BEYOND

CEYLON COLD STORES PLC | ANNUAL REPORT 2024/25

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BEYOND

For over a century, Ceylon Cold Stores has stood as a beacon of trust, quality, and innovation. From modest beginnings to becoming a true industry leader, our journey has been shaped by unwavering resilience, bold ambition, and a relentless pursuit of excellence. It stands as a powerful reflection of our long-term vision, the passion of our people, and the enduring legacy we continue to build.

Each achievement fuels our momentum, inspiring us to aim higher and go further. As we honour the strength of our past, we look ahead with confidence-expanding boundaries, setting new standards, and innovating with intent.

We are more than a brand. We are a legacy in motion, evolving with purpose and driven by passion. With every step forward, we rise above.

CONTENTS

OUR HISTORY

For 159 years, we have continuously evolved our products and processes and empowered our team to stay at the forefront of our business.

VISION

Our passion is to deliver pleasure and nutrition throughout people's lives, through exciting and superior products, whenever and wherever they choose to eat and drink.

OUR VALUES

INNOVATION
Changing constantly, reinventing and evolving
In trying new ideas we win or learn, there is no failure.

INTEGRITY
Doing the right thing always
Transparency is everything, so we just do it right!

EXCELLENCE
Constantly raising the bar
We get better every day.

CARING
Fostering a great place to work
We listen, we are thoughtful and we care to make a difference.

TRUST
Building strong relationships based on openness and trust
The foundation we work from.


යාපනය
මාතර
KURUMBA ICE CREAM
WITH KITHUL TREACLE SAUCE
900ml
Net Content
PINEAPPLE & CHILLI ICE CREAM
ICE CREAM
රට වටෙන් එන අපට ආවේණික අපේම රස එකතුවක්

අපේ රස,
අපේ කිතුල් හකුරු
ICE CREAM
KITHUL HAKURU ICE CREAM
PASSION FRUIT ICE CREAM
SUGAR
SALT
900 ml
Net Content
Elephant House

ABOUT US

OUR APPROACH TO REPORTING

This is the 10th Integrated Annual Report of Ceylon Cold Stores PLC ("CCS") and provides a concise and balanced account of the Group's value creation for stakeholder during the financial year ended 31st March 2025. Serving as our primary communication to shareholders, this Report offers insights into material information related to our value creation process, including the operating context, strategy, corporate governance, risk management framework and performance. The Report also outlines how the Group plans to create value for stakeholders in the year ahead.

REPORTING ENTITY

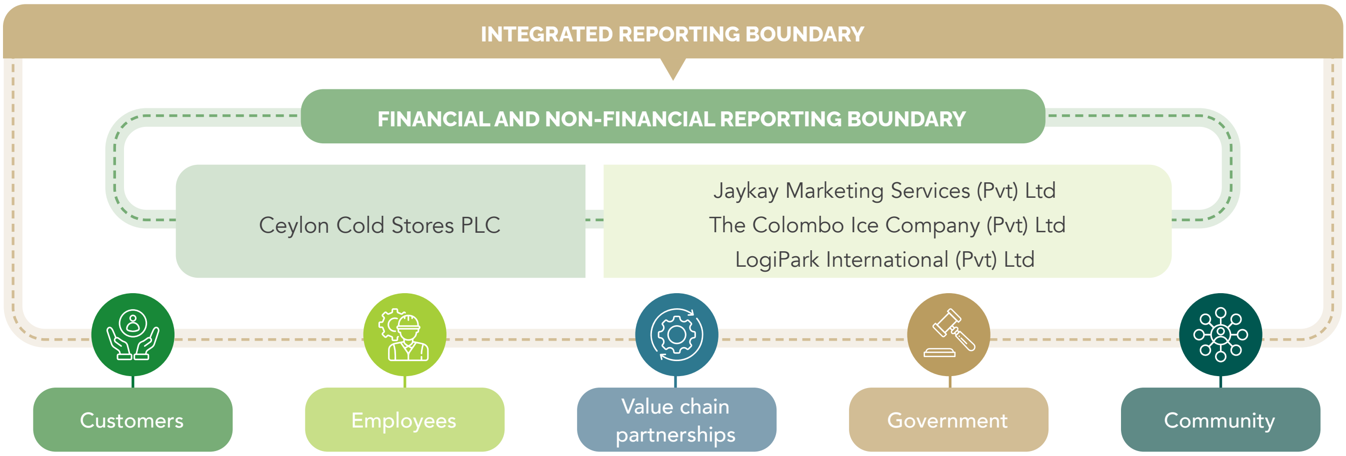
This Report provides an overview of the operations of Ceylon Cold Stores PLC (CCS) and its subsidiaries, Jaykay Marketing Services (Pvt) Ltd (JMSL), The Colombo Ice Company (Pvt) Ltd (CICL), and LogiPark International (Pvt) Ltd (LPIL) (collectively referred to as "Group").

REPORTING PERIOD

The Integrated Report relates to the financial year from 1st April 2024 to 31st March 2025. The Group adopts an annual reporting cycle and this Report builds on our previous Report for the financial year ended 31st March 2024.

REPORTING SCOPE AND BOUNDARY

All financial and non-financial information presented in the Financial Statements and the narrative represents consolidated information unless stated otherwise. The narrative extends beyond performance to also include material information about the operating context. The Group operates exclusively in Sri Lanka. The scope and boundary of our Integrated Report is presented below.



REPORTING FRAMEWORKS

The following mandatory and voluntary frameworks have been applied when preparing this Report.

ADAPTING TO DEVELOPMENTS IN THE REPORTING LANDSCAPE

During the year, several standards were issued that affected the preparation of our integrated Annual Report. Below, we outline the newly introduced standards and describe how we aligned our disclosures accordingly.

Standard/Regulation	How we adapted
IFRS Sustainability Reporting Standards	We are evaluating the requirements of IFRS S1 & S2 standards and intend to comply with them during the next reporting cycle in line with the requirement set out by the Accounting Standards Committee of Sri Lanka.

We have complied with the mandatory and voluntary reporting standards and codes given alongside when preparing this report.

Financial Statements and Reporting

- Sri Lanka Financial Reporting Standards
- Sri Lanka Accounting and Auditing Standards

Narrative Reporting

- Integrated Reporting Framework
- GRI Universal Standards
- Sustainable Development Goals
- Gender Parity Reporting Framework of CA Sri Lanka

Corporate Governance

- Code of Best Practice on Corporate Governance
- Listing Rules of the Colombo Stock Exchange
- Securities and Exchange Commission of Sri Lanka Act No. 36 of 1987

COMBINED ASSURANCE	To uphold the integrity of this Report, the Group follows a combined assurance approach. Internal reviews of reporting processes and financial and non-financial information were conducted by the Group's Management. External assurance on both Financial Statements and Sustainability Reporting based on GRI Standards was obtained from Messrs. Ernst and Young, Chartered Accountants.
CHANGES TO REPORTING	No major changes to the Group's size, shareholding, structure or supply chain took place during the year under review. There were no major restatements of financial or non-financial information disclosed in our previous Annual Report.
FORWARD LOOKING STATEMENTS	This Annual Report includes forward-looking statements based on the Group's current expectations and projections regarding future events. These statements are intended to provide insights into the Group's potential for future value creation. However, as they relate to events beyond the Group's control, they are inherently subject to risks and uncertainties and may differ materially from actual outcomes. Therefore, readers are advised to consider the most recent information available. No liability rests with the Board or other prepares of the Annual Report in respect of these forward-looking statements.

NAVIGATING OUR REPORT

The Capitals	Our Stakeholders	Strategic priorities
Intellectual Capital	Customers	Sustainable Growth
Financial Capital	Employees	Fulfilling the Customer Promise
Human Capital	Investors	Empowered Team
Social & Relationship Capital	Distributors / Retailers	Managing the Value Chain
Manufactured Capital	Suppliers	Sustainable and Responsible Organisation
Natural Capital	Government & Regulators	
	Communities	

STATEMENT OF BOARD RESPONSIBILITY

The Board of Directors is ultimately responsible for ensuring the integrity of this Report. The Board hereby confirm that the 2024/25 Annual Report addresses all relevant material matters and fairly represents the Group's integrated performance, and we also confirm that the Report has been prepared in line with the guidance set out in the Integrated Reporting (IR) Framework.

The Report is approved and authorised for publication.

Signed on behalf of the Board,

Krishan Balendra
Chairperson
26th May 2025

FEEDBACK

We understand Integrated Reporting is an evolving principle and a continuous journey of improvement. We welcome your comments, suggestions and queries on this Report; please direct your feedback to,

Nelindra Fernando
Director / Chief Financial Officer
Ceylon Cold Stores PLC
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Email: Nelindra.ccs@keells.com

PERFORMANCE HIGHLIGHTS

Metric		2024/25	2023/24	YoY Change
STRATEGIC PRIORITY: SUSTAINABLE GROWTH				
FINANCIAL PERFORMANCE				
Revenue	Rs. million	157,934	139,625	13%
Gross Profit	Rs. million	22,741	17,497	30%
Operating Profit	Rs. million	11,314	8,155	39%
Profit Before Tax	Rs. million	9,002	4,931	83%
Profit After Tax	Rs. million	5,958	3,427	74%
EBITDA	Rs. million	16,116	12,638	28%
FINANCIAL POSITION				
Total Assets	Rs. million	81,885	73,744	11%
Total Liabilities	Rs. million	57,920	53,293	9%
Total Debt	Rs. million	16,003	16,836	-5%
Shareholders' Funds	Rs. million	23,965	20,451	17%
Return on Assets	%	7.66	4.71	2.95
Return on Capital Employed	%	22.46	16.17	6.29
Debt/Equity	%	66.78	82.32	(15.54)
Interest Cover	No. of Times	4.67	2.43	2.24
WORKING CAPITAL				
Current Assets	Rs. million	27,344	23,429	17%
Current Ratio	No. of Times	0.71	0.66	0.05
Quick Ratio	No. of Times	0.28	0.27	0.01
SHAREHOLDER INFORMATION				
Earnings per Share	Rs.	6.27	3.61	2.66
Dividends per Share	Rs.	4.30	1.87	2.43
Net Asset Value per Share**	Rs.	25.22	21.52	3.70
Closing Share Price	Rs.	82.00	53.90	28.10
Price Earnings Ratio	No. of Times	13.08	14.95	(1.87)
Dividend Payout	%	68.60	51.84	16.76
Dividend Yield	%	5.24	3.47	1.77
Market Capitalisation	Rs. million	77,933	51,227	52%
Enterprise Value	Rs. million	104,321	77,282	35%

*Net asset per share has been calculated based on the number of shares in issue as at 31st March 2025.

REVENUE
Rs. 157.9 Bn
(+13%)

GROSS PROFIT
Rs. 22.7 Bn
(+30%)

TOTAL ASSETS
Rs. 81.9 Bn
(+11%)

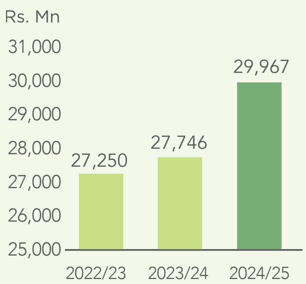
	Metric		2024/25	2023/24	YoY Change
MANU-FACTURED CAPITAL	Property, Plant and Equipment	Rs. million	29,967	27,746	8%
	Capital Expenditure	Rs. million	5,249	4,098	28%
	Retail Outlets (Keells)**	No.	138	134	4
HUMAN CAPITAL	STRATEGIC OBJECTIVE: EMPOWERED TEAM				
	Total Employees	No.	8,526	7,357	1,169
	Payments to Employees	Rs. million	12,209	10,192	2,017
	Employee Retention Rate	%	14	17	(3)
	Female Representation	%	44	42	2
	Investment in Training	Rs. million	139	84	55
	Total Training Hours	Hours	225,928	162,173	63,755
	Average Training Hours/Employee	Hours	26	22	4
	Workplace Injuries	No.	245	191	54
	Graduates from JMSL Training Academy	No.	726	233	493
SOCIAL AND RELATIONSHIP CAPITAL	STRATEGIC PRIORITY: FULFILLING THE CUSTOMER PROMISE				
	New Products Launched	No.	21	11	10
	New Outlets Opened (Keells)	No.	6	4	2
	Non-Compliance to Product Responsibility Regulations	No.	Nil	Nil	-
	STRATEGIC PRIORITY: VALUE CHAIN AND COMMUNITY DEVELOPMENT				
	Payments to Suppliers	Rs. million	153,753	122,184	31,569
	No of Farmer Training Programmes Conducted	No.	148	96	52
	Investment in CSR	Rs. million	46	42	4
	Volunteer Hours	No.	1,466	2,059	(593)
NATURAL CAPITAL	STRATEGIC PRIORITY: PRESERVING THE PLANET				
	Energy Consumption	GJ	355,563	338,477	5%
	Water Consumption	M^3	805,293	753,070	7%
	Solid Waste	MT	6,513	5,751	13%
	Effluents	M^3	173,707	163,867	6%
	Carbon Footprint	tCO_2e	58,379	59,507	-2%
	Energy Intensity - Manufacturing	GJ/1,000 Ltrs	0.980	1.012	-3%
	Emission Intensity - Manufacturing	tCO_2e/1,000 Ltrs	0.148	0.164	-10%
	Water Intensity - Manufacturing	Ltrs/1,000 Ltrs	4,342	4,908	-12%
	Energy Intensity - Supermarket	GJ/Sqft	0.131	0.134	-2%
	Emission Intensity - Supermarket	tCO_2e/Sqft	22.38	24.24	-8%
	Water Intensity - Supermarket	Ltrs/Sqft	0.16	0.16	3%
INTELLECTUAL CAPITAL	Investment in R & D	Rs. million	100	85	15
	New Products Launched	No.	21	11	10

**6 outlets were opened and 2 outlets were closed down during the year.

PERFORMANCE HIGHLIGHTS

MANUFACTURED CAPITAL

Property, Plant and Equipment



Rs. 5.2 Bn
Capital expenditure

Rs. 0.8 Bn
Investment in digitalisation

6
New supermarket outlets

INTELLECTUAL CAPITAL

Keells — 'Most loved supermarket brand in 2024 (LMD 2024)

Elephant House — Ranked among the most loved brands in 2024 (LMD 2024)

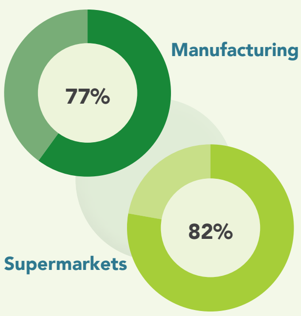
21
New products launched (Manufacturing)

Rs. 100 Mn
Investment in R&D

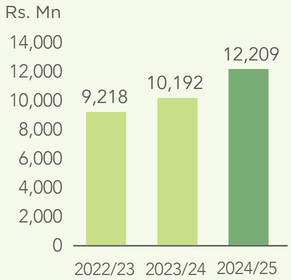
HUMAN CAPITAL

Contribution to the Group	2024/25	2023/24
No. of employees	8,526	7,357
Retention rate (%)	14	17
Investment in training (Rs. Mn)	139	84
Female representation (%)	44	42

Employee satisfaction

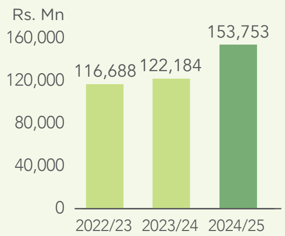


Payments to employees



SOCIAL AND RELATIONSHIP CAPITAL

Payments to supplier

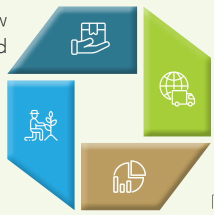


Rs. 46 Mn
Investment in CSR

Rs. 148 Bn
On local procurement

294 New suppliers added

50 New distributors added



2,126 farmers supported through Keells Govi Diri

Over **9,240** CSR beneficiaries

Over **250** Women empowered

Over 252 Youth positively impacted

NATURAL CAPITAL

Contribution to the Group	y-o-y change
Energy consumption	5%
Water consumption	7%
Solid waste	13%
Carbon footprint	-2%

5
New material recovery facilities

763 MT (+5%)
Plastic recycled

28%
PET bottles recycled as a % of sales

17%
Renewable energy reliance (Electricity)

62,841 GJ

4%
Manufacturing

21%
Supermarkets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උතුරන
හැම
මොහොතක
Elephant House™
Necto
EGB
Lemonade
Cream Soda
Orange Crush

CHAIRPERSON'S MESSAGE

INTRODUCTION

On behalf of the Board, it is my pleasure to present the Annual Integrated Report including the Audited Financial Statements of Ceylon Cold Stores PLC (CCS) for the year ended 31 March 2025. The CCS Group delivered a strong performance with a 74% increase in Profit After Tax (PAT), attributed to our focused strategies backed by stable macroeconomic conditions, restored consumer confidence, paving the way for growth and expansion.

CONTINUING ECONOMIC RECOVERY

Sri Lanka continued to witness a stable macroeconomic environment in CY2024, building on the growth momentum witnessed in the second half of CY2023, with all key indicators supporting a sustained growth trajectory. The strong mandate secured by the Government at both the Presidential and General elections, paved the way towards restoring political stability. Notable progress on post crisis reforms, policy stability and favourable headwinds coupled with the release of the third tranche of the Extended Fund Facility by the International Monetary Fund and restructuring of the international sovereign bonds supported macroeconomic stability. The much-anticipated upgrade in the country's sovereign rating from its previous default status also marked a crucial step for the country as it signalled Sri Lanka's official exit from default since CY2022. Accordingly, the economy recorded GDP growth of 5% in CY2024, marking its strongest performance since CY2017. In absolute terms, the country recorded GDP of US$ 99 billion at current market prices, the highest since CY2018.

Inflation continued its downward trajectory from 0.9% as at March 2024, with the country experiencing a period of deflation since September 2024, reaching negative 4.2% in February 2025 before moving up to deflation of 2.6% by 31 March 2025. Interest rates remained below 10%, whilst recording a marginal decline, on the back of targeted monetary policy initiatives. The external sector remained resilient during the year on the back of a notable increase in external buffers and increase in net foreign exchange inflows. The country's gross official reserves increased to US$ 6.1 billion, equivalent to 3.9 months of imports buoyed by strong growth in earnings from exports, tourism and worker remittances. Export earnings increased by 7.2% to US$ 12.8 billion supported by improved demand and renewed confidence in the country as a sourcing destination. Tourist arrivals increased by 38.1% to just over 2 million, marginally below pre-covid levels, with earnings from Tourism at US$ 3.2 billion, a 53.2% increase. Worker remittances increased by 10.1% to US$ 6.6 billion in 2024. The collective impact of improved foreign exchange inflows and reserves supported the stabilisation of the Rupee, which was appreciated by 10% in CY2024, although a 1.3% depreciation was recorded in the fourth quarter of 2024/25 due to short-term market volatility under the flexible exchange rate regime. Given the improved external sector performance during CY2024 coupled with other favourable developments on the macroeconomic front, the Government also phased out the remaining restrictions on imports and capital controls during the year.

Electricity tariffs were revised downwards across key sectors under the Government's cost-reflective pricing mechanism aimed at reducing subsidy costs. For the Manufacturing Sector, tariffs dropped by ~ 18% in March 2024, ~30% in July 2024, and ~36% in January 2025. Similarly, the Supermarket Sector experienced reductions of ~ 20% in March 2024 ~, 13.6% in July 2024, and ~11% in January 2025. The favourable movements in key economic indicators coupled with easing energy costs eased the pressure on disposable income and increased consumers' purchasing power during the year under review.

Excise duty on Carbonated Soft Drinks (CSD) was increased by ~6% from 11 January 2025 exerting pressure on margins. The operating environment in the country continued to strengthen, supported by sustained improvement in the country's key macroeconomic indicators, coupled with an increase in consumer confidence on the back of macroeconomic stability, lower inflation, low interest rates and a resilient external sector created a conducive environment for business.

DRIVING GROWTH

The CCS Group recorded strong growth across both its Manufacturing and Supermarket segments. This was driven by ongoing economic recovery and political stability, marked by deflation, lower interest rates, an appreciating Rupee, and reduced energy prices which resulted in improved consumer sentiment and activity.

MANUFACTURING SECTOR

The Manufacturing Sector recorded a revenue increase of 17%, reaching Rs. 33.5 billion [2023/24: Rs. 28.6 billion], driven by robust performance in the Beverages and Confectionery categories. Both categories noted double-digit volume growth, supported by strategic portfolio expansion through new product launches, a stable distribution network and increased consumer spending. Operating profits in the Manufacturing Sector saw a significant improvement of 33%, rising to Rs. 5.0 billion [2023/24: Rs. 3.8 billion], driven by higher volumes and enhanced margins. The Sector's operating profitability was further bolstered by lower electricity tariffs, reduced inflation, reduction in input costs due to the appreciation of the Rupee, and a decline in finance costs resulting from lower leverage and decreased interest rates.

BEVERAGES

The Beverages business recorded a notable volume growth during the year under review, driven by a 16% growth in the CSD segment due to an increase in consumer activity, seasonal sales and favourable weather conditions during most parts of the year. Volumes recorded strong growth across all four quarters, despite the higher number of wet days towards the latter end of the year.

The canned beverages range introduced during the year gained encouraging traction, within a short span of time, affirming the investment made in the canning facility at Ittapana. During the year, a new range of fruit based CSD was also introduced under the brand, VIBE, to appeal to the youth, as an expansion to the canned beverage range. During the year, polyethylene terephthalate (PET) volumes witnessed growth while the returnable glass bottles (RGB) volumes declined due to a shift in consumers preference for convenience.

PET remained the highest volume contributor, with 91% of the CSD volume being sold in PET. The demand for smaller pack sizes such as 200 ml and 250 ml continued, driven by lower price points and a shift in consumption portions. It was also encouraging to witness the 500 ml pack size gaining traction during the year with its establishment as an 'on-the-go' pack size.

The volume contribution from the non-CSD segment, however, declined due to the discontinuation of the flavoured milk category in the third quarter of 2024/25, and a temporary disruption to supply in the water category in the first quarter of 2024/25.

The notable topline growth despite the lower contribution from the non-CSD segment, coupled with various cost management initiatives, improved the gross margins of the Beverages business. The strong margins recorded in the first two quarters, moderated in the third quarter due to changes in the sales mix and higher discount spending, and thereafter improved in the fourth quarter by strong seasonal volumes notwithstanding the impact of the higher excise duty on CSD which was increased by ~6% from 11 January 2025.

The Beverage business continued to expand its distributor network by implementing effective planning and brand-building strategies which aided retail penetration. The business continued its advanced analytics transformation programme during the year and deployed well-defined use cases covering areas such as analytics driven insights for sales teams, market execution support and integration of the distributor network to drive synergies. There are six advanced analytics use cases that are currently in deployment in the Beverage business.

The fee-based franchise partnership that was formed in February 2024 with Reliance Consumer Products Limited (RCPL), a subsidiary of Reliance Retail Ventures Limited (RRVL), to manufacture, market, distribute, and sell Elephant House beverages in India gained momentum during the year with the commencement of distribution in South India. Although the partnership's contribution to beverage business profitability is minimal at present, it is expected to ramp up as the products gain traction in the Indian market over time.

Elephant House Brand associations were strengthened by the re-launch of the Cream Soda Communication 360 campaign and the EGB campaign launched during the year. Elephant House became the official Carbonated Soft Drinks Partner for Sri Lanka Cricket from CY2024 to CY2027, ensuring continued visibility of the brand. Elephant House Cream Soda was once again honoured with the 'Beverage Brand of the Year' award at the SLIM Kantar People's Award 2025, recognised for its exceptional brand presence and popularity amongst the consumers.

CONFECTIONERY

The Confectionery business remained the market leader backed by strong growth in both Bulk and Impulse segments, which recorded notable growth on the back of an overall increase in consumer activity, seasonal demand and favourable weather conditions.

The Confectionery business experienced notable volume growth across all quarters, reflecting similar trends as witnessed in the Beverages business. The momentum in the latter end of the previous year continued in the first quarter, driven by strong seasonal sales in April and May 2024, particularly within the Bulk segment. The second quarter was characterised by sustained growth as consumer activity remained robust, followed by a peak in volume growth in the third quarter especially during the seasonal month of December. Performance in the fourth quarter was somewhat dampened by persistent wet weather.

Throughout the year, the premium range Imorich noted above market volume growth, with the value-added products under the Elephant House brand also gaining traction. The business launched 10 new products during the year which includes the launch of the "Ape Rasa" product range, featuring unique flavours tailored for the Sri Lankan palette. Gross margins of the Confectionery business continued to improve across the quarters driven by declining raw material prices aided by the appreciation of the Rupee, cost management actions undertaken and savings from the downward revision of electricity tariffs. The steep increase in prices of cocoa due to global supply chain disruptions partially offset the margin improvement, and this is expected to stabilise in the short term. The Confectionery business continued with the two advanced analytics use cases which have been rolled out to enhance the efficiency of its distribution network.

Based on the current volume trajectory, it is expected that maximum production capacity levels across select product verticals will be reached in the short to medium term, warranting timely investment decisions to support future growth. As part of its product portfolio expansion plans, the business aims to increase its Impulse capacity further, designed to support a diverse range of offerings and enhance efficiency. The operation of the new impulse line is expected to commence in a phased manner, starting from the latter part of 2025/26.

SUPERMARKET SECTOR

The Supermarket business noted a revenue growth of 12% recording a revenue of Rs. 124 billion [2023/24: Rs. 111 billion] driven by a double-digit growth in the same store sales on the back of an increase in footfall.

The ability to offer a diverse range of products at various price points, coupled with the advantages gained through economies of scale effectively passed on to consumers through the Nexus loyalty program, and an in depth understanding of the customer preferences and behaviour through the advanced data analytics programme, significantly contributed to increased footfall. Average Basket Value (ABV) growth remained static in 2024/25 as the growth in the number of items in the shopping basket was offset by the decrease in retail selling price due to the deflation witnessed from the second quarter of 2024/25 onwards. Given these circumstances, the business continued to witness the conversion from general trade to modern trade.

The market share of the Supermarket business increased during the year reflecting successful market positioning amidst rising competition. The business also opened 6 new outlets during the year, resulting in a total outlet count of 138 outlets as at 31 March 2025. The decrease in construction costs also, supported accelerated investment in expansion. The opening of the outlet in Jaffna marked a significant milestone for the business, as it is the first outlet opened in the Northern Province; performance since its opening has exceeded expectations.

The operating profits for the year grew by 43% to Rs. 6.3 billion [2023/24: Rs. 4.4 billion]. Growth in turnover, initiatives undertaken by the business in key operational areas including supply chain, marketing and retail operations, coupled with the impact of electricity tariff reductions, aided the business in recording better margins. Various productivity and cost efficiency initiatives and timely supplier negotiations also supported overall performance and margins.

The increased penetration of the private label range, now encompassing 353 products across 92 categories, coupled with ongoing enhancements in the direct imports programme, and robust supply chain management practices have been pivotal in offering customers enhanced value and a broader product range at attractive price points. On fresh produce, major initiatives were successfully implemented to ensure price competitiveness compared to the wet markets while maintaining the availability of fresh produce throughout trading hours. The prepared food category witnessed continued growth, especially on the back of expanded options, new display initiatives in the category such as the donut display unit and introduction of various seasonal food ranges. These initiatives have successfully ensured that a greater share of customer spending remains within the Keells outlet network.

The ongoing initiatives under the centralisation of chilled products resulted in improved fill rates and reduced lost sales. The collection center processes were also streamlined, supporting availability while meeting customer expectations of freshness and availability of our fresh produce. The Thambuthegama and Jaffna collection centers were relocated to new premises within the same area with improved infrastructure, addressing previous space limitations and maintaining brand standards. This enabled reducing post-harvest losses, enhanced quality control, and expanded farmer network. Keells was recognised as the first supermarket chain in Sri Lanka to receive the Green Building Certification and was named the 'Most loved Supermarket Brand' in 2024 by LMD magazine. The Sector continues to focus on detailed insights gathered through data analytics to drive productivity, cost efficiency and manage waste. Strong relationships with suppliers paved the way for improvements in quality standards, reliability of supply and price negotiations.

