economic impacts	Strategy and Resource Allocation Section	56
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Social and Relationship Capital	85
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Human Capital	76
	205-2 Communication and training about anti-corruption policies and procedures	Human Capital	76
	205-3 Confirmed incidents of corruption and actions taken	No such incidents reported in 2025/26	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	None	
GRI 207: Tax 2019	207-1 Approach to tax	Social and Relationship Capital	90
	207-2 Tax governance, control, and risk management	Risk Management Review	152
	207-3 Stakeholder engagement and management of concerns related to tax	None raised	
	207-4 Country-by-country reporting	Not applicable	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Manufactured Capital	66
	301-2 Recycled input materials used	Manufactured Capital	66
	301-3 Reclaimed products and their packaging materials	Manufactured Capital, Waste Management as aligned to circular economy.	66
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Natural Capital	91
	302-2 Energy consumption outside of the organization	Natural Capital	91
	302-3 Energy intensity	Natural Capital	91
	302-4 Reduction of energy consumption	Natural Capital	91
	302-5 Reductions in energy requirements of products and services	Natural Capital	91
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Natural Capital	91
	303-2 Management of water discharge-related impacts	Natural Capital	91
	303-3 Water withdrawal	Natural Capital	91
	303-4 Water discharge	Natural Capital	91
	303-5 Water consumption	Natural Capital	91
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Our ESG Focus	96
	304-2 Significant impacts of activities, products and services on biodiversity	Our ESG Focus	96
	304-3 Habitats protected or restored	Not applicable	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable	

GRI CONTENT INDEX

Statement of use	Prime Lands Residencies PLC has reported the information cited in this GRI content index for the period 01 April 2025 to 31 March 2026 with reference to the GRI Standards.		
GRI 1 used	GRI 1: Foundation 2021		
GRI STANDARD	DISCLOSURE	LOCATION	PAGE NO
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Natural Capital	91
	305-2 Energy indirect (Scope 2) GHG emissions	Natural Capital	91
	305-3 Other indirect (Scope 3) GHG emissions	Not measured in 2025	
	305-4 GHG emissions intensity	Natural Capital	91
	305-5 Reduction of GHG emissions	Natural Capital	91
	305-6 Emissions of ozone-depleting substances (ODS)	Natural Capital	91
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	S1 report under Climate Risk	99
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Natural Capital	91
	306-2 Management of significant waste-related impacts	Natural Capital	91
	306-3 Waste generated	Natural Capital	91
	306-4 Waste diverted from disposal	Natural Capital	91
	306-5 Waste directed to disposal	Natural Capital	91
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Social and Relationship Capital	85
	308-2 Negative environmental impacts in the supply chain and actions taken	Social and Relationship Capital	85
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Human Capital	76
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human Capital	76
	401-3 Parental leave	Human Capital	76
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Human Capital	76
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Human Capital	76
	403-2 Hazard identification, risk assessment, and incident investigation	Human Capital	76
	403-3 Occupational health services	Human Capital	76
	403-4 Worker participation, consultation, and communication on occupational health and safety	Human Capital	76
	403-5 Worker training on occupational health and safety	Human Capital	76
	403-6 Promotion of worker health	Human Capital	76
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Human Capital	76
	403-8 Workers covered by an occupational health and safety management system	Human Capital	76
	403-9 Work-related injuries	Human Capital	76
	403-10 Work-related ill health	Human Capital	76
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Human Capital	76
	404-2 Programs for upgrading employee skills and transition assistance programs	Human Capital	76
	404-3 Percentage of employees receiving regular performance and career development reviews	Human Capital	76
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Human Capital	76
	405-2 Ratio of basic salary and remuneration of women to men	Human Capital	76

Statement of use	Prime Lands Residencies PLC has reported the information cited in this GRI content index for the period 01 April 2025 to 31 March 2026 with reference to the GRI Standards.		
GRI 1 used	GRI 1: Foundation 2021		
GRI STANDARD	DISCLOSURE	LOCATION	PAGE NO
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Human Capital - no such incidents were reported	76
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Capital	76
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Human Capital	76
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Capital	76
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Human Capital	76
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Not applicable	76
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social and Relationship Capital	85
	413-2 Operations with significant actual and potential negative impacts on local communities	Social and Relationship Capital	85
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Social and Relationship Capital	85
	414-2 Negative social impacts in the supply chain and actions taken	Social and Relationship Capital	85
	GRI 415: Public Policy 2016	415-1 Political contributions	None
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Social and Relationship Capital	85
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Social and Relationship Capital	85
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Social and Relationship Capital	85
	417-2 Incidents of non-compliance concerning product and service information and labeling	Social and Relationship Capital	85
	417-3 Incidents of non-compliance concerning marketing communications	Social and Relationship Capital	85
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Social and Relationship Capital	85

ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-First (21st) Annual General Meeting (AGM) of the shareholders of Prime Lands Residencies PLC will be held as a virtual meeting on 30th June 2026 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 2026 together with the Report of the Auditors thereon.
2. To resolve that the interim Dividend of Rs. 0.80 declared on 28th May 2026 and paid to Shareholders from the profit of the financial year 2025/26 is deemed to be the final dividend for the said financial year.
3. To re-appoint Senior Professor Ananda Kithsiri Wijenayaka Jayawardane, as an 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. Mahinda Perera, 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. Dhammika Hemantha Kalapuge, 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-appoint Messrs. BDO Partners, Chartered Accountants, as the Auditors of the Company for the ensuing year and authorise the Directors to determine their remuneration.
7. To authorise the Board of Directors to determine contributions to charities and other donations for the year 2026/27.