GROUP PERFORMANCE REVIEW

CCS Group's consolidated turnover increased by 13% to Rs.157.9 billion [2023/24: Rs.139.6 billion] supported by strong growth in both the Manufacturing and Supermarket Sectors. The Supermarket Sector accounted for 79 % of revenue at Rs. 124.4 billion and the Manufacturing Sector accounted for the balance at Rs. 33.5 billion. Consolidated gross profit increased by 30% to Rs. 22.7 billion [2023/24: Rs.17.5 billion], driven by a 29% increase in the Manufacturing Sector and 31% increase in the Supermarket Sector. The CCS Group improved its operating margin to 7% [2023/24: 6%] with the Manufacturing and Supermarket Sectors recorded operating margins of 15% and 5% respectively,

Group's finance costs reduced by 28%, reflecting the benefits of lower interest rates and a reduction in borrowings during the year. Profit Before Tax (PBT) improved by 83% to Rs. 9.0 billion [2023/24: Rs. 4.9 billion] with both Sectors recording significant growth in PBT supported by improved operating profit margins and volume growth allowing for better absorption of fixed costs. The Manufacturing and Supermarket Sectors accounted for 53% and 47% of total PBT. The income tax charge increased by 102% to Rs. 3 billion, primarily due to higher profitability and increase in withholding tax on dividend which is driven by higher dividend payout. Consequently, consolidated Profit After Tax (PAT) increased by a noteworthy 74% to Rs. 6.0 billion for the year ended 31 March 2025[2023/24: Rs. 3.4 billion]. The CCS Group strengthened its financial position with a 17% growth in net assets, reaching Rs. 24 billion, while prioritising working capital management to support volume growth and business expansion.

SUSTAINABILITY INTEGRATION

The Manufacturing Sector continued its expansion of the Material Recovery Facility (MRF) network with the addition of five new centers dedicated to recycling plastic, aluminium, glass, and e-waste, bringing the total to 15 MRFs, including four women-led centers that now empower over 250 women and their families. As part of the Elephant House Gunadamin Programme, E-bikes were introduced to enhance the efficiency of plastic waste collection, while 100 new plastic collection bins were added, increasing the national network to 406 bins. These efforts supported the collection and recycling of over 763 Mts of plastic, contributing to key environmental initiatives such as the Sri Pada pilgrimage season and beach cleanups. To curb plastic use, the Supermarket business introduced reusable and compostable bags, along with Trash2Cash machines at 10 stores. The Manufacturing Sector also advanced sustainable sourcing programmes for ginger and vanilla, providing livelihoods for local farmers and fostering strong community relationships. In the Supermarket Sector, the Preschool Meal Programme delivered 211,452 meals to 1,839 children, earning a Merit Certificate at the Best Corporate Citizen Awards 2024. Additionally, 2.3 million kilograms of produce were donated through the "Say No to Food Waste" initiative, which was recognized at the Asia Pacific Retailers Conference. Furthering its sustainability goals, solar panels were installed at 112 Keells outlets, with each store generating an average of 12,000 kWh of renewable energy per month.

OUR TEAM

The value creation process of the CCS Group has been built around a loyal and dedicated workforce, and I wish to acknowledge, with gratitude, the contribution and commitment of our employees. The Group relies on a dedicated team of 8,526 employees to deliver its strategy, with a cost of remuneration standing at Rs. 12 billion during the year under review. Optimising technology to automate processes was a priority for the Group, while the Supermarket Sector also focused on decentralising its HR operations. Competencies were aligned with the parent entity's "Success Drivers" during the year, in parallel to the implementation of the Living Values Programme in the Manufacturing Sector to reward employees who exemplify core values.

Recruitment and retention strategies were key, with the Manufacturing Sector strengthening employer branding and engaging with educational institutions, while the Supermarket Sector focused on career growth for junior employees. A culture of learning and growth is also nurtured, with structured and informal learning opportunities, and customised training plans. In furtherance of this, over 225,928 hours of training and development were provided to employees. In the Manufacturing Sector employee engagement is nurtured through periodic pulse checks and the Sales Connect programme, addressing challenges faced by sales teams. The CCS Group continued its efforts to maintain a diverse and inclusive work environment, supported by equal opportunity, anti-sexual harassment, and non-discrimination policies. CCS Group is committed to a safe, injury-free workplace, implementing a comprehensive occupational health and safety framework aligned with ISO 45001:2018.

GOVERNANCE

The Group adheres to its Code of Business Conduct and Ethics, which is aligned with the principles of the Code of Best Practice on Corporate Governance 2023. I am pleased to report that there have been no material violations of the Code. Minor instances of non-compliance, identified through our internal monitoring mechanisms, have been addressed and are disclosed in this Report. We remain firmly committed to upholding the Group Code of Conduct and related policies, with a strong emphasis on ethical and lawful practices, and a zero-tolerance stance on corruption, bribery, and any form of harassment or discrimination in the workplace or in any work-related context.

INTEGRATED REPORTING

This Report has been prepared in conformance with the Integrated Reporting Framework of the IFRS Foundation. The Board of Directors is responsible for ensuring the accuracy and integrity of this Annual Report. We confirm, to the best of our knowledge, the credibility, reliability and integrity of the information presented, and, in this regard, external assurance has also been sought from independent auditors, as applicable.

OUTLOOK

The emergence of strong macroeconomic fundamentals alongside a credible platform for sustained, broad-based growth marks a notable shift in the economic landscape of Sri Lanka. The current deflationary environment is envisaged to move towards targeted inflation levels, with the Central Bank's independent and disciplined monetary policy management approach providing scope for interest rates to remain conducive for growth.

The path to fiscal and monetary consolidation is also expected to continue given that the Government and regulators have been steadfast and disciplined in the management of the economy and broadly kept within the parameters of the IMF-EFF programme, which is an imperative if Sri Lanka is to continue to sustain this momentum. The fiscal Sector, which has undergone a significant recovery over the past two years, is anticipated to maintain its positive trajectory - the recently concluded budget also reinforces a disciplined, reform-oriented approach focused on policy continuity.

The external outlook remains cautiously optimistic, with manageable trade deficits and modest current account surpluses supported by rising foreign exchange inflows and resilient services exports. The continued implementation of a flexible exchange rate regime, alongside the sustained buildup of external buffers, should, to a great extent, cushion the economy against any potential external shocks.

Low and stable inflation, a favourable interest rate environment, improved market sentiment, and sustained socio-economic stability, coupled with targeted relief measures that have been announced, including the increase in the income tax exemption threshold from Rs. 1.2 million to Rs. 1.8 million effective 1 April 2025 are expected to improve household income and augur well for consumption and boosting discretionary spending.

Although downside risks to this outlook remain primarily from the global economy, especially stemming from geopolitical tensions, including the potential implications from changes in the US import tariff policy, the regulators have indicated that the intent is to implement timely, policy measures to soften any adverse impacts. Additionally, from the business front, the CCS Group will continue to monitor external risks, particularly currency fluctuations and their knock-on effects on imported raw materials as well as impacts on transport and logistics. Notwithstanding this, the outlook for consumer-focused businesses remains extremely positive and the business is well positioned to capitalise on this growth momentum. Improving consumer confidence coupled with an increase in discretionary spending is expected to support sustained volume growth. Stabilised inflation and exchange rates are likely to steady input costs, supporting increased consumer spending.

MANUFACTURING SECTOR

The Beverages business is expected to continue its growth momentum driven by the CSD range in the short term, with the non-CSD range, on the back of a continued realignment of the product portfolio to optimise product and profitability mix, increasing its contribution over time. Smaller pack sizes are likely to gain popularity due to affordability, convenience and higher out-of-home consumption occasions. The shift from glass bottles to PET packaging will be monitored for convenience and environmental sustainability while also placing emphasis on the expansion of the canned beverages category.

Volumes in the Confectionery business are envisaged to move in tandem with the overall macroeconomic recovery, with the continuation of the growth trajectory witnessed in the past few quarters and the opportunities presented by low market penetration. Growth is expected in both the Bulk and Impulse segments, with Impulse gaining popularity due to its lower price point, in line with global trends.

The Manufacturing Sector will look at investments aimed at enhancing capacity as well as expanding into adjacent categories in the short to medium future.

CHAIRPERSON'S MESSAGE

The planned investment to expand Impulse capacity for the Confectionery category is expected to be operational by 2025/26, with products available to consumers by the end of the same year. The reduction in electricity tariffs is expected to benefit the businesses in the short term. The businesses will proactively monitor and take necessary measures taking into consideration the price elasticity of demand of the products in its portfolio. Increased competitive pressures will necessitate close monitoring of pricing strategies, operational efficiencies, and effective cost management to maintain margins. Likely increases in input costs stemming from geopolitical tensions and global impacts such as developments on the U.S. tariff front and the Israel-Palestine conflict are potential risks that may impact margins of the businesses.

The Manufacturing Sector will focus on product reinvention and adjacent category expansion, enhancing packaging, and optimising costs. The partnership with Reliance Consumer Products (RCPL) aims to enhance market reach in India, while the Company's work with suppliers and distributors is expected to support seamless supply chains and reduced credit risk. Talent retention remains crucial as overseas job opportunities continue to drive employee migration. Sustainability efforts include expanding Material Recovery Facilities (MRF) to 20 by end-2025/26, further refinements in responsible marketing in line with the new food labelling requirements effective 1 July 2025 which mandates detailed nutritional and ingredient information.

Use cases rolled out as part of the advanced analytics journey in the Manufacturing Sector are expected to add value across key areas of the business with additional benefits from implementation of new use cases currently in pilot and advanced development stages.

SUPERMARKET SECTOR

The Supermarket business is poised to maintain strong performance in 2025/26, driven by sustained consumer footfall, an improving macroeconomic environment, and strategic initiatives aimed at enhancing customer engagement. While consumer discretionary spending remains below pre-2019 levels, demand for essential groceries, fresh produce and personal care items, has recovered. The continued growth in footfall will be supported by the expansion of the outlet network, consistent product availability from a range and affordability perspective and relentless focus on freshness and quality.

Although demand for non-essential and premium items has softened due to price sensitivity and cautious consumer spending, this is envisaged to be offset by consumer shift towards affordable alternatives. Expanding its food services and prepared food options, which have been well received by customers, is expected to grow further to cater to evolving customer needs. The transition from general trade to modern trade is also expected to continue, bolstered by better supply chain management and pass-through of the benefits of economies of scale to the customers.

Key growth drivers include the expansion of the prepared food offering, expansion of the outlet network, striving towards an omini-channel approach with enhanced delivery platforms and improved customer experience both in-store and out-side of the store. The state-of-the-art Distribution Center (DC) will continue to provide operational efficiencies and manage supply chain disruptions. The business is also focused on cost optimisation, leveraging lower construction costs and a favourable energy cost environment.

DIVIDEND

The Company declared interim dividends amounting to Rs.3.41per share (2023/24: Rs. 1.43 per share). The Board has declared a final dividend of Rs.1.99 per share for the current financial year (2023/24: Rs. 0.89 per share). Accordingly, the total payout to shareholders will amount to Rs. 5.1 billion (2023/24: Rs. 2.2 billion), a significant increase of 132% over the previous year.

RETIREMENTS AND APPOINTMENT OF DIRECTORS

Ms. Sharmini Ratwatte and Ms. Shanthi Wilson, who are Independent Non-Executive Directors of the Company, will be retiring from the Board of Directors of the Company, having completed nine years on the Board, effective from and upon the conclusion of the Annual General Meeting on 20th June 2025. Mr. Muhammed Hamza who served on the Board for 9 years, retired on 19 June 2024. I wish to place on record our deep appreciation for the invaluable contribution made by them during their tenures on the Board.

We welcome on to the Board, Mr. Shivaan Kang-Isvaran, Ms. Renuka Fernando who was appointed on 19 June 2024 and Mr. Harin De Silva Wijeratne on 1 January 2025 as Independent Non-Executive Directors.

ACKNOWLEDGEMENTS

I commend the team for the exceptional performance delivered in the year under review. On behalf of the Board and all our employees, I extend my gratitude to all our stakeholders, including customers, investors, and business partners, for their support. I also wish to thank my colleagues on the Board for the foresights and counsel provided which continue to shape the strategic direction and growth of the Group.

Krishan Balendra

Krishan Balendra
Chairperson

26 May 2025


Elephant House™
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කමට
කෑමට
EGB
නැතුව කෑම එපා
Elephant House
EGB
400ml
250ml
NET CONTENT
ELEPHANT HOUSE GINGER BEER

CCS AT A GLANCE

With more than 150 years of operating history, CCS is a leading manufacturer and distributor of beverages and confectionery products in Sri Lanka. Proactive efforts to innovate its product portfolio and refresh and reposition its portfolio of iconic brands has consistently strengthened the Group's relevance despite evolving consumer preferences. Combined with a strong island-wide distribution network, this has enabled the Group to sustain its leadership position in a highly competitive industry. Embracing digitalisation as a key enabler of growth, the Group continues to expand its capabilities to improve agility, drive efficiency and support future growth. Jaykay Marketing Services (Pvt) Ltd (JMSL), the Group's supermarket arm, operates the Keells Supermarkets chain, a leading player in Sri Lanka's modern trade industry. Keells Supermarkets operates with an islandwide footprint of 138 outlets and offers industry leading standards in convenience and service quality.

Performance highlights in 2024/25

Group revenue
Rs. 157.9 Bn (↑ 13%)
2023/24: Rs. 139.6 Bn

Group assets
Rs. 81.9 Bn (↑ 11%)
2023/24: Rs. 73.7 Bn

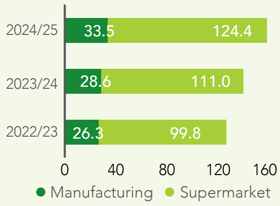
Return on equity
26.7% (↑ 9.5%)
2023/24: 17.2%

Group profit after tax
Rs. 6.0 Bn (↑ 74%)
2023/24: Rs. 3.4 Bn

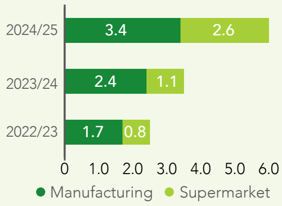
Earnings per share
Rs. 6.27 (↑ 74%)
2023/24: Rs. 3.61

Dividend yield
5.2% (↑ 1.8%)
2023/24: 3.5%

Group revenue



Profit after tax



VALUE CREATED IN 2024/25

Manufacturing

A diverse portfolio of beverage and confectionery products that has consistently evolved to align with shifts in consumer preferences and tastes.

Ranked among the most loved brands in 2024 (LMD 2024)

Revenue (Manufacturing)
Rs. 33.5 Bn (↑ 17%)
2023/24: Rs. 28.6 Bn

New products launched
21

Most loved supermarket brand in 2024 (LMD 2024)

Increase in customer footfall
14.5%
2023/24: 12.3%

Our geographic reach
138 outlets
2023/24: 134

51
New private label products launched

Over 2.6 Mn
Nexus customers

Supermarkets

A best-in-class, customer-centric retail experience enabled by technology driven solutions, an extensive product range and service excellence

What sets us apart

- Customer centricity
- Future focused strategy
- Digital innovation
- Tacit knowledge gained over **150** years of operations

An engaged and committed team

>8,526
Employees committed to delivering our strategic priorities

Value chain partners

Mutual value created for

>3,056
Suppliers

>229
Distributors

>100,000
Retailers

Digital transformation

Technology assets
Rs. 4.2 Bn (↑ 3%)
2023/24: Rs. 4.1 Bn

Sustainable and responsible business practices

Renewable energy reliance
62,841 GJ
(↑ 0.4%)
2023/24: 62,575 GJ

Farmers supported through capacity building initiatives
3,949

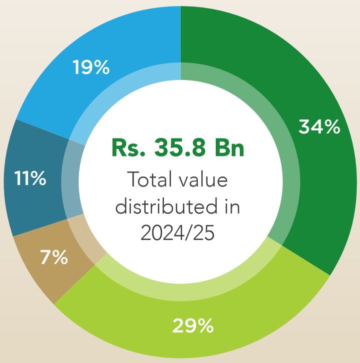
CSR beneficiaries
Over 9,240

ECONOMIC VALUE CREATED

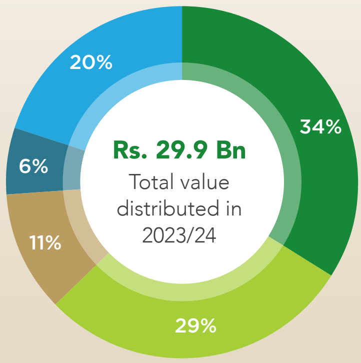
CCS makes a significant contribution to the socio-economic development of the country through its extensive operations in the Manufacturing and Supermarket sectors. Value created during the year under review and how it was distributed among stakeholders is described below.

Value created	2024/25 Rs. Mn	2023/24 Rs. Mn	YoY % change
Revenue	157,934	139,625	13
Other operating income	3,417	2,954	16
Cost of materials and services brought in	125,595	112,671	11
Value added	35,756	29,908	20

VALUE DISTRIBUTION



- To employees
- To the Government of Sri Lanka
- To providers of capital
- To shareholders
- Retained in the business



Taxes paid to the Government
Rs. 10,390 Mn (+19%)

Created direct employment opportunities to 8,526 with women accounting for 44% of our team.

Payments to employees
Rs. 12,209 Mn (+20%)

Created indirect employment opportunities through local procurement

Local procurement spend
Rs. 148 Bn (+27%)

Minimising our environmental impacts
Investment in plastic recycling initiatives
Rs. 18.7 Mn (+68%)

Quantity of plastic recycled in 2024/25
763 MT (+5%)

Women empowered
Over 250

Returns to capital providers
Rs. 6,507 Mn (+27%)

Earnings per share
Rs. 6.27 (+74%)

Market capitalisation
Rs. 77,933 Mn (+52%)

Value creation for value chain partners through ethical and sustainable business practices.

Payments to suppliers
Rs. 154 Bn (+26%)

Supported the growth of value chain partners through capacity building initiatives.

Farmers supported through capacity building initiatives
3,949

Investment
Rs. 5.4 Mn (+12%)

Impactful community engagement communities

Investment in CSR initiatives
Rs. 46 Mn (+9%)

No. of individuals positively impacted
>9,240

VALUE CREATION MODEL

Capital inputs	Value transformation process

FINANCIAL CAPITAL

Essential to achieving our strategic objectives, our financial capital consists of

- Shareholders' funds **Rs. 24 Bn**
- Borrowings **Rs. 16 Bn**

MANUFACTURED CAPITAL

- The physical infrastructure that supports manufacture, distribution and sale of our products.
- **4** manufacturing facilities for the manufacture of beverage and confectionery products
- **138** Supermarket outlets
- **260,000** sqft state-of-the-art distribution centre in the Supermarket Sector.

HUMAN CAPITAL

With over **8,526** employees, the CCS team leverages its collective strength to drive innovation and enhance the customer experience.

SOCIAL AND RELATIONSHIP CAPITAL

Collaborative partnerships with channel partners, suppliers and the community we operate in.

- **>3,056** suppliers
- **>229** distributors
- **>12,828** farmers

INTELLECTUAL CAPITAL

Represents a portfolio of brands, an extensive recipe library, capacity to innovate and the unique tacit knowledge gained over **159** years of operations.

NATURAL CAPITAL

Key inputs to our business operations include, energy, raw materials, and water.

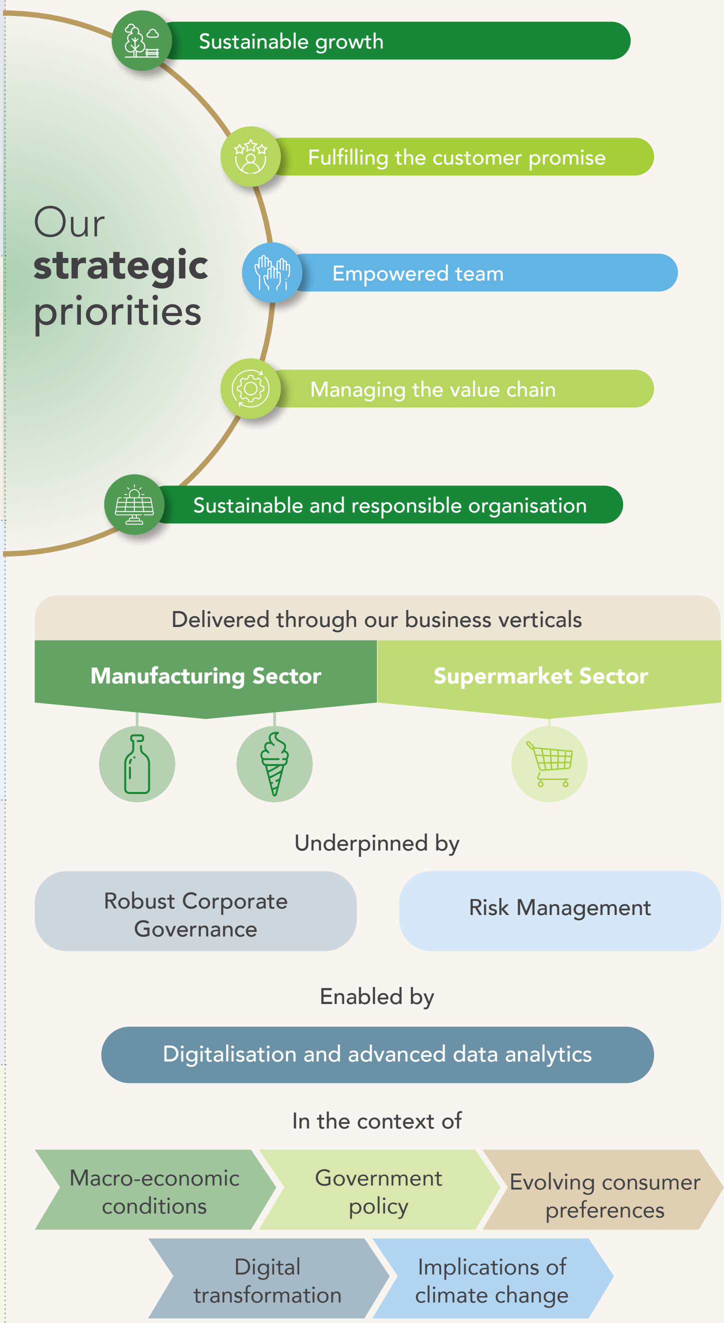
OUR VISION

CCS – Vision

Our passion is to deliver pleasure and nutrition throughout people's lives, through exciting and superior products, whenever and wherever they choose to eat and drink.

JMSL – Vision

To improve the quality of life for the Nation.



Outputs

Beverages

- Carbonated soft drinks
- Fruit drinks
- Fruit flavoured tea
- Water

Confectionery

- Bulk ice cream
- Impulse ice cream
- Waffle cones
- Ice cubes
- Ice Pops
- Frozen yogurt

Supermarkets

In-person and online shopping experience delivered through our supermarket outlets

Impacts

Solid waste : **6,513 MT** (+13%)

Effluents : **173,707 M³** (+6%)

Carbon footprint : **58,379 tCO_2e** (-2%)

Outcomes

Consistent value creation for providers of capital.

- **Rs. 6.0 Bn (+74%)** Profit after tax
- **Rs. 6.27 (+74%)** Earnings per share
- **Rs. 25.22 (+17%)** Net asset value per share
- **26.72%** ROE **(+9%)**

- **Rs. 5.2 Bn** in capital expenditure.
- Addition of **6** new outlets and the upgrade of **3** existing outlets to Extended Format stores
- **Rs. 30 Bn (+8%)** Property, plant and equipment

Consistent value creation for providers of capital.

- **Rs. 12,209 Mn (+20%)** Payments to employees
- **82%** Employee satisfaction score – Supermarket
- **77%** Employee satisfaction score – Manufacturing

Strengthened partnerships with suppliers and channel partners while responding to evolving customer needs.

- **344** new distributors and suppliers added
- **Rs. 154 Bn (+26%)** payments to suppliers
- **148** farmer training programmes conducted.
- Relevant and impactful community upliftment initiatives.
- **Over 9,240** CSR beneficiaries

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21 new products launched in the Manufacturing Sector.

Strategic market activations to strengthen brand engagement.

Keells – Most loved supermarket brand in 2024 (LMD 2024)

Ongoing emphasis on minimising our environmental impacts.

- **763 MT (+5%)** Plastics recycled
- **17%** of energy requirements (electricity) met through renewable energy.
- **0.980 GJ/1,000Ltrs** energy intensity - Manufacturing
- **0.131 GJ/Sqft** energy intensity - Supermarkets
- **0.148 tCO_2e/1,000Ltrs** emission intensity - Manufacturing
- **22.38 tCO_2e/Sqft** emission intensity - Supermarkets

SDG alignment

ENGAGEMENT AND DECISION MAKING

CCS identifies key stakeholders as all relevant parties (both internal and external) significantly affected by or having an interest in its activities.

We strengthened relationships with all key stakeholders during the year by proactively engaging with them to identify their priorities and concerns. These insights supported informed and inclusive decision making, enabling strategic interventions that balanced their diverse needs and aligned business goals with stakeholder values. How we engaged with key stakeholders in 2024/25 is summarised below.

	SHAREHOLDERS	CONSUMERS	EMPLOYEES
Issues and concerns in 2024/25	• Financial performance and position • Sustainable growth • Corporate governance and risk management • Corporate reputation	• Value for money offerings • Increasing focus on health and nutrition • A novel and innovative product portfolio • Product availability • Safety and hygiene in store operations • Good customer service • Product quality	• Opportunities for upskilling and career progression • Job and financial security • Physical and mental wellbeing • A diverse and equitable work environment • Work life balance
How we engaged	• Annual General Meeting • Annual Report • Quarterly performance updates • Press releases • Through the Company Secretary and the Colombo Stock Exchange	• Satisfaction surveys • Omni-channel engagement which includes on-ground, digital and social media engagement • Through channel partners • Consumer panels • Test marketing	• Employee satisfaction surveys • Open engagement between HR and department heads • Cordial relations with trade unions • Engagement through in-person and digital platforms
Our response	Strategic interventions to capitalise on growth opportunities that emerged given improving macro-economic conditions while proactively monitoring and mitigating risks.	Enhanced our customer value proposition by launching innovative new products, enhancing availability, strengthening engagement and offering a superior retail experience.	Ongoing efforts to create an engaging work environment that offers opportunities for growth while prioritising wellbeing.
Value created	• Profit after tax : **Rs. 6.0 Bn (+74%)** • Earnings per share : **Rs. 6.27 (+74%)** • Dividends per share : **Rs. 4.30 (+130%)** • Return on equity : **26.7% (+9.5%)**	• New products launched (Manufacturing) : **21** • Keells was ranked the Most loved supermarket brand in 2024 (LMD 2024)	• Payments to employees : **Rs. 12,209 Mn (+20%)** • Investment in training and development : **Rs. 139 Mn (+65%)** • Female representation : **44% (+2%)**
Quality of relationship	Strong	Strong	Strong
Link to strategy	Sustainable growth	Fulfilling the customer promise	Empowered team

Stakeholder Engagement Process

Identify key stakeholders → Engage with stakeholders. → Evaluate feedback and address issues → Respond through strategic interventions

	CHANNEL PARTNERS	SUPPLIERS	GOVERNMENT	COMMUNITY
	• Opportunities for business growth	• Timely payments • Ethical procurement practices • Opportunities for growth and capacity building	• Timely payment of taxes • Generating employment • Ethical business practices • Community upliftment and environmental preservation • Regulatory compliance	• Community engagement • Responsible environmental and social practices • Livelihood upliftment and community development
	• Digital engagement through Surge, the Distributor Management System • In-person engagement through visits and audits • Capacity building programmes • Distributor conventions • Financial performance reviews	• In-person engagement • Supplier audits • Capacity building programmes • Farmer development and training programmes	• One-on-one engagement • Engagement through industry forums and associations	• Impactful community empowerment initiatives • Hotline and grievance mechanisms
	Deepened relationships with channel partners through close engagement, provision of display boards and promotional displays, cold chain support and capacity building.	Upheld ethical procurement practices and proactively invested in strategic supplier development initiatives which included the propagation of sustainable practices along the supply chain.	Complied fully with all regulatory requirements while continuing to create value for the Government through timely payment of taxes, duties, and levies. The Group has not sought any financial assistance or made any political contributions to the Government during the year.	Actively engaged with our communities, supporting the nutritional needs of school children, youth skill development and female empowerment. Our commitment also extended to responsible waste management and investments in recycling plastic waste.
	• Payments to distributors/ retailers : **Rs. 3.2 Bn (+31%)** • Provided promotional displays, boards and cold chain support to retail outlets in Manufacturing Sector.	• Payments to suppliers : **Rs. 154 Bn (+26%)** • Investment in supplier development programmes **: Rs. 5.4 Mn (+12%)**	• Tax payments : **Rs. 10,390 Mn (+19%)**	• Investment in CSR initiatives : **Rs. 46 Mn (+9%)** • Investment in sustainable business practices : **Rs. 31 Mn (+13%)**
	Strong	Good	Good	Strong
	Managing our value chain	Managing our value chain	Sustainable and responsible organisation	Sustainable and responsible organisation

HISTORY AT A GLANCE - CCS

1866

Founded and managed by the illustrious Arthur Von Possner as Colombo Ice Company, which imported and used the country's first ice making machine. Commencing operations in the ice business at the time, Colombo Ice Company began with an initial capital of £ 1,600, a considerable amount at the time with a staff of 22 people and 2 steam engines for production.

1883

Introduced Aerated Water with the distinctive "Elephant" trademark on the bottles, which remains a popular household name for the brand.

1950

New soft drinks factory commenced operations in Glennie Street, Slave Island.

1965

Re-introduction of Ice Palam.

1970

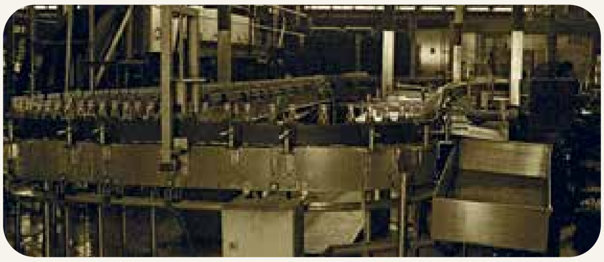
In January, the Company was quoted on the Colombo Stock Exchange.

1991

The Company came under the umbrella of John Keells Holdings Limited with the acquisition of the Whittalls Group in 1991.

1998

The Company significantly enhanced its production capacity by installing a modern bottling plant at the Kaduwela factory.



2010

- The Elephant House Brand relaunched on 25th July.
- Introduction of KIK Cola in December.

2013

- CCS Relocation from Justice Akbar Mawatha offices to Vauxhall Street.

2025

- CCS Head office premises was relocated to The Offices at Cinnamon Life in November 2024.
- CCS introduced the new brand VIBE (CSD fruity flavoured can range) to the market.

1894
Tom Walker, owner of a competing Company, purchased Colombo Ice Company and merged the two companies under the name New Colombo Ice Company.

1921
Introduction of crown corks to the Aerated Water business.

1925
The Company commenced building cold storage for various types of frozen products.

1941
New Colombo Ice Company changed its name to Ceylon Cold Stores Limited.

1935
- Carbonic acid gas plant installed to make Carbon dioxide and dry ice.
- Ice Cream in bulk form was produced in four gallon buckets.

1934
- New Colombo Ice Company purchased Ceylon Ice and Cold Storage Company.
- Cafe established at Fountain House.

1932
Ceylon Creameries Limited was acquired to produce and distribute reconstituted fresh milk and ice cream.

2016
CCS celebrated its 150th Anniversary.

2018
The Colombo Ice Company (Pvt) Ltd was opened on 24th of May and commenced commercial operation.

2024
- CCS acquired a new PET bottling and can manufacturing plant in Ittapana.
- CCS entered into a franchise agreement with Reliance Consumer Products Limited (India) to manufacture, market and sell Elephant House carbonated soft drinks in India.
- CCS Elephant House soft drinks launched cans to the market.

2021
CCS acquired a water bottling plant in Kotagala.

HISTORY AT A GLANCE - JMSL

1991
1st Outlet opened at Liberty Plaza.

2002
Launched www.keellssuper.com, the first ever online supermarket in Sri Lanka.

2011
Reached Rs. 10 billion annual turnover.

2017
- JMSL opened 15 new stores during the year.
- Reached Rs. 30 billion annual turnover.

2016
- JMSL celebrated its 25th Anniversary.
- Reached 50 stores with the opening of Pepiliyana outlet.

2015
- Nexus Network (Pvt) Ltd merged its operations with JMSL.
- Reached Rs. 20 billion annual turnover.

2014
Launched Nexus Mobile, Sri Lanka's first independent cardless lifestyle loyalty programme.

2013
Relocation of the Glennie Street office to Vauxhall Street.

2018
- JMSL opened 23 new stores during the year.
- Reached Rs. 38 billion annual turnover.
- Rebranded as "Keells".

2019
- JMSL opened 18 new stores during the year.
- Inclusion of prepared Food Service in 35 outlets.
- JMSL opened their 100th outlet in Miriswatte.

2020
- Vendor collaboration portal project "KANE" completed and launched by JMSL.

2021
- JMSL introduced a self-checkout machine at its Union Place outlet - the first in Sri Lanka.

2025
- JMSL opened 6 new stores, expanding its network to 138 outlets nationwide.

2023
- JMSL launched its first Whatsapp channel.
- JMSL opened 4 new stores.
- Reached Rs. 100 billion in annual turnover.

2022
- Converted its Maharagama Supermarket outlet to have an all-female staff serving customers.
- JMSL launched the third largest warehouse facility in the country at Kerawalapitiya.

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Keells යමු
குறைந்த விலையினை எப்போதும் அனுபவித்திட நாம்
Keells இற்கு செல்வோம்

YEAR AT A GLANCE

2024

APRIL

- The Beverage category rolled out its seasonal "Avurudu Beema" campaign, complemented by the "Rata Wata Avurudu" town storming activation.
- CCS and JMSL Teams celebrated Sinhala and Tamil New Year on 17th April 2024.
- Elephant House Cream Soda revamped its communication strategy with a vibrant campaign aimed at Gen Z, featuring the energetic music video "POPIYANNA."
- The Beverage category held its Annual National Sales Conference for 2023/24.
- JMSL revamped its Keells Kohuwala-1 outlet with a new hot kitchen.

MAY

- CCS Beverage category launched its Can Portfolio, featuring iconic brands: Necto, Cream Soda, Orange Crush, EGB, Soda, and Tonic.
- Vesak lantern competition was organised by CCS.
- CCS provided the sponsorship for the "Sirasa Vesak Kalapaya".
- The Confectionery category held its Annual National Sales Conference for 2023/24.
- The Consumer Foods Supply Chain Excellence Awards Ceremony was conducted.
- JMSL launched the next phase of the "Affordability Campaign" promoting Keells as the destination for essential household items at the lowest prices.

JUNE

- The Beverage category activated the Poson season around Anuradhapura and Mihintale.
- Can multipacks were introduced to the product portfolio for greater consumer value.
- "Ape Rasa" 900 ml ice cream range debuted with unique flavours: Pineapple and Chilli, Kithul Hakuru and Karutha Kolumban.
- Confectionery category introduced 60 ml single-serve packs of its new Fusion Popsicles range.

JULY

Outlet Opened 1

- CCS became the official Carbonated Beverage Partner for Sri Lanka Cricket for 3 years commencing from July onwards.
- JMSL launched its "Sounds like Freshness, Sounds like Keells" brand campaign.
- JMSL opened the new Divulapitiya store.

AUGUST

- CCS Confectionery category rolled out a nationwide trade visibility revamp, covering 66,000 sqft of branded space.
- The launch of the IMORICH Peanut Butter & Chocolate Cone marked Sri Lanka's first-ever side-by-side cone innovation.
- Adding to its super-premium line, IMORICH Mocha Cone was also introduced by the Confectionery category.
- JMSL closed their Liberty Plaza outlet.

SEPTEMBER

- The Confectionery category revamped the packaging for its Wonder brand.
- A beach clean-up under the "Gunadamin Elephant House" project at the Wellawatte Dehiwala beach area was organised by CCS.
- CCS was the exclusive beverage partner at the Annual International Book Fair.
- The "Say No to Food Waste" initiative was recognised among the top 3 for Social Responsibility at the Asia Pacific Retailers Conference.
- JMSL's Kotahena-2 outlet received Green Building Certification under the Blue Green Sri Lanka rating scheme, making Keells the first supermarket to achieve this.

OCTOBER

- CCS Confectionery category launched the Kulfi Stick in line with its Diwali campaign, the first-ever launch by a mass brand.
- CCS organised its annual staff excursion for the supply chain & support functions to Amaya Lake, Dambulla.
- EGB partnered with two mega Oktoberfest events in Colombo, featuring event branding and consumer engagement activities.
- CCS opened the newly built HR office at Ranala premises, offering a modern and welcoming workspace.
- CICL held its annual cricket tournament.
- JMSL launched the 'Endless Range' campaign for its own-label products.
- JMSL received the National Award of Excellence for the Best Supply Chain Practicing Organisation for 2024.

Outlet Opened 1

NOVEMBER

- CCS Confectionery category launched Sri Lanka's first vegan ice cream range under the Feelgood wellness brand.
- No Added Sugar and Frozen Yogurt variants were also relaunched in 320ml packs, expanding healthier options in the category.
- CCS relocated to its new head office premises at The Offices at Cinnamon Life, Justice Akbar Mawatha, Colombo 02.
- JMSL revamped the prepared food area at the One Galle Face store with a unique range.
- JMSL opened the new Ganemulla store.

Outlet Opened 1

DECEMBER

- CCS Confectionery category launched the Divul 2Bar Stick, featuring natural woodapple pulp.
- The limited-edition IMORICH Red Velvet tub was launched for Christmas, bringing a first-of-its-kind festive indulgence to Sri Lankan market.
- The Beverage category launched the "VIBE" range cans with 4 exciting fruity flavours.
- CCS Beverages conducted a Christmas campaign with the "Elephant House Naththal Hima Sawari" truck activation.
- EGB new Campaign was launched positioning EGB as the truly local CSD brand that best understands the local food palate with the message "No EGB, No Food".
- CCS hosted the year-end party at the Havelock City Club House.
- The CCS Group won the Gold award for the 'Best Annual Report' in the Food and Beverages Sector at the TAGS Awards 2024 organised by CA Sri Lanka.
- JMSL revamped the Kiribathgoda 2, Wattala 2, and Kandy 2 stores as extended format outlets.
- JMSL opened a new store at Cotta Road, closing the Borella outlet.

Outlet Opened 1

2025

JANUARY

- CCS welcomed the dawn of 2024 with a blend of religious and cultural celebrations.
- Pani Kurumba flavour was introduced, making another unique addition to the "Ape Rasa" ice cream range.
- CCS Confectionery category launched the "Be the Wonder" campaign to strengthen consumer engagement and brand salience.
- JMSL achieved Green Building Certification for the Nugegoda outlet at the silver level.
- JMSL opened the Pallekelle store.

FEBRUARY

- The Keells Prepared Food offer was made available to customers at over 70 locations via the Uber Delivery Platform in addition to PickMe.
- Annual volunteer Sri pada cleanup was organised under CCS CSR initiative, Gunadamin.
- SYNERGY '24, a collaborative research initiative by CCS's Innovation Unit, launched its first phase in partnership with Wayamba and Sabaragamuwa Universities.
- JMSL launched the next phase of the Keells Prepared Food Brand Campaign – 'Ada Keells Eken Kamu: for Breakfast, Lunch, Dinner and Everything in between'.

Outlets Opened 2

MARCH

- CCS Confectionery category launched the "Treats for Trash" campaign, encouraging clean grounds at school big matches.
- Launched the Faluda cone multipack targeting the Ramadan season.
- CCS Beverage category launched the fusion food festival "EGB Kaama Kalawa", accompanied by a live entertainment showcase in Galle.
- A special mental wellbeing session, "Her Mind Matters", was held in celebration of the International Women's Day.
- JMSL opened new stores at Jaffna and Aggona.

AWARDS AND CERTIFICATIONS

MOST LOVED SUPERMARKET BRAND 2024

Keells was recognised as the most loved supermarket brand in Sri Lanka by LMD magazine in 2024.

NATIONAL BUSINESS EXCELLENCE AWARDS 2024

JMSL was the winner in the "Other Service" category at the National Business Excellence Awards by the Chamber of Commerce.

FEDERATION OF ASIA PACIFIC AWARD 2024

The "Say No to Food Waste" project by JMSL was ranked among the top 3 in Asia Pacific for Best Efforts in Social Responsibility, earning a Merit award at the Asia Pacific Retailers Conference and Exhibition Gala.

WOMEN IN MANAGEMENT (WIM)

Charitha Subasinghe, President of the Retail sector, was recognised as one of Sri Lanka's Top 10 Diversity Champions by WIM in partnership with the International Finance Corporation.

NATIONAL SUPPLY CHAIN EXCELLENCE AWARDS 2024

JMSL won the National Award of Excellence for Best Supply Chain Practicing Organisation 2024 in the Large Scale – Service category, awarded by the Institute of Supply and Materials Management.

SLIM DIGIS 2024

The "Ada Keells Eken Kamu" campaign won three Silver awards for Best Digital Marketing Campaign, Best Use of Creator/Influencer/UGC Content, and Digital/Social Media Integration Campaign in SLIM DIGIS 2024.

The Keells Freshness campaign won a Bronze award for Best Use of AI Technologies, while the E-Commerce platform received a Merit award for Best Performance Marketing Campaign in SLIM DIGIS 2024.

BEST CORPORATE CITIZEN AWARDS 2024

JMSL earned a Merit Certificate under the Best Project Sustainability Awards category for its Preschool Meal Programme at the Best Corporate Citizen Awards 2024, recognising its contribution to child nutrition and food security organised by the Chamber of Commerce.

BEST MANAGEMENT PRACTICES COMPANY AWARDS 2025

JMSL was among the Twenty Outstanding Companies and also the winner in the Supermarkets, Malls, and Shopping Complexes category organised by CPM Sri Lanka.

NATIONAL INDUSTRY BRAND EXCELLENCE AWARDS 2024

CCS won the Silver Award for the Best In-House R&D Unit at National Industry Brand Excellence Awards 2024.

SLIM NATIONAL SALES AWARDS 2024

CCS Confectionery category secured 2 Gold, 3 Silver, 1 Bronze, and 2 Merit awards at SLIM National Sales Awards 2024.

CCS Beverage category won 4 Gold, 5 Silver, and 1 Merit award for 2024. Overall, Front Liner of the year across all industries was won by the Beverage category at SLIM National Sales Awards 2024.

SLIM KANTARA PEOPLE'S AWARDS 2025

Elephant House Cream Soda was crowned as the Beverage Brand of the Year at SLIM KANTARA People's Awards 2025.

GREEN INDUSTRY AWARDS -2024

CCS received the Gold Award from the Industrial Development Board for its commitment to promoting green and sustainable cities at Green Industry Awards 2024.

SLIM EFFIES 2024

JMSL secured three finalist awards at the prestigious SLIM Effies 2024.

4A's ADVERTISING FESTIVAL AND AWARDS 2024

JMSL won a Silver award for the digital AI execution of our priceless moments campaign at 4A's Advertising Festival and awards 2024.

AWARDS AND CERTIFICATIONS

NATIONAL QUALITY AWARDS 2024

CCS won the National Quality Awards in Manufacturing (Large) Category, organised by Sri Lanka Standards Institution (SLSI).

NCE ANNUAL EXPORT AWARDS 2024

CCS won Silver in the Large Category - Confectionery Products Sector at Annual Export Awards organised by National Chamber of Exporters of Sri Lanka (NCE).

JKH CHAIRPERSON'S AWARDS 2024

CCS won the Chairperson's Special Award for Sustainability for the "Gunadamin" plastic waste management initiative organised by JKH Group.

ACCA SUSTAINABILITY REPORTING AWARD 2024

CCS secured Sustainability Reporting Award 2024 under Food and Beverage category at the ACCA Sustainability Reporting Award 2024.

TAGS AWARDS

CCS won the Gold award for the 'Best Annual Report' in the Food and Beverages Sector at the TAGS Awards 2024 organised by CA Sri Lanka.

CERTIFICATIONS

Metrices	CCS - Ranala	CICL - Seethawake	CCS - Other Locations	JMSL	LPIL
Quality Awards/ Certifications for Food and Beverages	ISO 9001:2015 Quality Management System Certifications for the ice cream and soft drink plants	ISO 9001:2015 Quality Management System Certification	SLS 729: 2010 Certification for Fit-O branded ready to serve fruit drinks		ISO 9001:2015 Quality Management System Certification for inbound operation, warehousing & dispatch
	SLS 971: 1992 Certification for Elephant House branded tube ice	ISO 22000:2018 Food Safety Management System Certification	ISO 9001:2015 Quality Management Systems Certification for the bottled drinking water plant		
	ISO 22000:2018 Food Safety Management System Certifications for the ice cream and soft drink plants	SLS 223: 2017 Certification for Elephant House branded ice creams	SLS 894:2020 Certification for Elephant House branded bottled drinking water		
	SLS 223: 2017 Certification for Elephant House branded ice creams	SLS 967: 2023 Certification for Elephant House branded Confectionery / Ice Palam/Ice Pop	ISO 22000:2018 Food Safety Management System Certification for the bottled drinking water plant		
	SLS 183: 2013 Certification for Elephant House branded carbonated beverages	Halal Certification for Ice Cream / Ice Palam	SLS 183: 2013 Certification for Elephant House branded carbonated beverages manufactured at external locations		
	SLS 183: 2013 Certification for KIK branded carbonated beverages		SLS 183: 2013 Certification for Elephant House branded carbonated beverages packed in cans		
	Halal Certification for Elephant House ice creams		Halal Certification for Fit-O branded fruit drinks		
			FSSC 22000 – Other (Fit-O, Twistee & flavoured fruit drinks)		
Occupational Health and Safety related Certifications	ISO 45001: 2018 Occupational Health and Safety Management System Certification	ISO 45001: 2018 Occupational Health and Safety Management System Certification		ISO 45001: 2018 Occupational Health and Safety Management System Certification	ISO 45001: 2018 Occupational Health and Safety Management System Certification
Environment related Certifications	ISO 14001: 2015 Environmental Management System Certification			ISO 14001: 2015 Environmental Management System Certification	
Good Manufacturing Practices				SLS 143: 2022 – Code of practice for general principles of food hygiene (third revision)	SLS 143: 2022 – Code of practice for general principles of food hygiene (third revision)
				SLS 956: 2016 – Code of hygienic practice for catering establishments	SLS 956: 2016 – Code of hygienic practice for catering establishments
				SLS 965: 1992 – Code of hygienic practice for biscuit manufacturing and bakery units	SLS 965: 1992 – Code of hygienic practice for biscuit manufacturing and bakery units
Supermarkets Management System				SLS 1432: 2011 Certification	SLS 1432: 2011 Certification
Energy Management	ISO 50001:2018 - Energy Management System Certification				

KEY MILESTONES

LAUNCH OF "APE RASA" ICE CREAM RANGE

CCS launched the "Ape Rasa" ice cream range as part of its initiative to bridge the gap between the mainstream and premium segments. The new range features distinctive flavours such as Pineapple & Chilli, Kithul Hakuru, Karutha Kolumban and Pani Kurumba, available in 900ml packs. The launch was supported by a comprehensive 360-degree campaign across TV and general trade channels, driving strong consumer engagement.

OFFICIAL CARBONATED BEVERAGE PARTNER FOR SRI LANKA CRICKET

CCS secured the title of official Carbonated Beverage Partner for Sri Lanka Cricket, marking the beginning of a three-year partnership, that commenced in July 2024. This strategic partnership underscores our commitment to support sports and connecting with audiences through shared passion and excitement.

KEELLS NETWORK EXPANSION

Keells marked a significant milestone in its regional expansion with the opening of its first outlet in the Northern Province. Throughout the year, six new outlets were successfully opened, increasing the total store count to 138. This expansion underscores the continued commitment to delivering quality retail experiences to more communities across Sri Lanka.

CCS MOVES TO NEW HEAD OFFICE PREMISES

CCS relocated to its new head office premises at The Offices at Cinnamon Life, Justice Akbar Mawatha, Colombo 02.

KEELLS "FRESHNESS" AND "ENDLESS RANGE" CAMPAIGNS

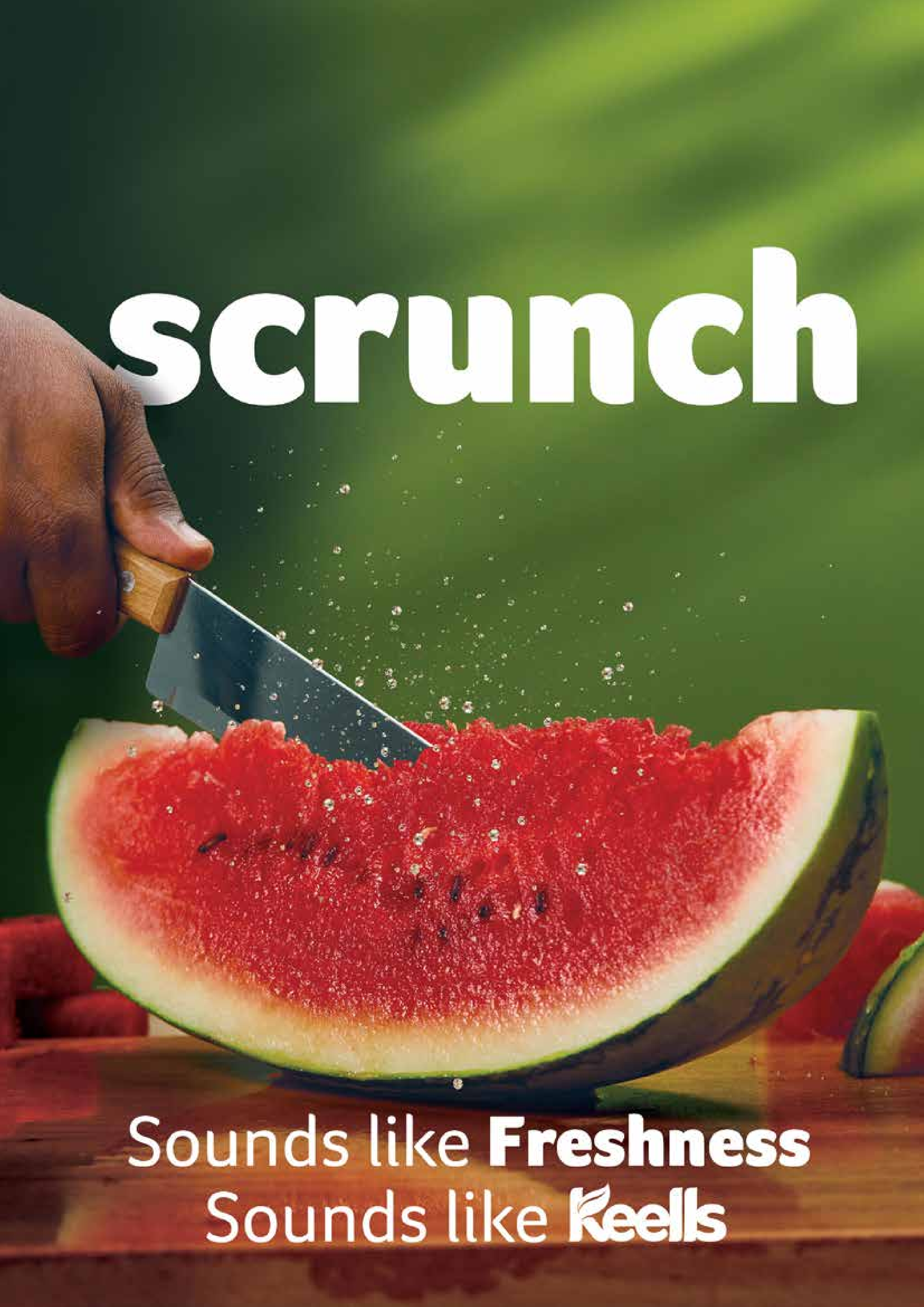
JMSL launched its latest brand campaign, "Sounds like Freshness, Sounds like Keells," highlighting the freshness and quality that distinguish its offerings in the market. Further, the "Endless Range" campaign was conducted to showcase the extensive variety and quality of Keells own label products, underlining the commitment to offer diverse and high-quality products that cater to the needs and tastes of all consumers.

LAUNCH OF "LIVE LOUD" CAMPAIGN AND VIBE CAN RANGE

To engage a younger audience and enhance brand presence, the "Live Loud" digital campaign was launched, highlighting the enhanced can range featuring popular flavours: Necto, Cream Soda, EGB and Orange Crush. Building on this momentum, VIBE can range was introduced, offering fresh flavours such as Kiwi, Apple, Orange, and Grape, designed to resonate with Gen Z through a vibrant and uplifting brand experience.

CCS SHINES AT GULFOOD 2025 WITH EXCITING NEW INNOVATIONS

CCS made its debut participation for Gulfood 2025, at Dubai World Trade Centre, the 30th edition of one of the world's largest food and beverage trade shows. This event provided an exceptional platform to showcase the sector's expertise in crafting unique beverages, built on 159 years of heritage in flavour innovation.


scrunch
Sounds like Freshness
Sounds like Keells

THE BOARD OF DIRECTORS

KRISHAN BALENDRA

Non-Executive - Non-Independent Director / Chairperson

Mr. Balendra was appointed to the Board of Ceylon Cold Stores PLC, on 1st January 2018 and was appointed as Chairperson on 1st January 2019.

Mr. Balendra is the Chairperson-CEO of John Keells Holdings PLC. He is also the Chairman of the Employers Federation of Ceylon, Deputy Vice Chairman of the Ceylon Chamber of Commerce and the Hon. Consul General of the Republic of Poland in Sri Lanka. He is a former Chairman of Nations Trust Bank and the Colombo Stock Exchange.

Mr. Balendra started his career at UBS Warburg, Hong Kong, in investment banking, focusing primarily on equity capital markets. He joined JKH in 2002. He holds a law degree (LLB) from the University of London and an MBA from INSEAD.

GIHAN COORAY

Non-Executive - Non-Independent Director

Mr. Cooray was appointed to the Board of Ceylon Cold Stores PLC on 1st of January 2018.

Mr. Cooray is the Deputy Chairperson/Group Finance Director and has overall responsibility of the Group's Finance and Accounting, Taxation, Corporate Finance and Strategy, Treasury, Information Technology and Corporate Communications functions. He is a former Chairman of Nations Trust Bank PLC. Mr. Cooray holds an MBA from the Jesse H. Jones Graduate School of Management at Rice University, Houston, Texas. He is a Fellow Member of the Chartered Institute of Management Accountants (UK), a certified management accountant of the Institute of Certified Management Accountants, Australia and has a Diploma in Marketing from the Chartered Institute of Marketing (UK). He serves as a committee member of The Ceylon Chamber of Commerce.

DAMINDA GAMLATH

Executive Director

Mr. Gamlath was appointed to the Board of Ceylon Cold Stores PLC on 1st November 2017.

Mr. Gamlath is the President of the Consumer Foods Industry Group and has been with the John Keells Group since 2002. He was the Sector Financial Controller for the Information Technology Sector and the Consumer Foods Industry Group before he was appointed as the Head of Beverages in 2013 and the Sector Head in 2017. Prior to joining the John Keells Group, he worked at the Hayleys Group. Mr. Gamlath holds a B.Sc. in Engineering from the University of Moratuwa, an MBA from the University of Colombo and is a passed finalist of the Chartered Institute of Management Accountants (UK).

CHARITHA SUBASINGHE

Non-Executive - Non-Independent Director

Mr. Subasinghe was appointed to the Board of Ceylon Cold Stores PLC on 1st January 2021.

Mr. Subasinghe is responsible for the Retail Industry Group of the Group. He has been with the John Keells Group since 2003. He was the Sector Financial Controller of the Supermarket business, before being appointed as the CEO in 2005. He was also employed at Aitken Spence Hotel Management as the Sector Financial Controller before moving over to John Keells Group. He is an Associate Member of the Chartered Institute of Management Accountants (UK) as well as a Diploma Holder of the Chartered Institute of Marketing (UK). He also holds an MBA from the University of Colombo.

NELINDRA FERNANDO

Executive Director

Ms. Fernando was appointed to the Board of Ceylon Cold Stores PLC, on 1st January 2021.