By order of the Board of Directors of
Prime Lands Residencies PLC

S S P Corporate Services (Private) Limited



Company Secretaries
Date: 05 June 2026

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.

To attend the virtual Annual General Meeting 2026, please complete the following steps:

1. Registration: Complete and submit the attached form titled "**Registration of Shareholder Details -Online Participation at the AGM 2026**".
2. Review Guidelines: Familiarize yourself with the "**Guidelines and Registration Process for the AGM via the Online Meeting Platform**" available on the;
   a. Company website: https://www.primeresidencies.lk/investor-relation or
   b. Colombo Stock Exchange: https://www.cse.lk/company-profile?symbol=PLR.N0000

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
Prof. S.P.P. Amaratunge ..... of Colombo failing him
Prof A.K.W. Jayawardane ..... of Colombo

as my/our proxy to represent me/us to vote for me/us and on my/our behalf at the 21st Annual General Meeting of the Company to be held on 30th June 2026 and at any adjournment thereof and at every poll which may be taken in consequence thereof.

Agenda Item	For	Against
1. To receive and consider the Report of the Directors and the Statements of Accounts for the year ended 31st March 2026 together with the Report of the Auditors thereon.	☐	☐
2. To resolve that the interim Dividend of Rs. 0.80 declared on 28th May 2026 and paid to Shareholders from the profit of the financial year 2025/26 is deemed to be the final dividend for the said financial year.	☐	☐
3. To re-appoint Senior Professor Ananda Kithsiri Wijenayaka Jayawardane, as an 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. Mahinda Perera, 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. Dhammika Hemantha Kalapuge, 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-appoint Messrs. BDO Partners, Chartered Accountants, as the Auditors of the Company for the ensuing year and authorise the Directors to determine their remuneration.	☐	☐
7. To authorise the Board of Directors to determine contributions to charities and other donations for the year 2026/27.	☐	☐

Signed on this ..... day of ..... Two Thousand and Twenty-six.

.....
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 enclosed REGISTRATION FORM (Annexure I)
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.

CORPORATE INFORMATION

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 2021 Ordinary Shares listed on the Colombo Stock Exchange in June 2021

Company Registration No
PQ00234680

Directors
Ms. H K Sandamini R Perera
Chairperson / Executive Director

Mr. Premalal Brahmanage
Executive Director

Mr. N M Weerakkody
Managing Director / Executive Director

Mr. H M N U Kumara
Executive Director / Director Corporate Affairs

Ms. S S A P Brahmanage
Executive Director

Mr. Pathirage Anura W Perera
Executive Director / Director Finance

Mr. D Sooriyaarachchi
Independent Non-Executive Director

Mr. S M S Sanjaya Bandara
Independent Non-Executive Director

Mr. D H Kalapuge
Independent Non-Executive Director

Mr. M Perera
Independent Non-Executive Director

Mr. N L S Joseph
Independent Non-Executive Director

Snr. Prof. S P P Amaratunge
Independent Non-Executive Director

Snr. Prof. A K W Jayawardane
Independent Non-Executive Director

Senior Independent Director
Mr. D Sooriyaarachchi

Board Audit Committee
Mr. S M S Sanjaya Bandara (Chairman of the Committee)
Mr. D Sooriyaarachchi
Mr. M Perera
Snr. Prof. A K W Jayawardane

Related Party Transactions Review Committee
Mr. S M S Sanjaya Bandara (Chairman of the Committee)
Mr. D Sooriyaarachchi
Mr. M Perera
Snr. Prof. A K W Jayawardane

Remuneration & HR Committee
Mr. D Sooriyaarachchi (Chairman of the Committee)
Mr. S M S Sanjaya Bandara
Mr. D H Kalapuge
Snr. Prof. S P P Amaratunge

Nomination & Governance Committee
Mr. D Sooriyaarachchi (Chairman of the Committee)
Mr. S M S Sanjaya Bandara
Mr. M 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
Seylan Bank
Sampath Bank
Commercial Bank of Ceylon
Nations Trust Bank
National Development Bank
DFCC Bank
Peoples Bank
Bank of Ceylon PLC

Concept & Design by
Copyline
a great equation

NOTES



PRIME LANDS
RESIDENCIES PLC

No.75, D.S. Senanayake Mawatha, Colombo-08,
Sri Lanka. Tel: +94 710 777 666 | +94 112 699 822

Email: investor.info@primeresidencies.lk