Ms. Fernando is the Chief Financial Officer for the Consumer Foods Industry Group. Ms. Fernando joined the John Keells Group in 2013 as the Sector Financial Controller of the Consumer Foods Industry Group. Prior to joining the Group, she worked at the MAS Group and Ernst & Young, Sri Lanka. She is a Member of the Chartered Institute of Management Accountants of (UK) and the Institute of Chartered Accountants of Sri Lanka.

DR. SHANTHI WILSON

Non-Executive - Non-Independent Director

Dr. (Ms.) Wilson was appointed to the Board of Ceylon Cold Stores PLC, on 17th June 2016.

Dr. (Ms.) Wilson graduated from University College London with a B.Sc. Hons. Degree in Microbiology and obtained her Ph.D. from the University of Cambridge, specialising in plant pathology and post-harvest technology. She was the Head of the Food Technology Section and subsequently Additional Director - Research and Development at the ITI (former CISIR). She was the country representative for the UN- IAEA supported food irradiation programmes and a visiting scholar at Cornell University, RIKILT in the Netherlands, the University of Hawaii, USA, the University of Cambridge, UK, and the University of Guelph, Canada. She has served on the Board of the Atomic Energy Agency, and the Editorial Board of the Journal of the National Science Foundation and was the Chairperson of the Institute of Post- Harvest Technology. In 2017, she was appointed to the International Advisory Board of the USAID funded "Feed the Future – Horticulture Innovation Lab", at the University of California, Davis.

She is the immediate-past President of the Sri Lanka Girl Guides Association. She also serves as a Non-Executive Director of Rural Returns (Guarantee) Limited; Chelvanayakam Memorial Trust and Lanka Agri Produce Management Corporation (LAPMC).

HARIN DE SILVA WIJEYERATNE

Non-Executive - Independent Director

Mr. Wijeyeratne was appointed to the Board of Ceylon Cold Stores PLC, on 1st January 2025.

Mr. Wijeyeratne is a Fellow Member of the Chartered Institute of Management Accountants (UK) and an Associate Member of The Institute of Chartered Accountants of Sri Lanka.

He has over 31 years of experience in general management, financial management, and auditing, having worked at Investcorp Bank, Bahrain, Grindlays Bahrain Bank, Ernst & Young, Bahrain, and Ernst & Young, Sri Lanka. He was the Chief Executive Officer of the Sri Lanka Institute of Nanotechnology (Pvt) Limited (SLINTEC) for over five years and a consultant for ZONE 24x7, an IT company specialising in data analytics and machine learning.

Mr. Wijeyeratne currently serves as a Non-Executive Independent Director of Trans Asia Hotels PLC, where he chairs both the Board Audit and Related Party Transactions Review Committees. He also holds positions as a Non-Executive Independent Director at DFCC Bank PLC and Ceylon Tobacco Company PLC, serving as Chairperson of the Audit Committee. Mr. Wijeyeratne is the Founder of Avastha Financial Advisory Services (Pvt) Ltd, a Co-Founder of Kalyana (a mental well-being initiative), and a Director of the Gamani Corea Foundation. Additionally, he chairs the Audit Committee of MAS Holdings.

SHIVAAN KANAG-ISVARAN

Non-Executive - Independent Director

Mr. Kanag-Isvaran was appointed to the Board of Ceylon Cold Stores PLC, on 19th June 2024.

Mr. Kanag-Isvaran is a Barrister-at-Law of Lincoln's Inn and an Attorney-at-Law of the Supreme Court of Sri Lanka. He holds a law degree from the University of Warwick and a Master's in International Business Law from the London School of Economics.

Mr. Kanag-Isvaran maintains an extensive civil practice in both original and appellate courts, specialising in Constitutional, Corporate, Intellectual Property, Banking and Finance, Telecommunication, and Tax Law. He represents clients in International Commercial Arbitration proceedings both locally and internationally, and advises on infrastructure and construction projects.

He is an Accredited Mediator with the Singapore International Mediation Institute and the International Alternative Dispute Resolution Centre in Sri Lanka. Mr. Kanag-Isvaran serves as a lecturer for the Arbitration Diploma Course at the Institute for the Development of Commercial Law and Practice, holds membership in the Academic & Governing Council of the Bandaranayake Academy for Leadership & Public Policy. He also serves as a Non-Executive Independent Director of Dialog Finance PLC.

SHARMINI RATWATTE

Non-Executive - Independent Director

Ms. Ratwatte was appointed to the Board of Ceylon Cold Stores PLC, on 17th June 2016 and is the Chairperson of the Audit Committee and Related Party Transactions Review Committee.

Ms. Ratwatte is a Fellow Member of the Chartered Institute of Management Accountants (UK) and also holds an MBA in Business Administration from the University of Colombo.

Ms. Ratwatte holds Non-Executive Directorships in BPPL PLC, a manufacturer and exporter of household and professional cleaning products, Convenience Foods PLC a manufacturer and marketer of protein based foods in the CBL group and the National Credit Guarantee Institution Ltd, a joint venture of the Government of Sri Lanka and 13 banks & non-bank financial institutions formed to support growth of the MSME sector.

She is a Trustee of Sunera Foundation, a non-profit organisation empowering differently abled persons using the performing arts and a non-executive director at Greenpeace South Asia, an independent international environmental campaigning. She is a Founding Trustee and former Chairperson of the Federation of Environmental Organisations, which supports environmental organisations operating in Sri Lanka.

RENUKA FERNANDO

Non-Executive- Independent Director

Ms. Fernando was appointed to the Board of Ceylon Cold Stores PLC, on 19th June 2024 and is the Chairperson of the Human Resources and Compensation Committee and Nominations and Governance Committee.

Ms. Fernando is an Associate of the Chartered Institute of Bankers, UK and also an Alumni of the Advanced Management Program at Harvard Business School. Ms. Fernando currently serves as the Group Chief Digital Services Officer of Dialog Axiata PLC and was appointed as the Chairperson of Dialog Finance PLC in May 2020. She is a highly experienced business leader with 40 years of expertise in the banking sector, with special focus on Digital Banking.

Prior to joining Dialog Axiata PLC in April 2020, she headed Nations Trust Bank PLC (NTB) as the Director/CEO from 2012. Her previous experience includes positions as Vice President / Head Global Transactional Services and Head of Consumer Banking at ABN AMRO Bank N.V, Sri Lanka, as well as Manager Corporate Banking at Banque Indosuez, Sri Lanka and at Nederlandsche Middenstands Bank - Hong Kong.

Ms. Fernando has also functioned as the Vice President of the American Chamber of Commerce and has previously served as Director of Lanka Clear (Pvt) Ltd and Chairperson of the Sri Lanka Bankers Association.

- Audit Committee
- Related Party Transactions Review Committee
- Human Resources and Compensation Committee
- Nominations and Governance Committee
- Project Risk Assessment Committee - JKH

MANAGEMENT TEAM

CEYLON COLD STORES PLC
(IN ALPHABETICAL ORDER)

CHATHURIKA FONSEKA
Assistant Vice President

Chathurika is the Head of Marketing in the Confectionery category of Ceylon Cold Stores PLC and joined the Company in 2024. She has over 18 years' experience in market research, sales and marketing functions in diverse industry sectors. Prior to joining the John Keells Group, Chathurika has worked in Kantar Sri Lanka, SmithKline Beecham (Pvt) Ltd & Reckitt Benckiser (Lanka) Ltd covering marketing & category management functions. Chathurika holds a Bachelor's Degree in Business Management from the University of Colombo, an MBA from the University of Southern Queensland, Australia and a Postgraduate Diploma in Marketing from the Chartered Institute of Marketing (UK).

DAMINDA GAMLATH
President / Director

Daminda is the President of the Consumer Foods Industry Group. Daminda has been with the John Keells Group since 2002. He was the Sector Financial Controller for the Information Technology Sector and then the Consumer Food Sector before he was appointed as the Head of Beverages in 2013 and the Sector Head in 2017. Prior to joining the John Keells Group, he worked at the Hayleys Group. Daminda holds a B.Sc. (Eng.) Degree from the University of Moratuwa, an MBA from the University of Colombo and is a passed finalist of the Chartered Institute of Management Accountants (UK).

DAMITH SILVA
Assistant Vice President

Damith is the Head of Procurement of Ceylon Cold Stores PLC and joined the John Keells Group in 2021. He has over 16 years of experience in FMCG, apparel and construction industries. Prior to joining the John Keells Group, he worked in Fonterra Brands Lanka for 7 years. He holds a B.Sc. (Eng.) Degree from the University of Moratuwa, MBA from University of Sri Jayewardenepura and M.Sc. in Logistic & Supply Chain Management from Birmingham City University, UK.

DILSHANI EDIRISINGHE
Senior Assistant Vice President

Dilshani is the Head of Marketing in the Beverage category of Ceylon Cold Stores PLC and joined the Company in 2019. She has over 21 years experience in sales and marketing functions in diverse industry sectors. Prior to joining the John Keells Group she was attached to AkzoNobel Paints Lanka (Pvt) Ltd for 9 years covering marketing and category management functions. Dilshani holds an MBA from the University of Bedfordshire, UK and a Post Graduate Diploma in Marketing from the Chartered Institute of Marketing (UK).

GIHAN SAMARAKKODY
Assistant Vice President

Gihan is the Financial Controller of the Consumer Foods Industry Group. He joined the John Keells Group in 2022. He has over 20 years of experience in FMCG, travel, textile and audit. Gihan is an Associate Member of the Institute of Chartered Accountants of Sri Lanka and the Certified Management Accountants of Sri Lanka.

IMANI PERERA
Vice President

Imani is the Head of Human Resources of the Consumer Foods Sector. She joined the John Keells Group in 2016. Previously she served as Head of Learning and Development for John Keells Group. Prior to joining the Group, she worked at Hayleys Group and Third Wave Consulting Pvt Ltd. She holds a Master's in Business Administration, and a Bachelor of Arts (Hons.) in English from the University of Colombo, and a Postgraduate Diploma in Marketing from the Chartered Institute of Marketing (UK).

IRANDA JANAKA GUNAWARDENA
Assistant Vice President

Iranda serves as the Head of Business Systems for the Consumer Foods Industry Group. With 20 years of experience, his expertise lies in Business IT Systems, Information & Communication Technology, and IT Governance in manufacturing and sales. Iranda holds an MBA in Project Management from Cardiff Metropolitan University and a B.Sc. in Management Information Systems Degree from University College Dublin.

IRSULA RAJAKARUNA
Vice President

Irsula serves as the Head of Factory at Ceylon Cold Stores PLC. Since joining the John Keells Group in 2015, he has held various positions, including Factory Manager at Colombo Ice Company (Pvt) Ltd. Prior to joining John Keells Group, Irsula worked at Unilever Sri Lanka for 8 years in the engineering function. He is an Associate Member of the Institute of Engineers Sri Lanka and holds both a Bachelor of Science in Engineering and an MBA in Management of Technology from the University of Moratuwa.

JANI GANESHAN
Senior Assistant Vice President

Jani is the Sector Financial Controller of the Consumer Foods Industry Group and joined the company in 2024. She has over 14 years of experience as a finance professional, having held diverse roles across telecommunication, manufacturing, consumer foods and retail industries. Jani is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka. She also holds a Bachelor's Degree in Accountancy and Management from the University of Colombo and an MBA from the University of West London.

JUDE MARTINO

Vice President

Jude is the Head of the Beverages at Ceylon Cold Stores PLC. He joined the John Keells Group in 2020. Jude has over 17 years of experience in the FMCG industry. Prior to joining John Keells Group, Jude had worked at Dialog Axiata, Unilever Sri Lanka, Reckitt Benckiser Bangladesh and Reckitt Benckiser Sri Lanka. He holds a Master's in Financial Economics from the University of Colombo, a Bachelor's Degree in Marketing and Management from the Edith Cowan University, Australia and a Diploma in Industrial Psychology.

KUMUDU GAMAGE

Assistant Vice President

Kumudu is the Head of Engineering at Ceylon Cold Stores PLC, and an experienced engineering and manufacturing professional with over 22 years of multidisciplinary experience spanning engineering operations, project management, manufacturing excellence, and R&D. Prior to joining John Keells Group, he has worked at Alumex PLC (Hayleys Group), Silvermill Group, and Unilever Sri Lanka. He is a graduate of the University of Moratuwa. He is also an EHEDG Practitioner and an associate member of both the Institution of Engineers Sri Lanka (IESL) and the Engineering Council Sri Lanka (ECSL).

MADUSHAN PERERA

Assistant Vice President

Madushan is the Head of Financial Planning and Analysis of the Consumer Foods Industry Group. Madushan joined the John Keells Group in 2015. He has over 10 years of experience in the FMCG sector in the areas of financial planning, management accounting and sales and marketing. He holds a B.Sc. Accounting Special Degree from the University of Sri Jayewardenepura, Postgraduate Diploma in Professional Marketing from the Chartered Institute of Marketing (UK), and is an Associate Member of the Chartered Institute of Management Accountants (UK).

MAHENDRA AMARASINGHE

Senior Assistant Vice President

Mahendra is the Head of Sales for the Confectionery category. He joined Ceylon Cold Stores PLC in 1991 and has 34 years of experience in sales functions in both Beverages and Confectionery categories.

NELINDRA FERNANDO

Executive Vice President / Director

Nelindra is the Chief Financial Officer of the Consumer Foods Industry Group. Nelindra joined the John Keells Group in 2013 as the Sector Financial Controller of the Consumer Foods Industry Group. Prior to joining the Group, she worked at the MAS Group and Ernst & Young, Sri Lanka. She is a Member of the Chartered Institute of Management Accountants of (UK) and the Institute of Chartered Accountants of Sri Lanka.

NIROSH LALANTHA

Senior Assistant Vice President

Nirosh is the Head of Quality Assurance for the Consumer Foods Industry Group and the Head of Research & Development of Keells Food Products PLC. He joined the John Keells Group in 2000. He has over 21 years of experience in different areas of the FMCG industry. Nirosh holds a B.Sc. Degree in Agriculture from the University of Peradeniya and an MBA from the PIM under the University of Sri Jayewardenepura.

SANJEEWA JAYASUNDARA

Senior Vice President

Sanjeewa is the Head of Supply Chain Management of Ceylon Cold Stores PLC. He joined the John Keells Group in 2010 and has over 30 years' experience in the FMCG industry. He started his career at Unilever Sri Lanka and served for 14 years in different areas in the field of Supply Chain there. He holds a degree in B.Sc. Engineering from the University of Peradeniya, specialised in Production Engineering, and an Associate Member of the Institute of Engineers, Sri Lanka. He also holds an MBA in Management of Technology from the University of Moratuwa.

SATHISH RATNAYAKE

Senior Vice President

Sathish is the Head of Confectionery at Ceylon Cold Stores PLC. With a career spanning over 30 years, Sathish possesses expertise in sales and marketing across diverse industries. Sathish held various positions, including a 14-year tenure at Unilever Sri Lanka, Pure Beverages Ltd, Cargills Ceylon PLC, Bharti Airtel Lanka Ltd, and Heineken Asia Pacific. Sathish holds a Master's Degree from Cardiff Metropolitan University (UK) and a Diploma in Marketing from the Chartered Institute of Marketing (UK).

MANAGEMENT TEAM

CEYLON COLD STORES PLC
(IN ALPHABETICAL ORDER)

SUDEEPA WEERASEKARA
Assistant Vice President

Sudeepa is the Head of Sales for Beverages at Ceylon Cold Stores PLC, bringing in 12 years of specialized experience in marketing and sales. Prior to joining JKH, he had worked in the Automotive industry at Associated Motorways PLC. Sudeepa holds a Bachelor of Business with a double major in Management & Marketing from Edith Cowan University (ECU), a Postgraduate Diploma in Marketing from the Chartered Institute of Marketing (UK) and an MBA from Staffordshire University (UK).

THARANGA DILHAN
Assistant Vice President

Tharanga is the Head of Human Resource Operations at Ceylon Cold Stores PLC, bringing in over 34 years of experience in Human Resources and Information Technology. He joined the John Keells Group in 2005, and has worked as the Head of Human Resources at Keells Food Products PLC. He has also served at Crystal Industries Bangladesh Ltd and Crystal Sweater Lanka (Pvt) Ltd prior to joining the Group. Tharanga holds a Professional Qualification in Human Resource Management from CIPM, a Higher National Diploma in Information Technology from the Australian Computer Society (ACS), and a Diploma from the British Computer Society (BCS).

THUSHANI WIJEWICKRAMA
Assistant Vice President

Thushani is the Head of Tax for the Consumer Foods and Retail Industry Groups. She has over 16 years of experience in tax compliance and tax advisory services. Thushani joined the John Keells Group in 2021, and prior to that worked at Ernst & Young, Sri Lanka. Thushani is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and holds a B.Sc. Finance (Special) degree from the University of Sri Jayewardenepura.

UDAYA PADMAKUMARA
Senior Assistant Vice President

Udaya is the Head of Innovation & Product Development of Ceylon Cold Stores PLC and joined the John Keells Group in 2014. Prior to joining CCS, he worked at Lion Brewery Ceylon PLC and Varun Beverages Lanka (Pvt) Ltd, and he has over 23 years of experience in different areas in the FMCG industry. Udaya holds a B.Sc. Degree in Microbiology from the University of Kelaniya and an M.Sc. in Food Science and Technology from the University of Sri Jayewardenepura.

THE COLOMBO ICE COMPANY (PVT) LTD

INDUNIL AMARASENA
Senior Assistant Vice President

Indunil is the Factory Manager at The Colombo Ice Company (Pvt) Ltd. He joined the John Keells Group in 2001. He has over 24 years of experience in the Confectionery Industry. Indunil holds a B.Sc. in Applied Sciences from Sabaragamuwa University of Sri Lanka and an M.Sc. in Food Science and Technology from the University of Sri Jayewardenepura.

JAYKAY MARKETING SERVICES (PVT) LTD

(IN ALPHABETICAL ORDER)

AKEEL MUTHALIPH

Assistant Vice President

Akeel is the Head of Revenue Planning and Range, Space and Merchandising of Jaykay Marketing Services (Pvt) Ltd and has been with the John Keells Group since 2015. He holds a Diploma in Economics as well as a Bachelor of Science in Economics and Management from the University of London (UK) and an MBA from the University of Colombo.

AMILA KURUPPU

Senior Assistant Vice President

Amila is the Head of Productivity Improvement of Jaykay Marketing Services (Pvt) Ltd and has been with the John Keells Group since 2006. He was attached to the Operations department prior to being appointed as the Head of Productivity Improvement in July 2019. Before joining the Group, he has worked at Morrisons, UK in Supermarket Operations. He holds a Diploma in Ticketing and Reservations from the Emirates Training College as well as a Certificate in Management from the Postgraduate Institute of Management and Harvard Business Publishing.

ARAVINDA WANNIARACHCHI

Executive Vice President

Aravinda is the Chief Financial Officer of Jaykay Marketing Services (Pvt) Ltd and joined the John Keells Group in 2007. He was attached to the Group Corporate Finance and Strategy team of John Keells prior to joining the Retail industry group. He is a Chartered Financial Analyst, an Associate Member of the Chartered Institute of Management Accountants (UK) and holds a BBA Marketing (Sp.) Degree from the University of Colombo.

ARUNAJITH NANDANA

Vice President

Arunajith is the Head of Learning and Development of Jaykay Marketing Services (Pvt) Ltd and joined the John Keells Group in 2018. He was attached to the Access Group of Companies as the Human Resources Manager for the health care sector before joining the John Keells Group. He is a Passed Finalist of Certified Management Accountants (SL) and Association of Accounting Technicians (SL). He holds a Bachelors degree in Business Management from Open University (SL), MBA from Metropolitan University (UK) and is a Certified Training Programme Assessor for NVQ Level 6 of Tertiary and Vocational Education Commission (SL).

BUDDHIKA CHATHURANGA

Assistant Vice President

Buddhika is the Head of Logistics of Logipark International (Pvt) Ltd, a fully owned subsidiary of Jaykay Marketing Services (Pvt) Ltd, having joined the John Keells Group in 2012. He holds a Master's in Business Administration – International from the Canterbury Christ Church University (UK) and an Advanced Diploma in Logistics Management from the National Institute of Business Management.

CHARITHA SUBASINGHE

President / Director

Charitha is the President of Retail industry group. He has been with the John Keells Group since 2003. He was the Sector Financial Controller of the Supermarket business, before being appointed as the CEO in 2005. He was also employed at Aitken Spence Hotel Management as the Sector Financial Controller before moving to John Keells. He is an Associate Member of the Chartered Institute of Management Accountants (UK) and holds a Diploma of Chartered Institute of Marketing (UK). He also holds an MBA from the University of Colombo.

CHATHURA GUNAWARDANA

Assistant Vice President

Chathura is the Head of Store Design and Construction at Jaykay Marketing Services (Pvt) Ltd and joined the John Keells Group in 2012. He holds a Bachelor of Science Degree in Town and Country Planning from the University of Moratuwa. He is a Chartered Town Planner and a Corporate Member of the Institute of Town Planners, Sri Lanka.

DILAN NIROSHANA

Assistant Vice President

Dilan is the Head of Trade Marketing at Jaykay Marketing Services (Pvt) Ltd, having joined the John Keells Group in 2014. He holds a Bachelor of Science in Marketing Management from the University of Sri Jayewardenepura and an MBA from the Cardiff Metropolitan University (UK). He is also an Associate Member of the Chartered Institute of Marketing (UK).

MANAGEMENT TEAM

ISURU POLGASDENIYA

Vice President

Isuru is the Head of Supply Chain of Jaykay Marketing Services (Pvt) Ltd and joined the John Keells Group in 2012. He was attached to the Category Management department prior to being appointed as Head of Supply Chain in 2020. He holds a Bachelor of Business Degree in Management and Marketing from the Edith Cowan University, Australia and an MBA from the Cardiff Metropolitan University (UK).

KASUN PITIGALA

Assistant Vice President

Kasun is the Head of Demand Planning at Jaykay Marketing Services (Pvt) Ltd and has been with the John Keells Group since 2015. He holds a Bachelor of Science (Hons.) Degree in Transport and Logistics Management from the University of Moratuwa. He is a Passed Finalist of the Chartered Institute of Management Accountants (UK) and holds a Postgraduate Diploma in Business Statistics from University of Moratuwa.

MIFRAH ISMAIL

Senior Vice President

Mifrah is the Head of Commercial of Jaykay Marketing Services (Pvt) Ltd and joined the John Keells Group in 2011. He was the Head of Fresh Food prior to being appointed as the Head of Commercial in 2023. He is a Passed Finalist of the Chartered Institute of Management Accountants (UK) and is a Diploma Holder of the Chartered Institute of Marketing (UK). He also holds a BBA Finance (Sp.) Degree from the University of Colombo and an M.Sc. in Business Analytics from the Robert Gordon University (UK).

NILUSHA FERNANDO

Senior Vice President

Nilusha is the Head of Marketing of Jaykay Marketing Services (Pvt) Ltd and joined the John Keells Group in 2009. She is a passed finalist of the Chartered Institute of Management Accountants (UK), holds a BBA Finance (Sp.) Degree from the University of Colombo and an MBA from the Cardiff Metropolitan University (UK).

NILUSH COORAY

Senior Vice President

Nilush is the Head of Operations of Jaykay Marketing Services (Pvt) Ltd and has been with the John Keells Group since 2003. He was the Head of Human Resources of the Retail industry Group, before being appointed as the Head of Operations in July 2011. He was also employed at the Carsons Group of Companies for 4 years in the Human Resources function. He holds a Diploma in Human Resources Management from the Institute of Personnel Management, Sri Lanka and an MBA from the University of Southern Queensland (Australia).

NISHAN RATHNAYAKE

Assistant Vice President

Nishan is the Head of IT Infrastructure, Security and Operations at Jaykay Marketing Services (Pvt) Ltd and joined the John Keells Group in 2018. He is an experienced professional in the technology industry with over 15 years of industry experience in the apparel and retail domains. He holds an M.Sc. in Computer Science from Staffordshire University (UK).

NIRESH MUTHURATNANDAN

Assistant Vice President

Niresh is the Head of E-commerce, Digital Communication, and Loyalty at Jaykay Marketing Services (Pvt) Ltd, and has been with the John Keells Group since 2011. He has held several roles in Retail Operations, Commercial, Own Label Marketing and Operations, and Brand Strategy Development prior to being appointed the Head of E-commerce, Digital Communication, and Loyalty in 2019. He is a Certified Digital Marketing Professional from the Digital Marketing Institute (Ireland), and holds a Double Major Bachelor's Degree in Management and Marketing from Edith Cowan University (Australia), a Postgraduate Diploma in Business and Finance from CA Sri Lanka, and an MBA from Cardiff Metropolitan University (UK).

OSANDA WARNAKULASOORIYA

Vice President

Osanda is the Head of IT for the Retail Industry Group of the John Keells Group. He started his career at John Keells Group in 2003 and in 2013 left the Group, rejoining in 2017. He holds a Bachelor of Science (Hons) Management Information Systems from University College Dublin National University of Ireland.

RAVINDU DE SILVA

Assistant Vice President

Ravindu is the Head of Category Management of Jaykay Marketing Services (Pvt) Ltd and has been with the John Keells Group since 2015. Prior to joining JMSL, he was attached to WNS Global Services working with AVIVA Insurance (UK). He is a Passed Finalist of the Chartered Institute of Management Accountants (UK). He holds a Bachelor's Degree in Physical Sciences and an MBA from University of Colombo.

SHELANTHI PERERA

Vice President

Shelanthi is the Sector Financial Controller for the Retail Industry Group, and joined the John Keells Group in 2011. She was attached to John Keells Office Automation (Pvt) Ltd before joining Jaykay Marketing Services (Pvt) Ltd. She is an Associate Member of the Chartered Institute of Management Accountants (UK) and also holds an MBA from the University of West of Scotland in International Business.

SAJEEV JEGANATHAN

Senior Vice President

Sajeev is the Head of Projects and Properties of Jaykay Marketing Services (Pvt) Ltd and joined John Keells Group in 2010. He was attached to the Projects Department of Cinnamon Hotels Management Services (Pvt) Ltd before joining Jaykay Marketing Services (Pvt) Ltd in 2013. He holds a B.Eng in Aerospace Engineering from the University of Sheffield (UK).

SASHI RATNAYAKE

Assistant Vice President

Sashi is the Head of Learning and Development for the Retail industry group and has been with the John Keells Group since 2020. Prior to joining the John Keells Group, he was Head of Consulting at 3W Consulting (3WC) Sri Lanka. He holds a Bachelor's Degree in International Business Management from the University of Staffordshire (UK).

VISAL PERERA

Vice President

Visal is the Head of Fresh Departments at Jaykay Marketing Services (Pvt) Ltd, having joined the John Keells Group in 2015. He began his career as a Group Management Trainee in 2015/16 and was subsequently attached to the Fresh Produce Commercial team in 2016. He was appointed as Head of Fresh Produce. He holds a Bachelor of Commerce degree in Accounting and Finance from the University of Melbourne, Australia.


Elephant House™
Necto
250ml
NET CONTENT
NECTO
நெக்டோ
SLS

MANAGEMENT DISCUSSION & ANALYSIS

MATERIALITY

CCS operates in a dynamic environment and performs a materiality assessment annually to identify issues that are most material to the Group and its stakeholders. Our materiality assessment involves ongoing engagement with stakeholders, a critical evaluation of our value creation model and an assessment of emerging risks and opportunities. Key sustainability considerations also inform our materiality assessment process. We adopted a double materiality lens to determine our material topics taking into consideration both the impact on the Group as well as the impact on external stakeholders and the planet. Our material topics for 2024/25 are presented below.

CHANGES TO MATERIALITY

New Topic

- Inclusive workplace

Increased in significance

- Data security
- Managing working capital, cashflows, and cost optimisation
- Innovation to promote health, nutrition and lifestyle changes
- Digitalisation and e-commerce platforms
- Provide best-in-class customer service in the Supermarket Sector

	Material topics in 2024/25		Materiality compared to last year	Corresponding GRI topics	Link to UN SDG
1.	Macro-economic conditions and policy developments		No change	GRI 201: Economic performance	
2.	Managing margins, enhancing financial performance and stability		No change	GRI 201: Economic performance	
3.	A safe workplace		No change	GRI 403: Occupational health and safety	8
4.	Customer health and safety		No change	GRI 416: Customer health and safety	3
5.	Data security			GRI 418: Customer privacy	
6.	Providing value for money with quality products		No change		
7.	Managing working capital, cashflows and cost optimisation			GRI 201: Economic performance	
8.	Operational excellence		No change		
9.	Market leadership and market reach		No change		
10.	Innovation to promote health, nutrition and lifestyle changes			GRI 416: Customer health and safety	3
11.	Managing natural inputs and outputs		No change	GRI 301: Materials GRI 302: Energy GRI 303: Water and effluents GRI 305: Emissions GRI 306: Waste	6, 7, 12, 13
12.	Inclusive workplace		New topic	GRI 202: Market presence GRI 405: Diversity and equal opportunity GRI 406: Non-discrimination	5
13.	Digitalisation and e-commerce platforms				
14.	Provide best-in-class customer service in the Supermarket Sector				
15.	Developing livelihoods through developing community infrastructure		No change	GRI 203: Indirect economic impacts GRI 413: Local communities	2, 4
16.	Product labelling and market communication compliance		No change	GRI 417: Marketing and labelling	
17.	Compliance and good governance		No change	GRI 205: Anti-corruption GRI 206: Anti-competitive behaviour GRI 207: Tax GRI 415: Public policy	16
18.	Procurement practices		No change	GRI 204: Procurement practices GRI 308: Supplier environmental assessment GRI 414: Supplier social assessment	5
19.	Stability and efficiency in distributor channels		No change		
20.	Talent attraction and retention		No change	GRI 401: Employment GRI 402: Labour / Management relations GRI 404: Training and education GRI 405: Diversity and equal opportunity GRI 406: Non-discrimination GRI 407: Freedom of association and collective bargaining GRI 408: Child labour GRI 409: Forced or compulsory labour	8, 10

DELIVERING ON STRATEGY

Our strategy has been formulated following a careful assessment of the operating environment, internal strengths and capabilities and stakeholder expectations. The execution of strategy at CCS is structured around five strategic pillars, enabling effective resource allocation and management attention. This approach has sustained long-term value creation for stakeholders while strengthening business resilience.

Our strategy pillars

- Sustainable growth
- Fulfilling the customer promise
- Empowered team
- Managing the value chain
- Sustainable and responsible organisation

SUSTAINABLE GROWTH

Strategy in 2024/25

Manufacturing Sector

- Launched a can product portfolio and expanded production following the acquisition of a PET bottling and canning plant in Ittapana.
- Strategic market activations to drive growth.
- Launched two new brands – 'Vibe' in the Beverages can category and 'Ape Rasa' in Confectionery.
- Strategic emphasis on enhancing the Sector's digital capabilities to drive operational excellence.
- Discontinued the dairy product range in the Beverage category due to rising input costs and declining margins.

Supermarkets Sector

- An omni-channel approach to expanding market reach which included growing the physical reach as well as enhancing presence on food delivery platforms.
- Leveraged centralised distribution to enhance the availability of products.
- Ongoing focus on expanding the private label product range and hot food offering at stores.
- Leveraged technology to strengthen operational excellence.
- Ongoing efforts to expand revenue streams.

Resources allocated

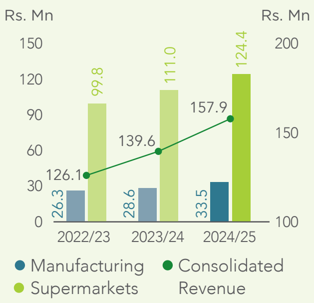
	(Rs. Mn)
Capital expenditure	
- Manufacturing	2,001
- Supermarkets	3,248
Investment in digital capabilities	794
Advertising and promotion expenses	2,611

Capitals impacted

Stakeholders impacted

Key performance indicators

Revenue



Group PBT
Rs. 9.0 Bn
(+83%)

Rs. 4.8 Bn
(+48%)
Manufacturing

Rs. 4.2 Bn
(+150%)
Supermarkets

Manufacturing

Market share: Confectionery; Maintained in Beverages and Supermarkets

74% Overall Equipment Efficiency (OEE)

WAY FORWARD

Manufacturing

- Consistently evolve our product range in line with consumer preferences.
- Leverage digitalisation to support the achievement of strategic objectives.
- Capacity enhancements to drive business growth.
- Innovation to develop new products that fulfills differentiated customer needs.
- Advanced data analytics to enhance operational efficiency.

Supermarkets

- Ongoing focus on sustaining customer relevance.
- Leverage centralised distribution to streamline logistics along the supply chain.
- Retain focus on expanding the private label product range and hot food offering at stores.
- Utilise technology to strengthen operational excellence.
- Strategic focus on expanding revenue streams.

FULFILLING THE CUSTOMER PROMISE

Strategy in 2024/25

Manufacturing Sector

- Launched a can portfolio for the core CSD range.
- Introduced a range of fruit flavoured CSDs in can range.
- Launched **10** new products in Confectionery category which included the 'Ape Rasa' range which featured bold and unique Sri Lankan flavours.
- Ongoing emphasis on new product development and quality enhancements.
- Strengthened the distribution network to enhanced the island availability of our product range.

Supermarkets Sector

- Maintained focus on enhancing affordability of our product range through numerous initiatives.
- Expanded the private label product range.
- Launched a new specialty doughnut range across 40 outlets.
- Leveraged technology to customise the product range at each outlet based on consumer spending patterns.
- Utilised centralised warehousing to facilitate product availability.

Resources allocated

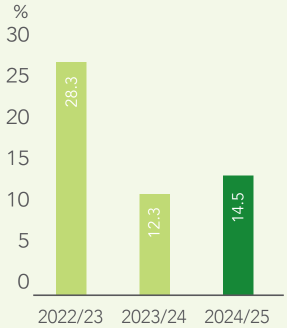
	(Rs. Mn)
Investment in R&D	100
Investments in staff training	139

Capitals impacted

Stakeholders impacted

Key performance indicators

Increasing customer footfall Supermarket



21
New products (Manufacturing)

51
New own label product lines (Supermarkets)


Innovation and quality improvement


Ensuring freshness on every shelf

WAY FORWARD

Manufacturing

- Ongoing emphasis on evolving the product portfolio in line with consumer preferences.
- Sustain focus on enabling customer reach.
- Expand our distributor network.
- Digitalisation and advanced data anayltics.
- Capacity enhancements in Manufacturing Sector.
- Expand the product range into adjacent categories.

Supermarkets

- Strategic emphasis on enhancing the affordability of our product range.
- Expand the private label product line and the prepared food offering.
- Align our product range with consumer preferences.
- Leverage centralised distribution to enhance product availability.

DELIVERING ON STRATEGY

EMPOWERED TEAM

Strategy in 2024/25

Manufacturing Sector

- Implemented focused leadership development programmes to develop internal talent.
- Leveraged 'Sales Connect', an HR-driven engagement mechanism, to enhance engagement with sales teams and support their development.
- Focused on enhancing employee wellbeing.
- Maintained focus on nurturing a diverse and inclusive team.
- Assessed the accessibility of a factory and office to initiate the inclusion of persons with disabilities.

Supermarkets Sector

- Decentralisation of HR operations to strengthen outlet related Human capital management.
- Succession planning with emphasis on developing internal talent.
- Ongoing emphasis on documenting the Sector's tacit knowledge through the Knowledge Hub initiative.
- Leveraged digitalisation to automate routine processes and enhance accuracy and efficiency.

Resources allocated

	(Rs. Mn)
Payments to employees	12,209
Investment in training & development	139
Investment in employee well-being	287

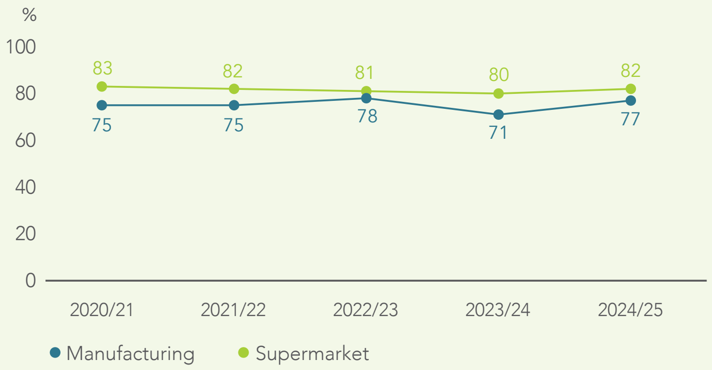
Capitals impacted

Stakeholders impacted


Sales team training session

Key performance indicators

Employee Satisfaction Rate



Training & development

225,928
Training hours

26
Average training hours per employee

Diversity, equity & inclusion

44%
Female representation

WAY FORWARD

Manufacturing

- Align the Group's competencies with the success drivers of the John Keells Group.
- Review talent pools to enhance our employee value proposition.
- Ongoing emphasis on fostering growth and career progression.
- Digitalisation to automate routing HR processes, drive efficiency and enhance the quality and accessibility of workforce date.

Supermarkets

- Complete the de-centralisation of HR operations.
- Sustain focus on succession planning and provide opportunities for career progression.
- Advance on the Knowledge Hub initiative.
- Leverage digitalisation to enhance efficiency.

MANAGING THE VALUE CHAIN

Strategy in 2024/25

Manufacturing Sector

- Deepened relationships with channel partners through Project Greenroads and exclusive contracts.
- Leveraged digital platforms and data analytics to enhance engagement with channel partners.
- Emphasis on developing the local supplier base.
- Supported the cold chain of retailers through freezer deployment.
- Capacity building of farmer communities.
- Supported distributors through cost reimbursements and financial assistance.

Supermarkets Sector

- Adopted a volume focused sourcing strategy to improve price competitiveness of fresh produce.
- Enhanced demand forecasting, providing suppliers with more accurate order quantities and delivery timelines.
- Expanded the private label supplier base and supported their development through engagement and supplier audits.
- Completed the onboarding of suppliers to the Keells Advance Network Exchange (KANE) platform enhancing engagement and collaboration.
- Supported capacity building of farmers through the Keells Govi Diri programme.

Resources allocated

	(Rs. Mn)
Payments to suppliers	153,753
Investments in supply development	5.4

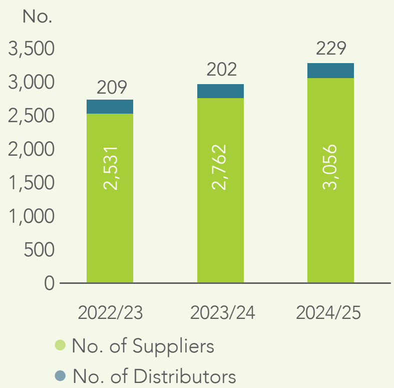
Capitals impacted

Stakeholders impacted


Keells Govi Diri Programme

Key performance indicators

No. of Suppliers/Distributors



Channel partners

87%
Distributor retention

10
Collection centres

>100,000
Manufacturing Sector Retail outlets

2,993
No. of Coolers and Freezers added

Suppliers

Rs. 148 Bn
Local procurement

114
Supplier audits

148
Training programmes

Rs. 5.4 Mn
Supplier development

WAY FORWARD

Manufacturing

- Maintain mutually beneficial partnerships with channel partners and suppliers.
- Leverage digital platforms and data analytics to enhance value creation for value chain partners.
- Ongoing emphasis on expanding the local supplier base and supporting their development.
- Support distributors through cost reimbursements, financial assistance, and access to advanced data-driven insights.

Supermarkets

- Maintain collaborative partnerships with suppliers.
- Support capacity building and climate resilience of farmers.
- Leverage digitalisation to enhance value creation for suppliers.
- Leverage centralised distribution to streamline logistics.

DELIVERING ON STRATEGY

RESPONSIBLE AND SUSTAINABLE ORGANISATION

Strategy in 2024/25

Manufacturing Sector

- Obtained ISO 50001:2018 Energy Management Systems certification.
- Focused on strengthening energy resilience by maintaining reliance on renewable energy and investing in energy efficient machinery.
- 100 plastic collection bins were added in 2024/25 to support recycling and reduce plastic waste.
- Expanded the Elephant House Gunadamin Plastic Recycling Initiative through the establishment of 5 new Material Recovery Facilities (MRF) including 4 women led Material Recovery Facilities supporting female empowerment.
- Numerous island-wide cleanup events were organised, engaging youth and local communities to raise awareness on preventing plastic pollution. These included beach cleanups and plastic collection efforts at Sri Pada.

Supermarkets Sector

- Maintained focus on renewable energy generation.
- Ongoing emphasis on reducing food waste along the value chain.
- Ongoing focus on reducing single-use polythene and plastic consumption within our operations and promoting reuse among our customers.
- Impactful community engagement programmes which included supporting the nutritional need of pre-school children and youth skill building.

Resources allocated

	(Rs. Mn)
Investment in environmental initiatives	224
Investment in CSR initiatives.	46

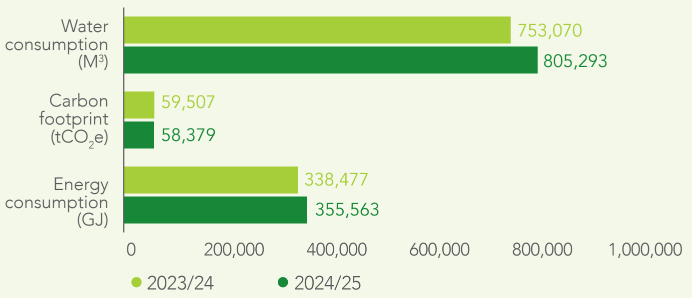
Capitals impacted

Stakeholders impacted


Gunadamin - Plastic Recycling Initiative

Key performance indicators

Environmental Impact



Suppliers

17%
Of electricity needs generated through renewable energy

28%
Collected and recycled PET bottles as a percentage of sales

35%
Reduction in single use polythene within our operations

>9,240
CSR beneficiaries

WAY FORWARD

Manufacturing

- Ongoing emphasis on strengthening energy resilience through reliance on renewable energy and enhancing the energy efficiency of operations.
- Maintain focus plastic recycling through the Elephant House Gunadamin Plastic Recycling Initiative.
- Impactful community engagement.
- Strengthen our focus on DE & I to increase female participation in the workforce.
- Eliminate single-use plastic consumptions.

Supermarkets

- Maintain focus on renewable energy generation and enhance energy efficiency.
- Ongoing emphasis on reducing food waste and polythene and plastic consumption along the value chain.
- Impactful CSR initiatives.

OPERATING ENVIRONMENT

The economic landscape in Sri Lanka strengthened considerably in 2024, supported by political stability under the new Government and broad-based recovery across most sectors. The uncertainties surrounding the nation's international debt restructuring eased following its successful completion in December 2024. This led to an upgrade of the country's sovereign rating, facilitating the normalisation of relations with creditors. Political stability and continued commitment to the IMF's External Fund Facility further supported economic recovery and stability. Building on this strong recovery, the country aims to leverage the stability achieved in 2024 to drive sustainable growth and resilience with an emphasis on innovation, productivity enhancement, and a strong commitment to structural reforms.

A SNAPSHOT OF SRI LANKA'S ECONOMIC RECOVERY

REAL GDP GROWTH
2024 : +5.0%
2023 : 2.3%

INFLATION (CCPI)
March 2025 : -2.6%
March 2024: 0.9%

CURRENCY APPRECIATION
31st March 2025: Rs. 295.91/US Dollar
31st March 2024: Rs. 305.67/US Dollar

DECLINING INTEREST RATES
March 2025: AWPR of 8.39%
March 2024: AWPR of 11.11%

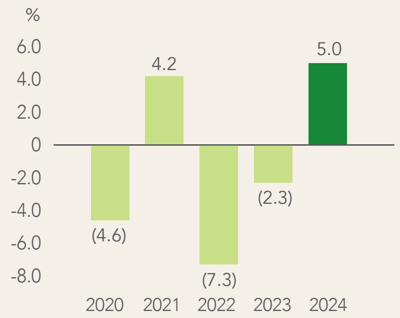
GROSS OFFICIAL RESERVES
31st March 2025: US$ 6.5 bn
31st March 2024: US$ 5.0 bn

TOURISM SECTOR RECOVERY ARRIVALS
2024: 2.05 Mn tourist arrivals
2023: 1.49 Mn tourist arrivals

EARNINGS
2024: US$ 3.2 Bn
2023: US$ 2.1 Bn

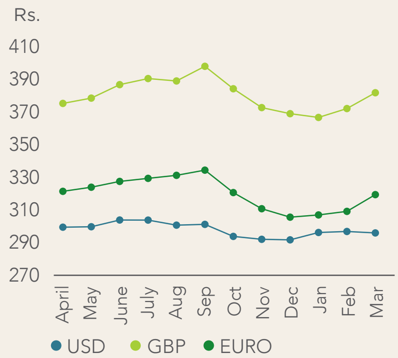
DECLINE IN ELECTRICITY TARIFFS (MANUFACTURING SECTOR)
Jan 2025: 36% reduction
July 2024: 30% reduction

Real GDP growth



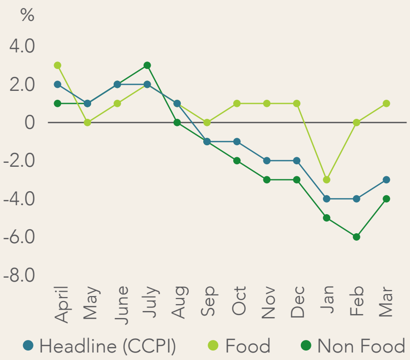
Source: Central Bank of Sri Lanka

Exchange Rate



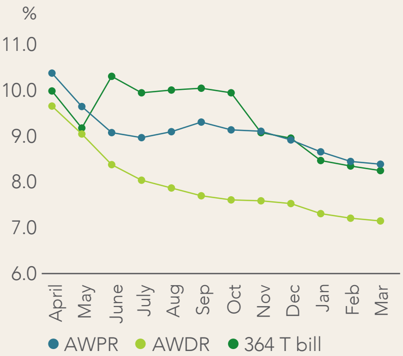
Source: Central Bank of Sri Lanka

Inflation



Source: Central Bank of Sri Lanka

Interest Rates



Source: Central Bank of Sri Lanka

Implications on CCS

- Improving consumer sentiment.
- Increased stability in supply chains.
- Increased stability within distribution channels.
- Declining cost of borrowing.
- Gradual decline in electricity costs and other input costs.

Our strategic response

- Expanded our product portfolios in line with consumer needs.
- Strategic brand activations to enhance brand visibility and drive growth.
- Strengthened engagement with channel partners to enhance product accessibility for consumers.
- Ongoing efforts to enhance affordability.
- Launched new products to increase margins.
- Capacity enhancements to support volume growth.

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OPERATING ENVIRONMENT

GOVERNMENT POLICY

Government policies introduced in 2024/25 that impacted our operations include,

- An increase in excise duty on carbonated beverages by 6%.
- The Food (Labelling and Advertising) Regulations 2022 which relates to general labelling of food products and advertising, included new regulations pertaining to infant formula and promotion of food directly/indirectly to children under 12 years of age. This impacted the advertising and marketing campaigns of the Group.
- Imposition of controlled prices on essential goods.
- Removal of VAT exemption from fresh milk.
- Full implementation and enforcement of the Personal Data Protection Act No. 9 of 2022.
- Electricity tariffs were revised downwards across key sectors under the Government's cost-reflective pricing mechanism. Tariffs for the Manufacturing Sector declined by approximately 18% in March 2024, 30% in July 2024, and 36% in January 2025. Meanwhile, the Supermarket Sector experienced reductions of around 20% in March 2024, 13.6% in July 2024, and 11% in January 2025.

Implications on CCS

- Increased costs to align with new product labelling requirements.
- Increased material costs due to removal of VAT exemption from fresh milk.

Our strategic response

- Ongoing focus on increasing the share of the high margin product range in the Supermarket Sector.
- Aligned promotions and advertising with regulatory requirements.
- Integrated the requirements of the Personal Data Protection Act No. 9 of 2022 into our operations.

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DIGITAL TRANSFORMATION

Rapid advancements in digitalisation, data analytics and generative AI continue to transform businesses, presenting new opportunities for efficiency and agility through automation and data driven insights.

Implications on CCS

- Opportunities to
  - » Increase efficiency, productivity and accuracy through automation.
  - » Streamline logistics and strengthen collaboration across the value chain by leveraging digital supply chain tools and fostering cross-functional partnerships.
  - » Gain deeper insights into evolving consumer preferences and behaviours through advanced data analytics, market research, and social listening.
  - » Enhance consumer engagement, particularly with Generation Z, by utilizing targeted digital campaigns.
- Rising cybersecurity risks, customer data privacy concerns and the adverse outcomes of AI.

Our strategic response

- Strategically deployed digital platforms across the value chain to enhance information flows and support data driven decision making.
- Utilised advanced data analytics to gain deeper insights into consumer behaviour.
- Ongoing investments in digitalisation to enhance efficiency, productivity and engagement with suppliers and channel partners.
- Leveraged digital marketing tools and social media platforms to foster consumer engagement.
- Ongoing investments to preserve data security and safeguard customer privacy, ensuring compliance with all legal requirements, JKH Group guidelines and industry best practice.

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EVOLVING CONSUMER PREFERENCES AND TASTES

Economic recovery and stability have led to a gradual increase in consumer spending and a progressive return to pre-crisis preferences. Consumers are increasingly open to novel and innovative products while the shift to healthier alternatives and sustainable packaging options persists. Demographic dynamics have also influenced engagement preferences, with younger consumers showing a stronger preference for digital interaction.

Implications on CCS

- Strategic importance of evolving our value propositions in line with changing consumer preferences.
- Requirement to develop sugar-free products to meet consumer demand.
- Intensifying pressure to adopt more sustainable packaging solutions.
- Growing demand for single-serve and out-of-home ice creams.
- Increasing demand for convenience products that match consumer lifestyles.

Our strategic response

- Leveraged data analytics to monitor trends in consumer preferences and behaviour.
- Ongoing efforts to evolve our product portfolio in Manufacturing and align and extend the product range in Supermarkets to maintain relevance.
- Launched the can beverage portfolio as a more convenient and sustainable alternative.
- An omni-channel approach to reach customers where they are at via our online channels such as our website, PickMe and Uber.

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ENVIRONMENTAL RISKS AND CLIMATE CHANGE

Vagaries in weather patterns and the rising frequency and intensity of adverse weather events continue to pose challenges to business operations and supply chains. Environmental risks continue to rank among the top 5 risks facing the world in the short and long term (The World Economic Forum's Global Risk Report, 2025) with key long-term risks identified including extreme weather events, biodiversity loss and ecosystem collapse, critical changes to Earth systems and natural resource shortages.

Implications on CCS

Reliance on agricultural inputs exposes the Group to environmental and climate related risks. These include,

Physical risks of climate change	Transient risks of climate change
• Adverse weather events and its implications on supply chains, demand dynamics and volatility in input costs. • Implications of water stress on the Manufacturing Sector.	• More stringent environmental regulations. • Growing consumer focus on sustainable and transparent business practices.

Climate related opportunities
• Strengthen energy resilience by increasing reliance on renewable energy sources. • Investments in more energy efficient technology. • Sustainable water management.

Our strategic response

- Ongoing efforts to monitor and minimise our environmental impacts.
- Strengthened energy resilience by increasing renewable energy reliance and investing in more energy efficient machinery in Manufacturing.
- Introduced electric vehicle charging points at specific Supermarket outlets to promote sustainable transport options.
- Ongoing focus on minimising the consumption of single-use polythene and plastic within our operations while expanding recycling efforts through the Elephant House Gunadamin Plastic Recycling Initiative.
- Capacity building of suppliers and farmers to enhance climate resilience.

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EMBEDDING SUSTAINABILITY

Recognising that long term growth and value creation is closely linked to environmental stewardship and social responsibility, we have adopted a purpose-driven approach to strategy and value creation. This approach has enabled us to promote responsible practices across our value chain, enhance stakeholder trust and build a resilient, future focused business. A summary of key initiatives in 2024/25 are discussed below.

SUSTAINABILITY CONTEXT

- Sustainable resource utilisation
- Implications of climate change
- Increasing stringency in environmental regulations

GOVERNANCE

Transparency and accountability

We are committed to upholding the highest standards of transparency and accountability in our disclosure practices. JKH Group was ranked first for four consecutive years in the Transparency in Corporate Reporting Assessment (TRAC) conducted by Transparency International Sri Lanka (TISL), achieving a 100% score for disclosure transparency.

Regulatory compliance

We adhered to all relevant laws and regulations and no incidents of non-compliance were recorded during the year under review.

Sound business ethics

We are committed to ethical and responsible business conduct and no business ethics violations were recorded during the year under review.

ENVIRONMENT

Climate Action

We actively pursue initiatives that improve energy performance and reduce our carbon footprint including,

- Maintained reliance on renewable energy generation.
- Replaced a chilling plant at the Ranala factory with a more energy efficient plant.
- Obtained ISO 50001:2018 Energy Management accreditation for the Ranala factory.
- Ongoing efforts to optimise energy consumption across our operations.
- Installed solar panels at Supermarket outlets.
- Ongoing emphasis on reducing the consumption of single use plastic within our operations.

Reduce waste and promote circularity

Ongoing efforts to promote circularity included,

- Established 5 new Material Recovery Facilities enhancing the capacity for recycling plastic.
- Ongoing efforts to minimise plastic and single-use polythene within our operations.
- Donated unsold fresh produce and prepared food to charities and those in need.

17%
Renewable energy reliance (Electricity)

0.980 GJ/1,000Ltrs
Energy intensity (Manufacturing)

0.131 GJ/Sqft
Energy intensity (Supermarkets)

0.148 tCO_2e/1,000Ltrs
Emission intensity (Manufacturing)

22.38 tCO_2e/Sqft
Emission intensity (Supermarkets)

763 MT (+5%)
Plastic recycled

35%
Single-use polythene consumption within our operations

28%
PET bottles recycled as a % of PET sales

192,921 Kg
per month supplied fruits and vegetables to beneficiaries

Growing stakeholder pressure to implement sustainable practices

Environmental implications of single-use polythene and plastic

Focus on gender equality

Increasingly health-conscious consumers

SOCIAL

Empowering women in our communities

- Established 4 women-led Material Recovery Facilities (MRF) under the Elephant House Gunadamin Plastic Recycling Initiative.
- The 'Dinannee' programme in Confectionery category to promote female entrepreneurship.

Number of women empowered: **Over 250**

Supported the nutritional needs of pre-school children

Number of students supported: **1,839**

Number of meals provided: **211,452**

Responding to consumer health preferences

- Launched a vegan product range under Confectionery.
- 'Feelgood' wellness range under Confectionery offers low calorie and no-added sugar ice creams.
- 99% of the CSD range is amber or green rated for sugar content.
- Responsible product labelling and marketing.

Promoting a diverse and inclusive work environment

- A policy framework that promotes an equitable and female friendly work environment.
- Operated 3 female empowered supermarkets.
- Assessed a factory and office for accessibility to support the employment of persons with disabilities.

Female representation in the workforce: **44%**

Female employees returning to work after maternity leave : **84%**

Female employee retained after one year of taking maternity leave: **77%**

Redistribution of unsold fresh produce and prepared food

Number of beneficiaries: **Over 3,000**

Youth capacity building

- Numerous initiatives that supported higher education, vocational training and English language training of youth.

Number of youths benefited form the english language programme: **252**

Fostering local job creation

- Ongoing efforts to develop local suppliers and expand local procurement in Manufacturing.
- Supported the growth of the distributor and retailer network in Manufacturing.
- Supported the development of private label manufacturers in Supermarkets.
- Promoted sustainable supply chain practices through supplier audits and the Keells Govi Diri programme.

Payments to suppliers: **Rs. 154 Bn**

Local procurement: **97%**

Suppliers / farmers supported: **15,884**

Freezers and Coolers deployed to the market: **2,993**

DELIVERING ON STRATEGY THROUGH OUR BUSINESS LINES

MANUFACTURING

Operating context

Recovery in key macro-economic conditions	Improving consumer sentiment	Changes in government policy	Rapid advancements in digital technology	Climate change implications

Strategic priorities and progress made in 2024/25

Sustainable growth

- Introduced a can beverage range and expanded production volumes through acquisition of the PET bottling and can manufacturing facility at Ittapana.
- Strategic market activations to strengthen brand visibility and drive growth.
- Launched 'Vibe' – the canned Beverage tailored for younger consumers – and 'Ape Rasa' in Confectionery, a range of ice creams featuring bold, uniquely Sri Lankan flavours.
- Strengthened relationships with channel partners to ensure product availability and reach.

Fulfilling the customer promise

- Launched a can portfolio for the core CSD range.
- Launched 21 new products which included a new fruit flavoured CSD range in Beverages and a range of ice creams in Confectionery that celebrated Sri Lankan flavours.
- Ongoing focus on new product development and enhancing the quality of the product range.
- Strategic emphasis on facilitating reach and product availability.

Empowered team

- Developed internal talent through focused leadership programmes.
- Enhanced engagement with sales teams through "Sales Connect" which is a mechanism for HR to directly connect with sales team.
- Outbound Trainings (OBT) focused on enhancing the capabilities of the sales staff.
- Conducted Sales Master Class for company sales representatives, the 'Art of Strategy' training, the Sales Force Effectiveness program and the LEAP leadership development initiative during the year.
- Strategic emphasis on occupational health and safety and enhancing employee wellbeing.
- Ongoing efforts to foster a gender-balanced and inclusive work environment.
- Initiated a programme to assess accessibility of production locations and office premises to support the inclusion of persons with disabilities in the workforce.

Managing the value chain

- Value creation for channel partners through Project Greenroads and exclusive agreements.
- Supported the cold chain of Manufacturing Sector retailers through the deployment of freezers.
- Ongoing focus on expanding local procurement.
- Maintained strategic emphasis on developing the local supplier base.
- Deepened collaborations with the local farmer community.

Sustainable & responsible organisation

- Obtained ISO 50001:2018 Energy Management Systems accreditation for the manufacturing facility at Ranala.
- Maintained focus on renewable energy generation and enhancing the energy efficiency of operations through investments in more energy efficient machinery.
- Ongoing efforts to expand the Elephant House Gunadamin Plastic Recycling Initiative through the establishment of 5 new material recovery facilities with a focus on empowering women.
- Sustainable sourcing practices.
- Impactful CSR initiatives in the areas of our businesses.

Digitalisation as a strategy enabler

The strategic deployment of digital platforms, artificial intelligence (AI) and data analytics drives performance across all five strategic pillars, serving as a key enabler in achieving our strategic objectives. Digitalisation enables the seamless flow of information across the value chain, streamlining logistics, driving operational efficiency, strengthening engagement with channel partners and unlocking new avenues for consumer engagement. It remains central to advancing strategic initiatives that help sustain and strengthen our market position.

Outlook

As consumer sentiment continues to improve on the backdrop of more favourable macro-economic conditions, we will focus on strategic interventions that drive growth. We will continue to expand our product portfolio through new offerings, innovative flavour infusions, and packaging formats that align with consumer preferences with particular emphasis on the rising demand for out-of-home consumption and convenient single-serve ice creams. Digitalisation will remain a key strategic enabler, driving operational excellence across the value chain. We will also actively engage in enhancing the sustainability of our operations through responsible social and environmental practices, ensuring long-term value creation.

VALUE CREATED IN 2024/25

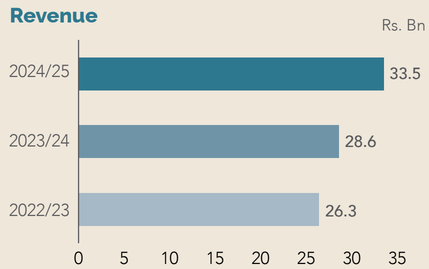
Financial Capital

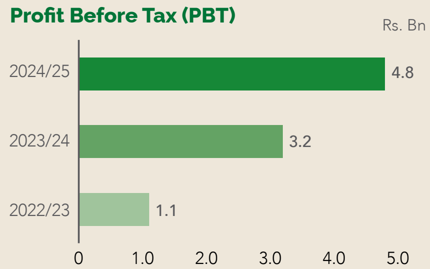
REVENUE

Rs. 33.5 Bn (17%)

PROFIT BEFORE TAX (PBT)

Rs. 4.8 Bn (48%)





Human Capital

Rs. 4,641 Mn
Payments to employees

80%
Employee retention rate

77%
Employee satisfaction rate

Manufactured Capital

Rs. 2.0 Bn
Capital investment

4
No. of production locations

Intellectual Capital

Market share

Confectionery Beverages

New products

21

Social and Relationship Capital

50
Distributors added

2,993
Freezers and coolers deployed to the market

118
Suppliers added

Rs. 25.6 Bn
Payments to suppliers

Rs. 21.1 Bn
Local procurement

>3,940
No. of CSR beneficiaries

Natural Capital

Energy intensity	0.980 GJ/1,000 Ltrs
Renewable energy reliance (Electricity)	4%
Carbon footprint	17,237 tCO_2e
Plastic recycled as a percentage of PET bottles sold	28%

Contribution to the Group	
Revenue	21%
Operating profit	44%
Profit after tax	57%
Total assets	39%
Total liabilities	24%

OUR VALUE CHAIN

Supplier > Raw Material > Factory **Manufacturing** > Distribution > Retailers > Consumer

DELIVERING ON STRATEGY THROUGH OUR BUSINESS LINES

SUPERMARKETS

Operating Context

Recovery in key macro-economic indicators	Improving consumer sentiment	Changes in government policy	Digital transformation	Climate change implications

Strategic priorities and progress made in 2024/25

Sustainable growth

- Expanded our omni-channel presence by opening 6 new outlets, upgrading 3 existing outlets to Extended Format stores, launching bakery and prepared foods on Uber Eats and expanding the number of outlets available on PickMe Food to over 70.
- Leveraged centralised distribution to enhance product availability, improve fill rates and reduce stock outages.
- Strategic emphasis on expanding the high margin product range to offset implications of controlled pricing for essential goods.
- Ongoing focus on expanding the private label product range and prepared food offering at stores.
- Commenced the supply of fresh produce to commercial clients.
- Expanded 'Keells Insights', a data service initiative which provides consumer insights to FMCG businesses.

Fulfilling the customer promise

- Ongoing emphasis on enhancing affordability through numerous initiatives including direct imports, expanding the private label product range and implementing a volume focused sourcing strategy for fresh produce.
- Utilised data analytics to customise the product offering at each outlet in line with consumer preferences.
- Leveraged centralised distribution to ensure availability of key product ranges.
- Launched a new, competitively priced, specialty doughnut counter across 40 outlets, increasing the offering to 8 varieties.
- Installed 10 electric vehicle chargers at key outlets, enhancing customer convenience while promoting more sustainable transport.

Empowered team

- Decentralised the Sector's HR operations to enhance Human Capital management.
- Succession planning to develop internal talent for leadership roles.
- Leveraged digitalisation to automate routine processes and enhance Human Capital management.
- Ongoing emphasis on developing the Knowledge Hub, an initiative to document organisational tacit knowledge to foster a culture of continuous learning, multi-skilling and upskilling.
- Introduced a new benefit scheme linked to outlet performance.

Managing the value chain

- Leveraged data analytics to enhance demand planning and provide suppliers with greater visibility regarding order quantities and delivery timelines.
- Implemented a volume-based sourcing strategy for fresh produce to enhance affordability.
- Capacity building of the farmer community through the Keells Govi Diri programme.
- Expanded the private label supplier base and supported their development.

Sustainable & responsible organisation

- Ongoing emphasis on building energy resilience through renewable energy generation.
- Sustained focus on minimising the consumption of plastic and single use polythene while actively promoting similar practices among our customers.
- Ongoing focus on minimising food waste within our operations and across our supply chain.
- Sustainable sourcing practices.
- Impactful CSR initiatives.

Digitalisation as a strategy enabler

Digitalisation serves as a catalyst for performance across all strategic pillars, enabling the delivery of our strategic goals. Digital platforms, artificial intelligence (AI) and advanced data analytics are integrated across all aspects of our operations, enabling strategic alignment with evolving consumer preferences, streamlining logistics and driving operational efficiency. Deep market insights derived through advanced analytics enable data-driven decision making, strengthening the Sector's competitive edge.

Outlook

We will continue to utilise advanced data analytics and actively optimise supply chains to capitalise on opportunities that arise as consumer spending patterns gradually return to previous norms. We will continue to evolve our product offering to serve all income segments through strategic interventions that ensure affordability and value. Our strategic focus will remain on expanding both our prepared food offering and private label range to fulfil changing consumer lifestyles and preferences. We will also strengthen our market reach through an omni channel approach leveraging both physical and digital touchpoints to enhance accessibility and convenience. Concurrently, we remain committed to enhancing the sustainability of our operations through responsible social and environmental practices.

VALUE CREATED IN 2024/25

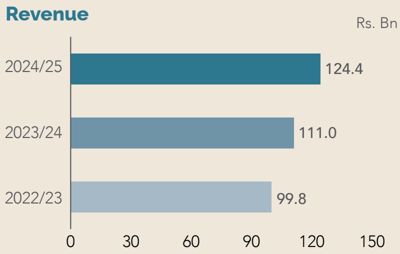
Financial Capital

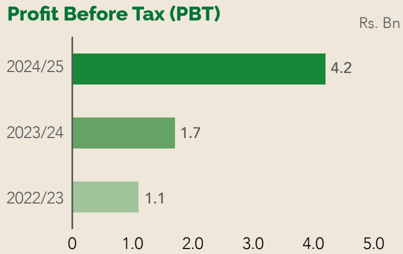
REVENUE

Rs. 124.4 Bn (12%)

PROFIT BEFORE TAX (PBT)

Rs. 4.2 Bn (150%)





Human Capital

Rs. 7,568 Mn
Payments to employees

584
Number of Employees Promoted

82%
Employee satisfaction rate

Manufactured Capital

Rs. 3.2 Bn
Capital investment

6
new outlets

3
new extended format stores

Intellectual Capital

Brand
Most loved supermarket brand in Sri Lanka in 2024 (LMD 2024)

Nexus loyalty programme
> 2.6 Million
memberships

Social and Relationship Capital

14.5%
Increase in customer footfall

51
New private label product lines

176
Suppliers added

Rs.128 Bn
Payments to suppliers

No. 2,126
Farmers supported through the Keells Govi Diri programme

>5,300
CSR beneficiaries

Natural Capital

Energy intensity	0.131 GJ/Sqft
Renewable energy reliance (Electricity)	21%
Carbon footprint	41,142 tCO_2e

Contribution to the Group	
Revenue	79%
Operating profit	56%
Profit after tax	43%
Total assets	61%
Total liabilities	76%

OUR VALUE CHAIN

Supplier > Sourcing of goods > Warehouse > Distribution > Supermarket Network > Consumer

Supermarket Sector

CAPITAL MANAGEMENT

FINANCIAL CAPITAL

Created value for providers of capital through agile strategic interventions that captured market opportunities.

- 13% in Consolidated Revenue
- 83% in Consolidated Profit Before Tax (PBT)
- 11% in Consolidated Assets

HUMAN CAPITAL

Fostered an inclusive and equitable culture that rewards achievement, nurtures growth and empowers employees to thrive.

8,526 TEAM CCS

EMPLOYEES	EMPLOYEES
No. **1,122** [Manufacturing Sector]	No. **7,404** [Supermarket Sector]

MANUFACTURED CAPITAL

Continued to invest in expanding our supermarket footprint, increasing manufacturing capacities, driving operational excellence while leveraging technology across the value chain to create value for stakeholders.

- **Rs. 30.0 Bn** Property, plant and equipment
- **Rs. 4.6 Bn** Intangible assets
- **Rs. 5.2 Bn** Capital expenditure

SOCIAL AND RELATIONSHIP CAPITAL

Enhanced and evolved our value propositions to strengthen relationships while fostering community development.

- Suppliers
- Channel Partners
- Community
- Farmers
- Customers

INTELLECTUAL CAPITAL

21
New products launched (Manufacturing Sector)

3rd most loved product brand in Sri Lanka (LMD 2024)

Most loved supermarket brand in Sri Lanka (LMD 2024)

The Beverage Brand of the year (SLIM 2025)

NATURAL CAPITAL

We continued to enhance the sustainability of our operations by actively minimising our impacts and promoting a circular economy.

- Enhancing energy intensity
- Reducing our carbon footprint
- Optimising water usage
- Minimising plastic use and promoting recycling.

FINANCIAL CAPITAL

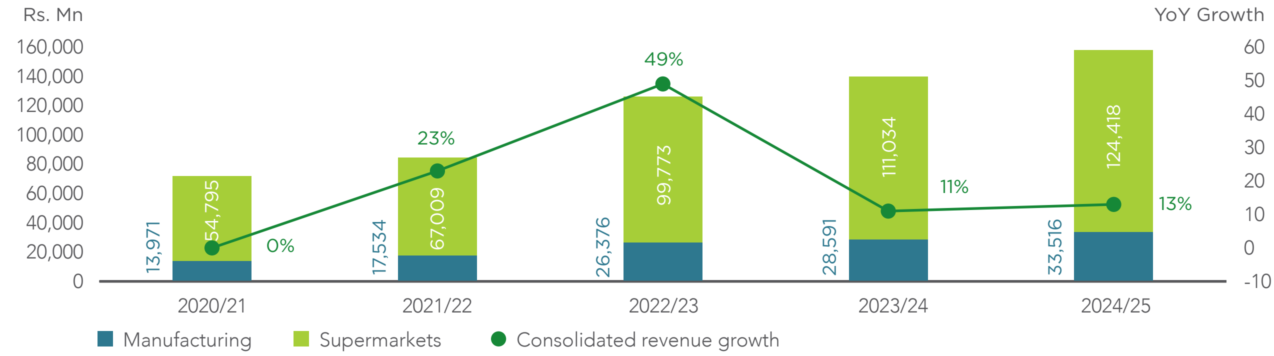
AS MACRO ECONOMIC CONDITIONS STABILISED, WE TRANSITIONED FROM RESILIENCE TO GROWTH, GUIDED BY A LONG-TERM VISION AND A FOCUS ON SUSTAINABLE VALUE CREATION FOR THE SHAREHOLDERS.

FINANCIAL CAPITAL

REVENUE

Consolidated revenue increased by 13% to Rs. 157.93 billion, underpinned by strong performance in both the Manufacturing and Supermarket Sectors as consumer sentiment gradually recovered amidst improving macro-economic conditions. Manufacturing Sector revenue expanded by 17% to Rs. 33.52 billion, driven by volume expansions of 10% and 22% respectively in the Beverage and Confectionery categories reflecting strategic efforts to increase penetration under more favourable demand conditions. Meanwhile, Supermarket Sector topline broadened by 12% to Rs. 124.42 billion supported by outlet expansion and increased footfall as the Sector continued to enhance its in-store customer experience through relevant and value for money propositions. The Supermarket Sector's contribution to consolidated revenue remained relatively stable at ~ 79%.

Revenue Trends



GROSS PROFIT

The Group's consolidated gross profit increased by 30% to Rs. 22.74 billion, driven by improved sales performance in both the Manufacturing and Supermarket Sectors. This growth was further supported by declining raw material prices aided by the appreciation of the Rupee, cost management actions undertaken and savings from the downward revision of electricity tariffs. Consequently, the Group's gross profit margin improved to 14%, compared to 13% in the previous year. The Manufacturing Sector experienced a notable improvement with its gross profit margin increasing by 4 % to reach 38%. The Supermarket Sector also recorded an improvement, with its gross profit margin increasing to 8% from 7% in the previous year.

OPERATING PROFIT

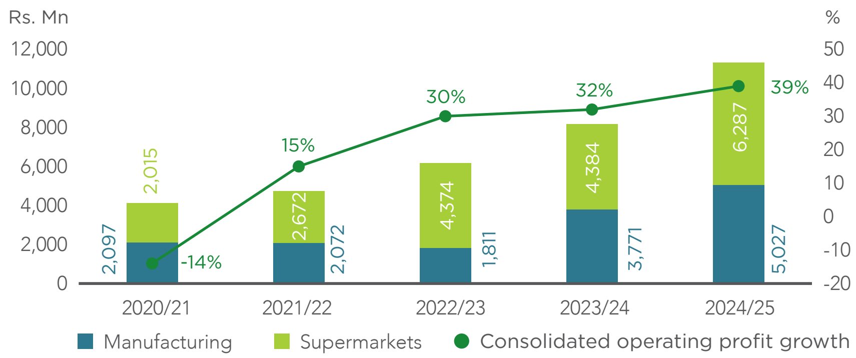
Consolidated operating profit expanded by 39% to Rs. 11.31 billion driven by strong performance across both Manufacturing and Supermarket Sectors. Manufacturing Sector operating profit expanded by 33% to Rs. 5.03 billion while the Supermarket Sector's operating profit rose by 43% to Rs. 6.29 billion. Moreover, the Group's operating profit margin improved to 7% during the year from 6% in the previous year underpinned by improved margins across both Sectors.

The Manufacturing Sector's operating profit margins improved to 15% from 13% the previous year supported by improved volume performance, reduction in input material cost due to depreciation in Rupee, cost management initiatives and electricity tariff reductions while the Supermarket Sector's operating profit margin expanded to 5% from 4% the previous year supported by increased footfall at stores and continued outlet expansion and the reduction in electricity expenses.

CCS Group's selling and distribution expenses increased by 26%, reaching Rs. 6.28 billion during the year. This increase was primarily driven by higher sales volumes, increased field staff-related costs, and strategic investments in advertising and promotional activities. Meanwhile, administrative expenses rose by 20% to Rs. 5.87 billion, mainly due to staff-related annual cost increments and increased IT spending, with a strong focus on enhancing system security. Other operating expenses saw a 10% increase, amounting to Rs. 2.69 billion, largely reflecting the impact of the Social Security Contribution Levy (SSCL), which scaled with revenue growth. The other income increased by 16% to Rs. 3.42 billion and primarily comprised of promotional income from the Supermarket Sector.

Net finance costs declined sharply by 28% to Rs. 2.34 billion, reflecting effective management of working capital and cash flows, as well as the benefit of lower interest rates. The Group strategically managed its external funding requirements through short-term borrowings, capitalizing on favourable interest rate conditions.

Operating Profit



PRE AND POST TAX PROFIT

Consolidated Profits Before Tax (PBT) surged 83% to Rs. 9.0 billion in 2024/25. Manufacturing and Supermarkets Sectors contributed 53% and 47% respectively to Group PBT. The income tax charge increased by 102% to Rs. 3.04 billion, primarily due to higher profitability and increase in withholding tax on dividend which is driven by higher dividend payout. Consequently, consolidated Profit After Tax (PAT) increased by a noteworthy 74% to Rs. 5.96 billion for the year. [2023/24: Rs. 3.43 billion].

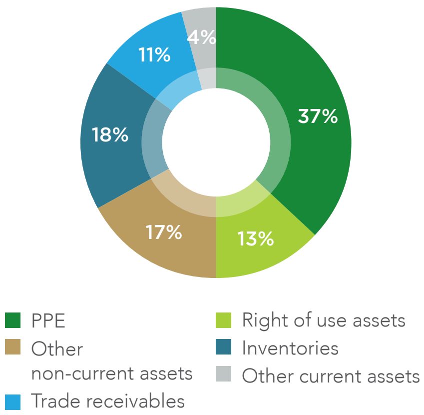
CASHFLOW

Net cash inflow from operating activities declined by 15% to Rs. 11.9 billion primarily driven by an increase in working capital investments to support business growth. Net cash outflow from investing activities amounted to Rs. 5.22 billion underpinned by investments in machinery in the Manufacturing Sector and outlet expansion in the Supermarket Sector. Net cash outflow from financing activities increased by 52% to Rs. 7.88 billion driven by higher dividend payments to equity holders and debt repayments. Resultantly the Group's cash and cash equivalents decreased by Rs. 1.21 billion during the year due to increased investment in working capital to support business growth.

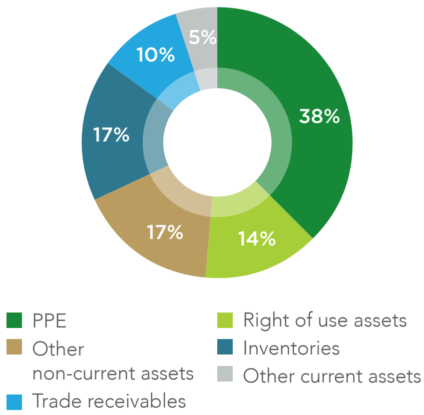
ASSET STRENGTH

Consolidated assets increased by 11% to Rs. 81.89 billion as at end-March 2025, reflecting capital expenditure and higher working capital investments to support business growth. Capital expenditure for the year 2024/25 amounted to Rs. 5.25 billion, primarily directed towards outlet expansion in the Supermarket Sector, and investments in machinery, freezers, and coolers within the Manufacturing Sector. The Group continued to strengthen its digital capabilities through investments of Rs. 0.8 billion in digital platforms and data analytics tailored to fulfil business needs. Meanwhile, working capital investments increased by 29% and 18% in trade receivables and inventory while trade payables increased by 20% to support growth across both Sectors. Overall, the Group's asset composition remained relatively unchanged with non-current assets accounting for 67% of total assets.

Asset composition - 2024/25



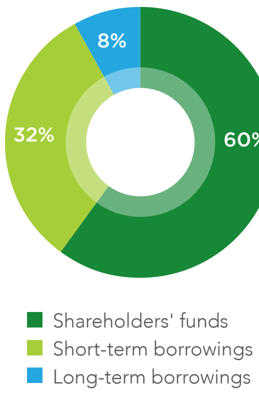
Asset composition - 2023/24



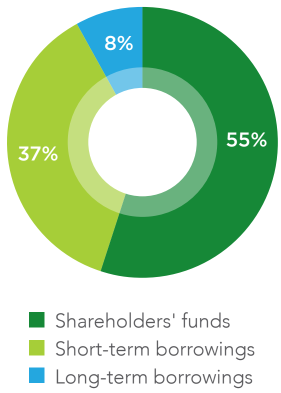
FUNDING PROFILE

The Group's funding position strengthened as at end-March 2025 with its debt-to-equity ratio improving to 67% from 82% as at end-March 2024. Shareholders' Funds expanded by 17% to Rs. 23.96 billion as at end-March 2025 supported by strong profit generation and retention by the Group. Total borrowings declined by 5% to Rs. 16.0 billion as at end-March 2025. Short-term borrowings were reduced by 6% to Rs. 12.85 billion while its long-term borrowings position remained relatively unchanged as at the same date. Notably, the Supermarket Sector represented 67% of the Group's total debt, mirroring its growth trajectory.

Funding composition 2024/25



Funding composition 2023/24



SHAREHOLDER RETURNS

Strong performance led to significant value creation for shareholders during the year. The Group's Earnings per Share rose by a healthy 74% to Rs. 6.27, while its return on equity strengthened to 26.72% from 17.23% the previous year. The Board declared the payment of a final dividend of Rs. 1.99 per share in addition to an interim dividend of Rs. 3.41 per share paid during the year. Consequently, the total dividend per share rose by 133% to Rs. 5.40 per share for the financial year 2024/25 compared with Rs. 2.32 per share in 2023/24. Total dividend payment will be at Rs. 5.1 billion with a payout ratio of 86%.

Value created for shareholders

	2024/25	2023/24	YoY % change
Earnings per share (Rs.)	6.27	3.61	74
Dividend per share (Rs.)	4.30	1.87	130
Net asset value per share (Rs.)	25.22	21.52	17
Return on equity (%)	26.72	17.23	9.5

MANUFACTURED CAPITAL

OUR MANUFACTURED CAPITAL IS KEY TO DRIVING VALUE ACROSS OUR OPERATIONS. IT ENABLES EFFICIENT AND UNINTERRUPTED PRODUCTION OF A WIDE RANGE OF HIGH-QUALITY BEVERAGE AND CONFECTIONERY PRODUCTS IN MANUFACTURING, WHILE FACILITATING ISLAND-WIDE REACH AND AN ENHANCED RETAIL EXPERIENCE IN SUPERMARKETS.

Ice Cream Manufacturing plant - Seethawaka

OUR MANUFACTURED CAPITAL

MANUFACTURING

- 4 Manufacturing plants at Ranala, Kotagala, Seethawaka and Ittapana which manufacture a range of Beverage and Confectionery products.

SUPERMARKETS

- A retail footprint of 138 stores.
- 11 Extended Format stores.
- State-of-the-art distribution centre.

How we created value in 2024/25

- The newly acquired canning plant completed its first year of operations enabling the launch of a can product portfolio comprising the core CSD range and a new, fruit-flavoured CSD range.
- Ongoing investments to drive operational excellence and enhance energy efficiency.
- Expanded our customer reach in the Supermarket Sector through the addition of 6 new stores.
- Enhanced the customer retail experience by upgrading 3 existing stores to extended format stores.

Our plans for value creation in 2025/26

- Leverage technology to enhance value creation.
- Ongoing expansion of the Supermarket Sector's geographic reach.
- Capacity expansion at Manufacturing locations to support growth.
- Drive operational excellence and enhance the sustainability of our operations.
- Expanding into adjacent categories.

Our contribution to the SDGs

Our property, plant and equipment amounted to Rs. 30 billion as at end-March 2025 and accounted for 37% of total assets. During the year under review, the Group invested Rs. 5.2 billion in enhancing its Manufactured Capital to support future value creation with both the Manufacturing and Supermarket Sectors investing similar amounts. Key investments made in both Sectors during the year under review included,

MANUFACTURING	SUPERMARKETS
Replacement of an existing chiller with a more energy efficient plant.	Addition of 6 new outlets.
Preliminary steps for deploying a new impulse line.	Upgraded 3 existing outlets to Extended Format stores.
Invested in Slave card upgrades for bottle filling and Ammonia chiller upgrades at CCS Ranala plant to boost efficiency and support sales growth.	Introduced hot kitchen facilities to 2 New outlets.

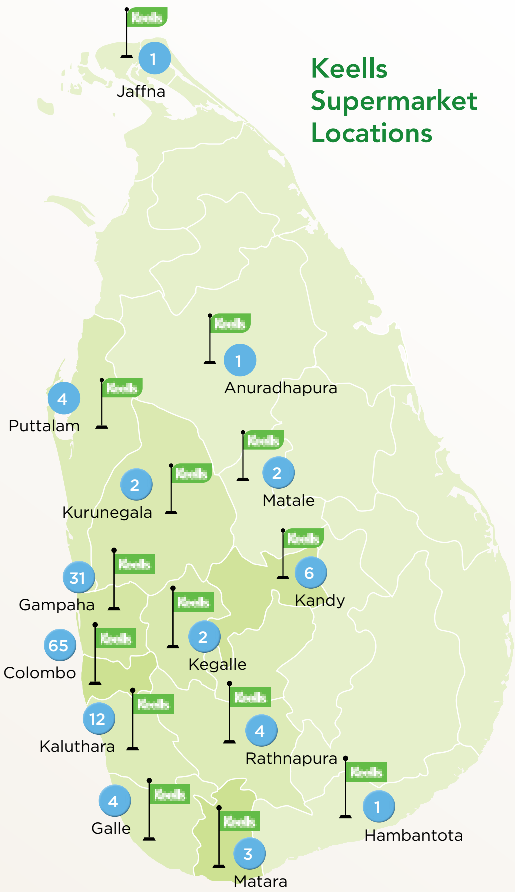
CANNING PLANT COMPLETED 1ST YEAR OF OPERATIONS

The PET bottling and can manufacturing plant acquired by the Manufacturing Sector in March 2024 completed its first year of operations during the year under review. This facility, located in Ittapana, has a production capacity to produce beverages for both the local and export markets. During the financial year 2024/25, approximately 60% of this capacity was utilized and supported the production and launch of canned versions of its core CSD range as well as the introduction of the Manufacturing Sector's latest brand 'Vibe', which featured a range of fruit-flavoured CSDs. During the year under review, SLAS and ISO 9001:2015 accreditations were obtained for the facility.

STRONG SUPERMARKET PRESENCE

To support customer reach and accessibility, the Supermarket Sector established 6 new outlets during the year under review. Accordingly, the Sector's geographic footprint reached 138 as at end-March 2025. Furthermore, 3 existing outlets were upgraded to Extended Format stores offering customers an elevated retail experience which incorporated best-in-class retail technology (including scan-and-go systems, and self-checkout counters), an extended product range, a selection of hot food and in-store dining facilities.

During the year under review, the Sector also installed 10 electric vehicle chargers at key Keells locations across the country, to enhance convenience to customers while promoting the adoption of electric vehicles as a more sustainable alternative to traditional fuel-powered vehicles.



6 New stores in 2024/25	**138** Supermarket network as at end-March 2025	**1,859,140 SQFT** Retail area as at end-March 2025

LOGISTICS AND WAREHOUSING

Centralised distribution continued to support the operations of the Supermarket Sector, streamlining inventory management and enabling product availability across its supermarket network. The 260,000 sqft distribution centre holds almost 90% of the Sector's inventory across dry, fresh and chilled categories (except the frozen range). During the year under review, the facility obtained ISO 9001:2015 Quality Management Systems and ISO 45001:2018 Occupational Health and Safety Systems certifications ensuring alignment of processes with internationally recognised best practice.

The Supermarket Sector was awarded the **National Award of Excellence for the Best Supply Chain Practicing Organisation of 2024 – Large Scale Service** category by the Institute of Supply and Materials Management in recognition of the state of the art processes, systems and infrastructure used in demand planning at the Distribution Centre.

Demand planning at the distribution centre was strengthened utilising data analytics during 2024/25. Fully-fledged digital models that can capture seasonal variations in consumer demand were implemented to enhance the accuracy of demand forecasts. While this has ensured product availability across our Supermarkets outlets, it has also provided suppliers with greater visibility into order quantities and delivery timelines, enabling them to align their production and delivery schedules.

An end-to-end assessment of the distribution process was also conducted and several initiatives were implemented to streamline processes to increase efficiency and productivity. These included the introduction of new technology at key points of the distribution process and optimising the product layout.

Enhancing occupational health and safety within the distribution centre operations was a key focus in 2024/25. Team members and external delivery personnel participated in numerous training programmes on health and safety related to distribution operations. The use of appropriate personal protective equipment within the distribution centre premises was also made mandatory with penalties imposed on those who did not adhere to safety guidelines.

Processes were also evaluated to identify opportunities to enhance sustainability while minimising consumption of plastic and single-use polythene, The distribution centre's environmentally friendly design aspects which include solar power generation, rainwater harvesting and responsible water disposal remained operational during the year under review.

DIGITAL TRANSFORMATION OF OUR VALUE CHAIN

Digitalisation is integral to CCS' operations, facilitating data driven decision making and transforming the Group's engagement with value chain partners. The Group's digital strategy focuses on the seamless integration of digital platforms and systems across every stage of the value chain, optimising the flow of information from consumers to suppliers, to enhance operational flexibility and agility. Deep market insights derived from advanced data analytics have enabled more informed decision making, driving growth and maintaining relevance in an ever-evolving business landscape. During the year under review, the Group invested Rs. 0.8 billion to upgrade and enhance its digital infrastructure. Key digital platforms implemented to support value chain activities and digitalisation initiatives implemented during the year under review, are presented below.

MANUFACTURING SECTOR

Farmers & Suppliers → Operations → Channel Partners → Consumers

SAP (Enterprise Resource Planning)

SAP ERP seamlessly integrates key touchpoints across the supply chain, including sales, procurement, production, quality, and warehousing. By automating processes and enhancing visibility, it drives efficiency, agility, and informed decision-making in CCS operations

Surge (Sales Force Automation)

The sales force automation system seamlessly connects the distribution channel with central operations, streamlining the selling process while enhancing visibility across the entire sales hierarchy. By automating workflows and enabling real-time market analysis, it empowers data-driven decision-making and optimizes sales performance in a dynamic marketplace.

TORQUE (Workflow Automation Engine)

TORQUE streamlines workflow automation by digitalising manual dataflows, minimising paper usage, and seamlessly connecting employees for approvals. By enhancing transparency across processes, it accelerates turnaround times, ensuring efficiency and accountability in driving business operations forward

Advance Data Analytics

CCS advanced data analytics is now delivering impactful results, driving data-driven sales operations for the future. By harnessing the advantages of big data, it empowers strategic decision-making, enhances market insights, and positions the business to adapt dynamically in an evolving global landscape.

Advanced Data Analytics - Octave Project

Provides rich insights into evolving consumer preferences, improving responsiveness. Enables data-driven solutions to operational challenges through the implementation of data analytics use cases, enhancing operational excellence.

SUPERMARKET SECTOR

Farmers & Suppliers → Distribution + Logistic → Supermarket Operations → Consumers

SAP EWM

Facilitates effective and efficient management of the supply chain and its operations while enabling the automation of all aspects of the distribution center's operations.

Keells Farmer Management Network

Facilitates engagement with the Sector's farmer community.

Keells Advanced Network Exchange

Enables efficient vendor management through the automation of routine processes and transparency in transactions.

Order Management Systems

Enables demand forecasting to ensure product availability across our retail outlets.

Keells Team Konnect App

Facilitated greater employee engagement and included staff specific retail promotions, discounts and communication.

Visual Merchandise Solution

Enhanced retail store planning, including product placement, maximising space utilisation, and enabling more effective customer engagement.

Best-in-class retail technology

Includes Scan and go technology, self-checkout and restaurant management systems enabling a unique retail experience for customers.

Keells Insights

Launched in February 2024, Keells Insights Retail Media Network leverages its strength in data analytics to provide organisations in the FMCG industry, insights into evolving consumer behaviours and market trends. These insights enable businesses to align its product portfolio with evolving consumer preferences and implement targeted promotional campaigns.

MANUFACTURED CAPITAL

KEY DIGITALISATION INITIATIVES IN 2024/25

Manufacturing Sector

- Expansion of IoT-based technologies (Beelive) helps other factory operations for improved efficiency and real-time monitoring.
- Implemented a temperature monitoring solution (E2EQ) across the confectionery cold chain to ensure the required temperature levels were maintained in the cold rooms, cold trucks, and freezers in factories and at distributor locations
- Throughout the year, numerous business workflows and data collection processes were integrated into the workflow management platform, TORQUE. This initiative aimed to enhance collaboration, reduce paper usage, and streamline communication among team members to achieve optimal turnaround times for the group.
- Introduced Surge SMART enabling delivery confirmations, day-end sales alerts, approvals among others.
- Harnessing AI-driven image analytics, CCS enhances merchandising effectiveness on field, optimizes visibility, and ensures cooler purity across the market.
- As part of the One Market One Identity initiative, over 90,000 outlet-nameboard images were captured. Through analysis of these images, locations, and branding presence, CCS is set to introduce a series of strategic initiatives in the coming year, further enhancing market visibility and brand consistency.

Supermarket Sector

- Migrated the Nexus loyalty system to a SaaS solution (Salesforce) enabling advanced analytical features.
- Revamped the Nexus customer portal interface and upgraded its security features.
- Implemented a comprehensive audit and task management application for frontline staff improving communication between teams.
- Transitioned non-executive HRMS to a cloud-based platform.
- Established a consolidated data warehouse to enable advanced data analytics.
- Developed dedicated B2B processes for fresh item inventory management in SAP with a separate external customer portal.

CICL machines under real-time observation

CYBER-SECURITY AND DATA PROTECTION

The Group's data security practices are aligned with the legislative requirements of the Personal Data Protection Act No. 9 of 2022 and its parent entity's Zero Trust data security guidelines which are benchmarked to international best practice. All necessary measures have been implemented to maintain cybersecurity and protect customers' and employees' personal data. During the year under review, no instances of data breaches, breaches of customer privacy or instances of customer data loss were reported.

WAY FORWARD

MANUFACTURING SECTOR

- Capacity enhancements at production locations.
- Leverage digitalisation to drive operational efficiencies and enhance value creation for stakeholders.
- Ongoing focus on enhancing the sustainability of our operations.

SUPERMARKETS SECTOR

- Ongoing efforts to expand our customer reach.
- Strategic deployment of digitalisation to enhance operational efficiency and the customer experience.


VIBE
Elephant House
ORANGE BURST
VIBE
Elephant House
KIWI
VIBE
Elephant House
Net Content
250mL
GRAPE BURST
VIBE
Elephant House
Net Content
250mL
APPLE BURST

HUMAN CAPITAL

OUR SUCCESS AND RESILIENCE REFLECT THE DEDICATION OF OUR TEAM OF 8,526 WHO ARE COMMITTED TO PURSUING OUR STRATEGIC OBJECTIVES. IN TURN, WE FOSTER AN ENGAGING AND INCLUSIVE WORK ENVIRONMENT THAT NURTURES GROWTH, VALUES DIVERSITY AND PRIORITISES THEIR WELLBEING.

OUR HUMAN CAPITAL

MANUFACTURING

- 1,122 employees operating in 4 manufacturing plants, the Head Office in Colombo and across the distribution network.

SUPERMARKETS

- 7,404 employees across our supermarket network, collection centres, and at the Head Office in Colombo.

How we created value in 2024/25

- De-centralisation of the Supermarket Sector's HR operations to strengthen outlet-related Human Capital management.
- Continued focus on nurturing team competencies while creating opportunities for growth.
- Ongoing emphasis on fostering a diverse and inclusive team.
- Ongoing engagement to promote team wellbeing.
- Strategic focus on attracting, engaging and retaining high-performing talent.
- Leveraged technology to enhance Human Capital operations.
- Conducted a series of structured capability development programmes in the Manufacturing Sector which included the Sales Master Class for Company sales representatives, the 'Art of Strategy' training, the Sales Force Effectiveness program, and the LEAP leadership development initiative.

Our plans for value creation in 2025/26

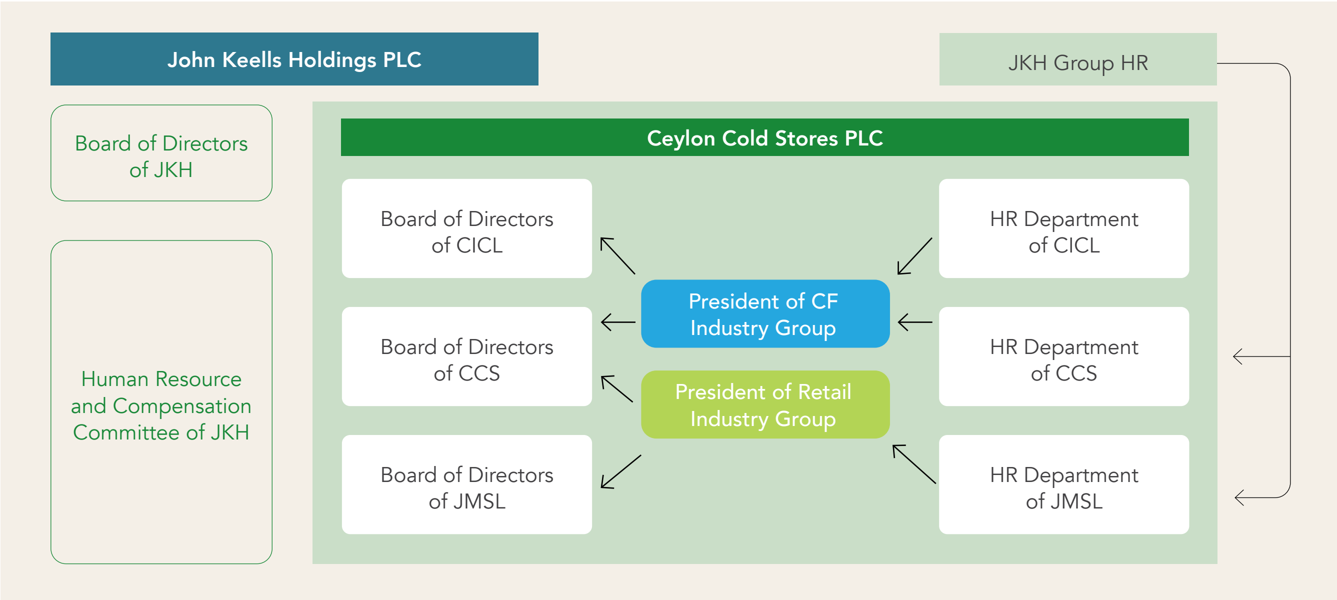
- Complete the de-centralisation of HR operations in the Supermarket Sector.
- Optimise the use of technology to automate manual processes and increase efficiency and accuracy.
- Align the Group's competencies with the success drivers of its parent entity.
- Ongoing emphasis on fostering a learning culture while creating opportunities for growth.
- Strengthen employee engagement and nurture their wellbeing.

Our contribution to the SDGs

HUMAN CAPITAL

GOVERNANCE STRUCTURE

Our comprehensive people management framework is aligned with the policy frameworks and procedures of our parent entity, John Keells Holdings PLC. Our 'People Promises' clearly articulate our commitment to our team and what they can expect from being part of Team CCS. The Group's code of conduct guides employee behaviour in line with organisational values. The Group's HR governance structure is given below.



DE-CENTRALISATION OF THE SUPERMARKET SECTOR'S HR OPERATIONS

- The Supermarket Sector de-centralised its HR function to improve responsiveness to employee needs while better supporting outlet operations.
- Accordingly, the Sector established three Employee Support Centres (ESC) to support outlet related HR strategy implementation and operations including recruitment, training and development, and performance appraisals. The Sector's outlets were clustered under each ESC with approximately 45 outlets assigned to each.
- HR strategy formulation, policy setting and overall oversight remains within the Sector's corporate HR function.
- The ESC established in Kadawatha commenced operations in May 2024. The construction of the two ESCs in Colombo and Panadura is currently underway and is expected to be completed in July 2025.
- The ESCs are also equipped with facilities to support the training needs of outlet staff and include modern training rooms with a capacity of up to 200 participants.
- The ESCs also feature 3 training kitchens with a capacity of 20 participants to support the Sector's strategic efforts to expand its hot food offering.

Both the Manufacturing and Supermarket Sectors were compliant with all labour laws and legal requirements pertaining to its Human Capital and incurred no monetary losses owing to legal proceedings associated with labour law violations and employment discrimination. No incidents of discrimination were reported during the year under review. Moreover, the Group does not sanction child labour and forced/compulsory labour within its own operations or across its value chain. No incidents of child labour and forced/compulsory labour were reported during the year under review.

PEOPLE PROMISES

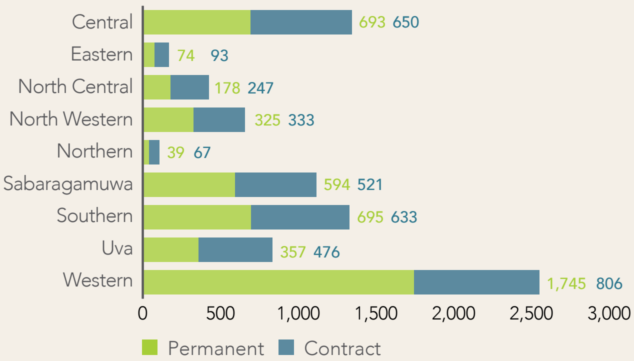
MANUFACTURING	SUPERMARKETS
A boss who helps me.	A boss who helps me.
We live our values.	I can grow and develop.
We promise exciting and rewarding jobs.	I have a healthy workplace.
You can learn grow and develop.	We live our values.
You can make a difference.	I have a future.

TEAM PROFILE

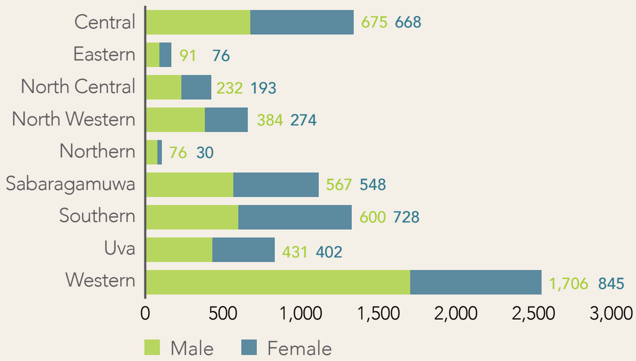
Our team comprises approximately 8,526 employees with 55% on permanent contracts. We do not employ staff on a part-time basis. Outsourced staff operating on our premises engage in non-core activities at production locations and offices and comprise a team of 3,826 individuals.

OUR TEAM PROFILE

Employee by contract and region



Employee by gender and region



PERMANENT

FEMALE 1,893 [40%]

MALE 2,807 [60%]

CONTRACT

FEMALE 1,871 [49%]

MALE 1,955 [51%]

AGE DIVERSITY OF OUR TEAM

By category	<30 Yrs	30-50 Yrs	>50 Yrs
AVP and above	0.0%	0.4%	0.1%
Managers	0.1%	0.8%	0.2%
Assistant Managers	0.6%	1.6%	0.3%
Executives	5.5%	5.0%	0.4%
Non-Executives	71.2%	11.0%	2.8%
Total	77.5%	18.8%	3.7%

100% Senior management hired from the local community

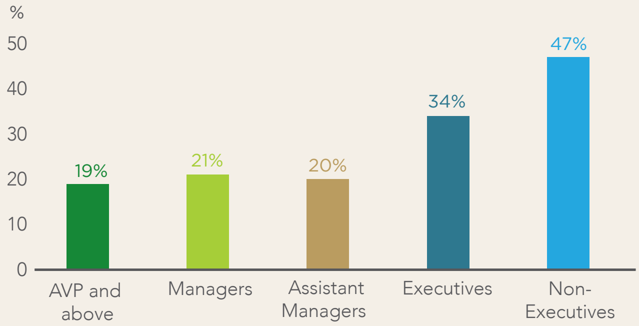
TRADE UNION REPRESENTATION

96%

of the Manufacturing Sector's Non-Executive cadre (Manual and Clerical) at the Ranala factory are members of trade unions.

DIVERSITY, EQUITY AND INCLUSION

Female Employees %



FEMALE REPRESENTATION IN THE TRADE UNIONS

97%

of the Manufacturing Sector's Female Non-Executive cadre (Manual and Clerical) at the Ranala factory are members of trade unions.

RECRUITMENT AND TURNOVER

Recruiting and retaining the right talent is key to driving business success. Accordingly, the Group places strategic emphasis on maintaining robust recruitment and retention strategies. The Manufacturing Sector continued to place emphasis on strengthening its employer branding in the labour market, engaging multiple recruitment channels including partnerships with education and professional institutions to attract high-performing talent. Meanwhile, the Supermarket Sector focused on fostering growth and creating opportunities for junior employees to pursue a variety of different career paths within the organisation.

SUCCESSION PLANNING IN THE SUPERMARKET SECTOR

To emphasise its commitment to developing internal talent, the Sector implemented a structured succession planning initiative in 2024/25.

The Sector identified 44 critical positions, and potential successors for those roles and implemented targeted training initiatives to develop their leadership skills. These initiatives included,

- Conducting 'Coaching Skills for Effective Leadership' programmes for employees identified as potential successors for C-Suite.
- 3 'Executive Coaching' interventions for 17 talent identified as potential successors for senior management roles.

This initiative aimed to prepare identified talent for leadership roles, support stable management transitions within the Sector and build an agile and resilient workforce.

The Group's recruitment and turnover profile for 2024/25 is given below.

RECRUITMENT AND STAFF TURNOVER

By gender

FEMALE

3,737 (48%) Recruitment | **3,218** (47%) Staff Turnover

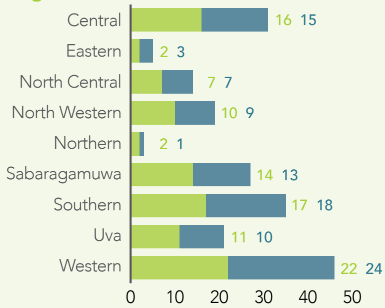
MALE

3,986 (52%) Recruitment | **3,587** (53%) Staff Turnover

By region

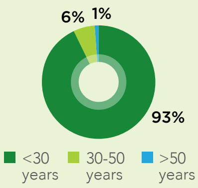
	Recruitment	Staff Turnover
Central	1,232	1,041
Eastern	192	178
North Central	558	489
North Western	734	645
Northern	117	60
Sabaragamuwa	1,060	870
Southern	1,290	1,202
Uva	875	675
Western	1,665	1,645

Recruitment and Staff Turnover by Region (%)



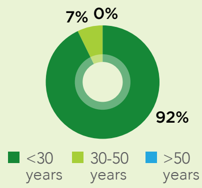
By age

Recruitment	
<30 years	7,219
30-50 years	462
>50 years	42



By age

Staff Turnover	
<30 years	6,286
30-50 years	505
>50 years	14



OUR PEOPLE STRATEGY IN 2024/25

MANUFACTURING | **SUPERMARKETS**

Talent
To attract and retain the right talent of grow our business.

Capabilities
To develop individuals' competencies to deliver business excellence.

Culture
Create a great place to work supporting business excellence.

Welfare and wellbeing
To improve emotional engagement

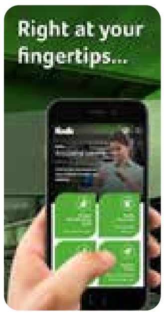
De-centralisation of HR operations related to outlets

Creating a culture of learning

Succession planning

Digitalisation in Human Capital management

Given the Supermarket Sector's large team size, the digitalisation of routine processes was initiated to enhance accuracy, improve efficiency and enable increased focus on impactful employee engagement. The Sector initiated personnel file digitalisation during the year under review.



Further the Supermarket Sector also enhanced its Team Konnect app which incorporates digital identification cards for team members.

EMPLOYEE WELLBEING

CCS is committed to fostering a safe and injury-free work environment for all employments. The Group has implemented a comprehensive occupational health and safety framework to safeguard employees against workplace hazards. The framework comprises policies and safety standards related to workplace hazard identification and mitigation and is aligned with the principles of ISO 45001:2018 Occupational Health and Safety Management Systems.

CCS' occupational health and safety framework encompasses,

- A regular review of occupational health and safety risks and hazards across its operations.
- Formal safety committees that meet weekly to discuss occupational health and safety concerns and mitigating strategies. Safety committees include representatives from management and workers, fostering open communication and a culture of proactive risk management.
- A proactive approach to identifying and mitigating occupational health and safety risks through systematic internal audits, routine Gemba walks, and a formalized system for reporting near-misses and unsafe conditions.
- An annual review of the Group's occupational health and safety measures through an independent external audit.
- Systematic records of all workplace injuries to identify patterns and root causes and implement appropriate preventive measures. These may include additional training, awareness initiatives, and replacement of machinery where necessary, to prevent recurrence.
- Mandatory health and safety training for new recruits prior to assuming duties on the shop floor.
- Mandatory fire training at all supermarket outlets on a bi-annual basis.
- Safety signages at all supermarket outlets and manufacturing locations.

CCS provides numerous wellness related benefits to team members. These include,

- An on-site medical centre for team members at the Ranala factory.
- Annual health checkups for factory workers.
- Medical insurance that covers both occupational and non-occupational health related concerns for all employees and workers who are not employees.

The Group's health and safety record of the permanent employees for the year is given below.

By category	Count
Occupational injuries and diseases	245
Due to falling	61
Due to explosions and exposure to harmful rays/substances	12
Due to lifting or moving heavy items	163
Due to cuts, pricks and sharp objects	1
Due to roadside accidents/ vehicle collisions	2
Due to natural disasters and other causes	6
Total no. of lost days due to occupational injuries/diseases	803
Health and safety training hours	31,633

CREATING A CULTURE OF LEARNING

The Group actively strives to create a culture where learning and growth is prioritised by all team members. CCS offers all staff members structured, and informal learning opportunities aligned with organisational goals and skill gaps identified during the mid-year and year-end performance reviews. Customised training plans are developed for each employee to support their growth and career progression.

KNOWLEDGE HUB

The Knowledge Hub initiative in the Supermarket Sector aims to document organisational tacit knowledge across job roles, department KPIs, processes, systems and workflows into a centralised digital platform.

Insights gained from discussions with Department Heads and document reviews were organised to create a digital knowledge base. This platform is available to all employees and supports self-paced learning while retaining critical tacit knowledge within the Sector. It also helps new recruits familiarize themselves with organisational processes and practices.

The Sector expects to integrate the information documented within the Knowledge Hub into individual employee training programmes, fostering a culture of continuous learning, multi-skilling and upskilling.

The Knowledge Hub Project successfully completed a pilot with the Demand Planning Team and is now expanding across the Supply Chain Department. Integration efforts with IT and HR are in progress, while document standardization for Commercial, Finance, and Marketing is ongoing.

During the year under review, the Manufacturing Sector,

- Initiated processes to identify and align the Group's key competencies with the nine success drivers identified by its parent entity, John Keells Holdings PLC.
- Implemented LEAP, a customized leadership development programme for senior managers.
- Conducted sales master class for Company sales representatives, the 'Art of Strategy' training, and the sales force effectiveness program.
- Leveraged Sales Connect to support the training needs of sales teams.
- Developed customised training programmes for managers and senior managers to support their growth and development.
- Conducted coaching programmes for team members at senior management levels.
- Numerous leadership development programmes for team members at different levels of the Sector.
- Conducted tier-based learning and competency programmes.
- Delivered training through the iLearn platform, a learning management system which enables employees to complete training at their own pace.

Training programmes	
Supermarket	52
Manufacturing	175

Training record in 2024/25

Average training hours by category	Total head count	Total training hours	Average training hours per employee
AVP and above	43	309	7
Manager	92	3,020	33
Assistant Manager	215	6,693	31
Executive	933	16,671	18
Non-executive	7,243	199,236	28
Total	8,526	225,928	26

INDUSTRIAL RELATIONS

We are committed to safeguarding employees' right to freedom of association and collective bargaining. Approximately 96% of our non-executive (manual and clerical) team members (Ranala) in the Manufacturing Sector are members of trade unions. Team members of the Supermarket Sector are not represented by trade unions. The Group engages openly with trade unions and provides a reasonable amount of notice prior to implementing operational changes. The Group maintained cordial relations with trade unions during the year under review with no disputes, work stoppages or idle days due to industrial action.

BENEFITS AND REMUNERATION

The Group's Remuneration Policy governs employee rewards, ensuring fairness and equity in all compensation decisions. All permanent Executive employees received performance appraisals during the year under review, with executive rewards linked to the outcomes of these assessments. The remuneration of unionised employees was determined by collective agreements negotiated every three years.

The Supermarket Sector continued the provision of free/subsidised meals, accommodation, and transport at night to outlet staff. Acknowledging the additional efforts of outlet staff at high-footfall outlets, the Supermarket Sector introduced a new allowance scheme linked to outlet grade and performance.

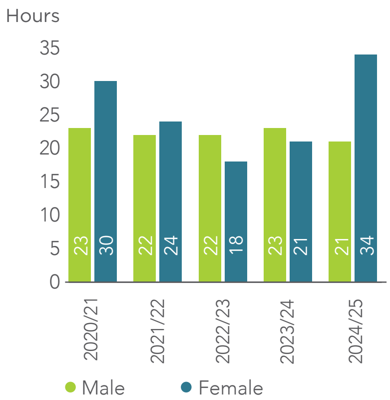
BENEFITS AT CCS

Benefits provided to full time employees

- Basic salary
- Travelling allowance
- Annual bonus
- Meals (for factory staff)
- Staff coupons

Contract staff receive the same benefits except for the annual bonus and travelling allowance.

Average training hours by gender



DIVERSITY, EQUITY AND INCLUSION

CCS' commitment to fostering a diverse and inclusive work environment is underpinned by a supportive governance and policy framework, which includes policies on equal opportunity, anti-sexual harassment, and non-discrimination. The Group does not discriminate by gender identity.

CREATING AN ACCESSIBLE AND SUPPORTIVE WORKPLACE FOR PERSONS WITH DISABILITIES.

The Manufacturing Sector initiated a programme to diversify its team to include persons with disabilities. As an initial measure, the Sector conducted accessibility assessments at one factory and one office with the assistance of external consultants. Through this assessment, the Sector was able to better understand potential barriers and identify the adaptations needed to create a supportive environment for the inclusion of persons of disabilities. The Sector plans to action these modifications where possible in the coming year.

During the year under review, the Group's focus on creating an inclusive environment for women continued. Key initiatives implemented across both the Manufacturing and Supermarket Sectors included,

MANUFACTURING

- Fostering a women-friendly work environment through initiatives including dry ration packs for pregnant employees, subsidised day care facilities for children and the provision of hygiene products for female employees.
- Conducted health checks and breast cancer awareness sessions for women.
- Empowering women through entrepreneurship in the Confectionery category through the Dinannee programme. This programme encourages women to join the category as distributors, mobile unit operators, parlour operators and sales representatives.
- Women's day celebrations.
- Recruitment process to ensure gender balance.

SUPERMARKETS

- Ensured alignment of sector diversity, equity and inclusion policies and targets with the 'One JKH' targets of the parent entity.
- Recruitment processes that consider gender balance.
- Award schemes including 'Most Effective Female Personality' and 'She Inspires' to celebrate the contribution of female employees.
- 3 female empowered supermarket outlets comprising only of female employees.
- Women's Day programme.

DIVERSITY, EQUITY AND INCLUSIVITY INDICATORS FOR 2024/25

FEMALE

44% Female representation in Team CCS

268 Female employees were promoted during the year

Female representation by category

Female representation by category	Female	Total	% of Female Employees
AVP and above	8	43	19
Managers	19	92	21
Assistant Managers	43	215	20
Executives	319	933	34
Non-Executive	3,375	7,243	47
Total	3,764	8,526	44

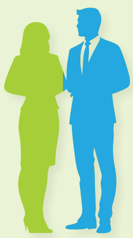
Maternity leave and retention

Paternity/Maternity leave	Paternity leave		Maternity leave	
	Number	% of Total workforce	Number	% of total workforce
Paternity/ maternity leave availed	69	1.8	31	0.8
Returned to work after paternity/maternity leave	62	1.6	26	0.7
Resignations after paternity/maternity leave	7	0.2	5	0.1
Retained within the organisation after 12 months of taking paternity/ maternity leave	62	0.8	24	0.6

Training hours by gender

FEMALE 34

MALE 21



FEMALE

84% of female employees returned to work after maternity leave

77% of female employees retained after one year of taking maternity leave

EMPLOYEE ENGAGEMENT

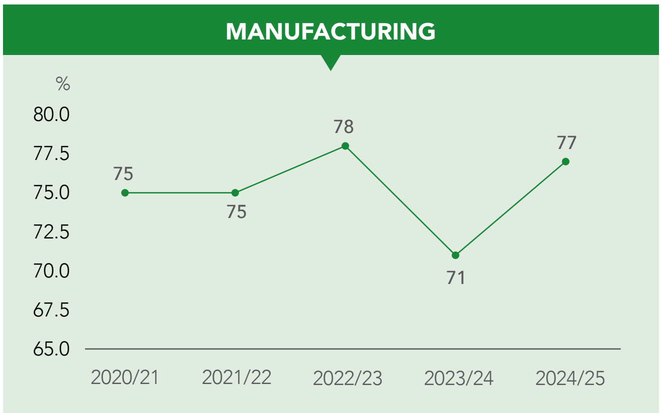
CCS is dedicated to nurturing an organisational culture that reflects its core values while motivating and empowering its team. Accordingly, The Group conducted periodic 'pulse checks', utilising numerous engagement mechanisms to improve its understanding of employee needs and satisfaction levels to better inform HR strategy formulation and implementation.

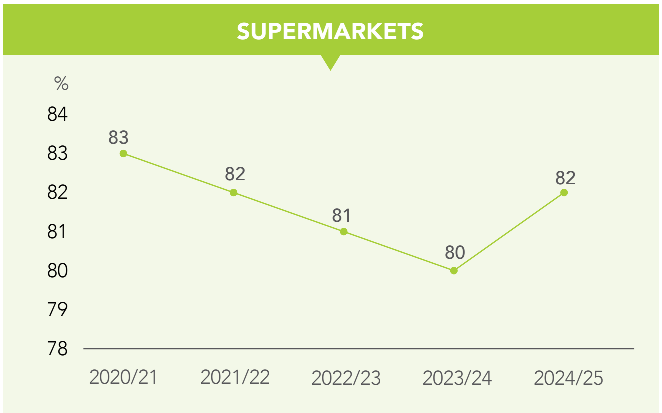
During the year under review, the Manufacturing Sector initiated Sales Connect, a structured programme to connect with its large sales teams to deepen its understanding of their challenges and pain points. This included one-on-one and focus group discussions. Actions plans were developed to address key concerns raised. The Sector also conducted group sessions for sales teams to strengthen awareness of the Group's policies and procedures. Meanwhile, the Supermarket Sector initiated 'Speak Up' providing team members with a dedicated, 24/7 telephone number and a QR code to report incidents of harassment and fraud.

EMPLOYEE 'PULSE CHECKS'

- Open-door culture
- Frequent interactions with the leadership team
- Employee satisfaction surveys (How is everything survey, People Promises survey,
- Quarterly town hall meetings
- One-on-one meetings with supervisors
- Year-round activity calendar.

Trends in employee satisfaction





CCS continued to invest in fostering a sense of team spirit and collaboration through the implementation of a year-round calendar of engagement events. A summary of key engagement events in 2024/25 is given below.

EMPLOYEE ENGAGEMENT

The Group conducted numerous programmes to engage employees and their families. These included,

- Annual sector get-together
- Outlet fun nights
- Factory visits
- Cricket carnival
- Celebration of religious festivals (Vesak, Thai Pongal, and New Year)
- Annual staff trips
- Year end Christmas parties

Factory Visit - Keells Food Products

LIVING VALUES PROGRAMME

An ongoing initiative in the Manufacturing Sector to appreciate and reward employees that exemplify the Sector's core values.

INTERNATIONAL WOMEN'S DAY

The Group's Women's Day programme aimed to celebrate the achievements of women while fostering a culture of gender equality.

GENEXT

A knowledge competition organised by the Supermarket Sector, with over 250 employees participating in the finals.

WAY FORWARD

MANUFACTURING SECTOR

- Create a seamless onboarding experience for new recruits.
- Conduct an in-depth evaluation of our talent pools to enhance our employee value proposition.
- Align our Human Capital processes and procedures with best practice.
- Optimise the use of technology to automate manual processes and increase efficiency and accuracy.
- Strengthen employee engagement.
- Align the Group's competencies with the success drivers of its Parent Entity.

SUPERMARKETS SECTOR

- Complete the decentralisation of its HR operations.
- Continued focus on documenting the Sector's tacit knowledge through the Knowledge Hub initiative.
- Ongoing empahsis on succession planning to support business continuity while fostering employee growth and retention.

INTELLECTUAL CAPITAL

OUR INTELLECTUAL CAPITAL COMPRISES OUR PORTFOLIO OF ICONIC BRANDS, AN EXTENSIVE RECIPE LIBRARY, ROBUST R&D CAPABILITIES AND TACIT KNOWLEDGE GAINED OVER 150 YEARS OF OPERATIONS. THIS RICH EXPERTISE HAS FOSTERED AGILITY IN A DYNAMIC AND HIGHLY COMPETITIVE ENVIRONMENT, ENABLING US TO RETAIN OUR COMPETITIVE EDGE.

OUR INTELLECTUAL CAPITAL

MANUFACTURING

- Brands - Elephant House, IMORICH, Twistee, Fit-O, Wonder, Feelgood
- Recipe library
- R&D capabilities

SUPERMARKETS

- Brand - Keells
- Nexus - Supermarkets loyalty scheme

How we created value in 2024/25

- Maintained our market share across the Beverages and Confectionery categories as well as in the Supermarket Sector.
- Enhanced the top-of-the-mind recall of our brands through strategic brand activations.
  - » Elephant House – **3rd** most loved product brand in Sri Lanka (LMD 2024)
  - » Elephant House Cream Soda won the SLIM Beverage Brand of the Year award.
  - » Keells – Most loved supermarket brand in Sri Lanka (LMD 2024).
- New product development
  - » Launched **10** new products in the Confectionery category.
  - » Launched **11** new products in the Beverage category.

Our plans for value creation in 2025/26

- Strengthen brand engagement through strategic brand activations.
- Leverage the strength of our Intellectual Capital to offer a superior value proposition to customers.

Our contribution to the SDGs

BRANDS

The Manufacturing Sector's iconic 'Elephant House' brand continues to rank among Sri Lanka's most loved brands. Underpinned by a 159-year heritage built on quality and trust, the strength of the brand has afforded the Group a competitive edge, enabling it to retain its market position despite the presence of competing global and domestic brands. The Group's strategic approach to brand building has sustained the relevance and top-of-the-mind recall of its iconic brands over the years, even as consumer tastes and engagement preferences evolved. Furthermore, new brands launched to reflect unique value propositions of product lines have continued to gain traction over the years. During the year under review, the Group unveiled 'Vibe', its latest brand, featuring a range of canned fruit flavoured CSDs, positioned for a younger audience.

3rd most loved product brand in Sri Lanka in 2024

2nd most loved cold beverage brand in Sri Lanka in 2024 (LMD 2024)

The Group conducted numerous brand activations across traditional and digital channels in 2024/25, to strengthen the visibility of its brands. These included,

- A thematic campaign titled 'EGB Kaama Kalawa', celebrating its identify as an authentic Sri Lankan beverage. This featured a music video that received over 5 million views within the first 4 weeks of its launch and was supported by on-ground engagement at fusion and street food events.
- A 360-degree campaign launch for Cream Soda which included a music video which attracted over 3.5 million views within the first 6 weeks of launch. This was supported by on-ground activations at events and concerts, and post-event amplifications on digital platforms to increase engagement.
- Official CSD Beverage partner for Sri Lanka cricket with an exclusive partnership for 3 years.
- The 'Live Loud' campaign to promote the launch of the canned beverage range.
- A marketing campaign to promote Vibe, the latest addition to its portfolio of brands and positioned for the youth.
- Engagement with distributors through Project Greenroads and the Exclusive Outlets programme. During the year under review, we provided boards to 750 retail outlets through Project Greenroads. Through the Exclusive Outlets programme we engaged with 250 retail stores, providing branded signage, in-store displays and advertising material.

Supported by renewed consumer confidence, the Supermarket Sector launched three key brand building initiatives during the year under review.

- The 'Keells Endless Range' campaign launched in October 2024, aimed to increase penetration of its own label product range with the digital media campaign reaching an audience of 9.9 million. This campaign also included in-store floor activations as well as the Keells Supermarket Sweep contest.

Most loved supermarket brand in Sri Lanka in 2024 (LMD 2024)

- The 'Ada Keells Eken Kamu 2.0' campaign was launched to promote the prepared food proposition of the Supermarket Sector.
- The 'Lower than Market Price' campaign was expanded across ranges of daily essentials including fruits, vegetables, fish and poultry offering them at prices that were competitive against both modern trade and general trade retailers.

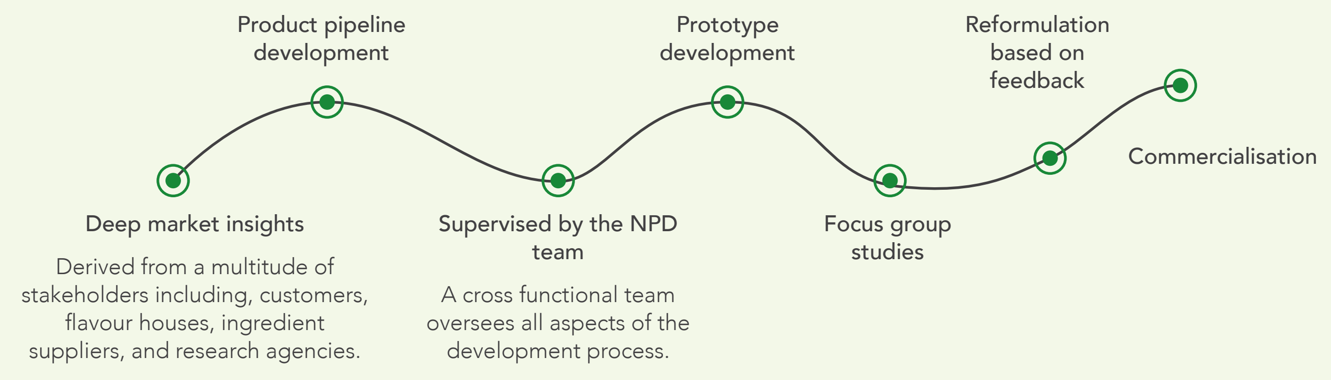
Nexus, the Supermarket segment's loyalty programme, continued to play an integral role in customer retention. The scheme operates with over 2.6 million memberships and offers members exclusive promotions and opportunities to earn points that are redeemable against future supermarket purchases. Approximately 70% of daily footfall at Keells supermarkets hold Nexus membership.

EGB Kaama Kalawa

RESEARCH AND DEVELOPMENT CAPABILITIES

The Manufacturing Sector's research and development capabilities have driven innovation in new product development enabling the introduction of novel and exciting new products in Beverages and Confectionery. Our dedication to new product development has enabled us to align our product portfolio with shifts in consumer preferences, leading to a diverse range of products that consistently deliver on our customer promise of choice.

Our new product development process is given below.



RECIPE LIBRARY

The Manufacturing Sector's extensive recipe library has enabled a diverse selection of Beverage and Confectionery products that cater to a variety of consumer preferences and occasions. Our recipe library has expanded over the years to align with evolving consumer preferences and tastes, underpinned by the strength of our R&D capabilities, strategic collaborations with numerous flavour and ingredient houses, deep consumer insights and our tacit knowledge gained over 15 decades of operations.

Notably, Confectionery pioneered the incorporation of bold, uniquely Sri Lankan flavours into ice cream through the introduction of its "Ape Rasa" range. This included Pineapple and Chillie, Pani Kurumba, Hakuru Mix, and Passionfruit ice creams, creating an exciting and novel experience for consumers. The category also introduced vegan ice cream, a non-dairy product range to fulfill consumers' specific dietary preferences.

Innovation Timeline

2020/21

Introduced,

- New flavours in the CSD range (Cream Soda, Apple Pop)
- New flavours in the IMORICH ice cream range (Salted Caramel)
- New flavours in the IMORICH cone range (Blueberry Cheesecake, Almond Crunch)
- New flavours in the ice cream range (Mixed Fruit)
- Expanded kids' stick range (Batman Choco Knight and Flash Cotton Candy)
- Value added cups
- Wonder bar – multi pack

2021/222

Introduced,

- Frozen yoghurt (Mango and Mixed Berry)
- Low sugar ice cream (Vanilla, Chocolate)
- 2 Multi packs
- 2 Bar variants (Vanilla and Mixed Fruit)

2022/23

Introduced,

- Dry product range – waffle cones
- Reformulated Fit-O, the fruit juice line in taste and texture
- Launch of 2 seasonal limited edition beverage flavours – apple pop and kiwi pop

2023/24

Introduced,

- Launch of seasonal limited edition products
- 1L Kiri Toffee ice cream, Apple Pop and Kiwi Pop
- Fusion range in 4 varieties
- IMORICH multi-packs
- 4 flavours of water "ice pops"
- Relaunch of Faluda Cones & Pani Cadju Cones
- 5L drinking water pack size

2024/25

Introduced,

- Ape rasa featuring 4 unique Sri Lankan flavours
- Fruit & nut cone, kulfi stick, vegan range
- 2 new flavours in IMORICH
- Canned CSDs
- Fruit flavoured CSDs

INTELLECTUAL CAPITAL

OUR BRAND AND PRODUCT PORTFOLIO

CCS commitment to continuous innovation, blending creativity with strategic insights, has enabled it to deliver a diverse product range that caters to a variety of consumers while aligning with evolving tastes and preferences. To effectively communicate the diversity of its product portfolio, the Group has strategically introduced and nurtured a portfolio of brands, each offering a unique value proposition to consumers. This strategic approach to brand-building and product expansion has enabled tailored offerings that cater to diverse consumer needs, expanding its reach across multiple market segments. This has supported the Group's growth and strengthened its market position.

Confectionery | Elephant House | Beverages

Confectionery

New brands in 2024/25

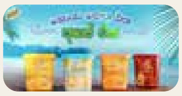
1

New brand launched in 2024/25

New products in 2024/25

10

New products launched in 2024/25



Ape Rasa – in four uniquely Sri Lankan flavours.

Vegan ice cream

Kulfi

Confectionery

A portfolio of **3** brands

A portfolio of **77** products

Premium range

Cones, shocks and bars

Frozen yoghurt and low-sugar, low-calorie ice cream.

Popsicles in **3** exciting flavours.

Ice pops in **5** delectable flavours.

Tube ice

Beverages

Carbonated Soft Drink (CSD) range

A portfolio of **11** brands

A portfolio of **64** products

Non CSD Range

A portfolio of **2** brands

A portfolio of **12** products

Fruit juice

Fruit-flavoured ice teas

Water

New brands in 2024/25

1

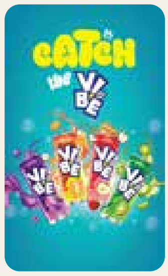
New brand launched in 2024/25

New products in 2024/25

11

New products launched in 2024/25

Canned beverages



Fruit flavoured CSD range

WAY FORWARD

MANUFACTURING SECTOR

- Expand our product portfolio in line with evolving consumer preferences and tastes.
- Strengthen brand engagement through brand activations across multiple channels.

SUPERMARKETS SECTOR

- Leverage relevant activations to drive brand engagement.


Elephant House
Feelgood
No Added Sugar
Ice Cream
Feelgood Range
Chocolate
No Added Sugar
Vanilla
Sugar Free
Vegan
Frozen Dessert
Feelgood Range
Passion
Vegan
Frozen Dessert
Feelgood Range
Chocolate
Vegan
Frozen Yoghurt
Frozen Yoghurt
Feelgood Range
Frozen Yoghurt
Feelgood Range
Mixed Berry
Better You
New Chapter Better Choicess

SOCIAL AND RELATIONSHIP CAPITAL

OUR SOCIAL AND RELATIONSHIP CAPITAL REPRESENTS THE TRUSTED PARTNERSHIPS WE HAVE NURTURED WITH OUR CUSTOMERS, DISTRIBUTION PARTNERS, SUPPLIERS AND COMMUNITIES. DURING THE YEAR UNDER REVIEW, WE CONTINUED TO STRENGTHEN THESE RELATIONSHIPS THROUGH STRATEGIC INTERVENTIONS THAT DELIVERED MUTUAL VALUE.

Keells Govi Diri Programme

OUR SOCIAL AND RELATIONSHIP CAPITAL

MANUFACTURING

- **1,432** suppliers
- Over **9,364** farmers
- **229** distributors
- Over **100,000** retailers

SUPERMARKETS

- **1,624** suppliers
- **57** private label manufacturers
- **117 GAP** certified farmers
- **40 GMP** certified suppliers
- **3,464** active farmers

How we created value in 2024/25

- Value for customers
  - An extensive product range which included **21** new products in the Manufacturing Sector.
  - Distributors of the Manufacturing Sector were supported through cost reimbursements, financial assistance, and access to advanced data-driven insights to enhance operational efficiency and inform decision-making.
  - Numerous initiatives to enhance the affordability of our product range, including through direct imports and expansion of the private label product range.
  - Expanded the hot food offering to include a doughnut range.
- A resilient and sustainable supply chain
  - **Rs. 154 Bn (+26%)** payments to suppliers.
  - Strengthened relationships with channel partners through initiatives including Project Greenroads and exclusive partnerships.
  - Capacity building initiatives for local suppliers and farmers.
- Uplifting communities
  - **Rs. 46 Mn** invested in CSR initiatives.
  - Over **9,240** beneficiaries.

Our plans for value creation in 2025/26

- Evolve our product portfolio to align with changing consumer tastes and preferences in the Manufacturing Sector.
- Offer our customers a superior retail experience in the Supermarket Sector.
- Strategic initiatives to enhance the resilience and sustainability of our supply chain
- Empower our local communities.

Our contribution to the SDGs

CUSTOMER RELATIONSHIPS

Our 'Customer Promises' define the value we aim to deliver to our customers and have been customised to the industries we operate in. They guide our strategic initiatives, enabling us to adapt and refine our offerings to fulfill evolving customer preferences in an ever-changing market landscape.

MANUFACTURING SECTOR

Customer profile : Consumers of our Beverages and Confectionery products

#1 Customer promise

We promise a quality product

We comply with a range of internal quality standards and external certifications including ISO 9001:2015, ISO 22000:2005 and SLS193:2013 among others.

Progress made in 2024/25

- Ensured our procurement and internal processes aligned with internal quality standards and requirements of external certifications.

#2 Customer promise

We promise to deliver choice

We consistently evolve our beverages and confectionery product portfolios in line with changing consumer preferences and tastes.

Progress made in 2024/25

- Launched a canned format for the core CSD range.
- Extended the canned beverage product range to include exotic fruit flavoured CSDs.
- Introduced 10 new products in Confectionery category which included 4 innovative flavours that represented uniquely Sri Lankan tastes.
- 21 new products were introduced overall, across the Beverages and Confectionery categories.

#3 Customer promise

We promise to deliver products at the right price.

We continued to optimise our cost structure to deliver a value-for-money product to consumers.

Progress made in 2024/25

- Leveraged advanced analytics and digital platforms to streamline our processes and optimise costs.
- Maintained the availability of value-for-money packs (Multi-packs).

#4 Customer promise

We promise to make our products accessible and available.

Our products are distributed to over 100,000 retailers island-wide through 229 distribution partners.

Progress made in 2024/25

- Numerous initiatives to create value for retail and distribution partners including Project Greenroads, exclusive contracts and merchandiser support.
- Leveraged Surge, our Distributor Management System to strengthen engagement and collaboration.
- Utilised advanced data analytics to refine our channel partner management strategy.
- Distributors were supported through cost reimbursements, financial assistance, and access to advanced data-driven insights to enhance operational efficiency and informed decision-making.

SUPERMARKET SECTOR

Customer profile : Customers that patronise our supermarket outlets.

#1 Customer promise
Enjoyable shopping

Our strive to deliver a unique retail experience to our customers, as evidenced by consistent improvements in customer satisfaction levels.

Progress made in 2024/25

- Expanded our geographic reach through the addition of 6 new outlets.
- Upgraded 3 stores to Extended Format stores.
- Installed 10 electric vehicle chargers at key outlets.
- An omni-channel shopping experience which included a physical footprint, digital platform and partnerships with PickMe Foods and Uber Eats to facilitate delivery of our prepared food proposition.

#2 Customer promise
I get what I want

Our stores feature a wide product range, adequate space between aisles and trilingual signage boards in all aisles.

Progress made in 2024/25

- Leveraged data analytics to customise the product offering at each outlet in line with consumer purchasing patterns.
- Utilised data analytics to improve demand planning, enabling better product availability at stores.
- Launched a specialty doughnut counter increasing our offering from three to eight varieties.

#3 Customer promise
Freshness

Our 'freshness guarantee' ensures that products obtained from our supermarkets are the freshest in the marketplace.

Progress made in 2024/25

- Relocated Thambuthegama and Jaffna collection centers to an improved premises.
- Ongoing farmer engagement to support the production of high-quality fresh produce.
- Utilised our state-of-the-art distribution centre to preserve freshness through optimal storage conditions and streamlining logistics.

#4 Customer promise
Offers and deals

We strive to offer the best deals and prices in the market through promotion and attractive offers.

Progress made in 2024/25

- Maintained our focus on enhancing price competitiveness by
  - » Adopting a volume-focused sourcing strategy to increase price competitiveness in fresh produce and fish.
  - » Pricing the private label product range at prices 10% lower than market prices.
  - » Direct imports of numerous products in the dry category to offer the lowest prices in the market.
  - » Maintaining an affordable bakery and hot food product range.

#5 Customer promise
Staff is great

We consistently invest in training our team on customer service to provide an unmatched retail experience to customers.

Progress made in 2024/25

- Ongoing training of team members – 7,578 employees were trained on customer service.

#6 Customer promise
Money's worth

Value for money is a key brand attribute and we consistently aim to ensure our prices are among the most competitive in the market.

Progress made in 2024/25

- Added 51 new products to our private label range expanding the portfolio to over 353 products across 92 categories.

ELEVATING OUR HOT FOOD OFFERING

Aligned with the Supermarket Sector's focus on expanding its prepared food proposition, the Sector engaged an external consultant to develop its prepared food strategy. This led to the launch of a new specialty doughnut counter, increasing our offering from 3 to 8 varieties with a competitive pricing structure. The new doughnut counters have been implemented across 40 outlets as at end-March 2025.

To facilitate reach through delivery, we also launched bakery and prepared food on Uber Eats while strategically expanding the number of outlets available on PickMe Foods to over 70 Supermarket outlets.

Our prepared food offering comprises a diverse selection of bakery, prepared meal and pizza options available for breakfast, lunch and dinner across 68 stores. Selected stores also offer an in-store dining experience. All food items are freshly prepared in-store, ensuring quality and freshness. Several initiatives have also been implemented to maintain consistency in quality and taste.

COMMERCIAL FRESH PRODUCE VENTURE

The commercial fresh produce venture in the Supermarket Sector increased its focus on supplying fresh produce to business enterprises. The Sector leverages its extensive network of farmers and collection centres to fulfill the demand of over 40 business clients which include leading hotel chains in Sri Lanka and the Maldives. Considerable investments have been made in systems and infrastructure to support the expansion of this business segment.

CUSTOMER HEALTH AND SAFETY

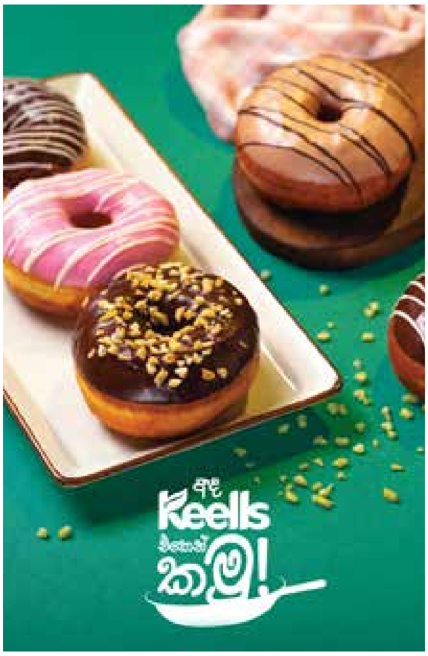
The Beverages and Confectionery categories are governed by the Food Act No. 26 of 1980 and the flavouring substances and flavour enhancing guidelines prescribed by the Food Advisory Committee of the Ministry of Health. No incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services were recorded during the year under review.

Safeguarding the health and safety of its customers is of vital importance to the Group. Accordingly, our procedures comply with the stringent requirements of ISO 9001:2015 Quality Management Systems and ISO 22000:2018 Food Safety Management Systems certifications. Procedures have been implemented at critical points of the production process to ensure the absence of microbiological, chemical and physical hazards. The Group maintains a customer complaint hotline for reporting on any health and safety concerns with responsibility assigned to the Compliance Manager to address any complaints. The Group assesses 100% of products and service categories for health and safety impacts. During the year under review, no material issues relating to customer health and safety were recorded.

We are conscious of growing consumer awareness surrounding health and nutrition and recognise the diverse effects different ingredients may have on individuals. To support informed choices, labelling across our Beverage and Confectionery categories in the Manufacturing Sector and the private label product range in the Supermarket Sector, list all the ingredients used in the manufacturing process and specify nutritional information where relevant. Additionally, efforts have been made to expand the non-CSD beverage range to include water and fruit juice while also placing emphasis on reformulating beverage recipes to reduce sugar levels. The Confectionery category continues to enhance its wellness offerings, including frozen yoghurt, low-calorie and vegan ice creams, catering to specific dietary preferences of consumers.

MARKETING AND LABELLING

As at end-March 2025, the Food (Labelling and Advertising) Regulation of 2005 governed all product labelling conducted by CCS. Information required to be disclosed include, date of manufacture and expiry, complete list of ingredients and instructions for storage. No incidents of non-compliance with regulations and voluntary codes concerning the product and service information and labelling and marketing communications were reported during the year under review. Product and service information, labelling and marketing communications are made in all three languages whenever possible.



The Group has also aligned its marketing communications with the requirements specified in the new Food (Labelling and Advertising) Regulations (2022). Regulations pertaining to marketing communications were effective from 1st January 2025 while labelling regulations will be enforced from 1st July 2025. The Group is in the process of aligning its product labelling with the requirements of the new regulation.

In both Manufacturing and Supermarket sectors, our marketing communications are directed at general audiences with no content specifically aimed at children. Moreover, we comply with regulatory requirements and the advertising standards set by the John Keells Holdings PLC and ensure our marketing communications do not include, and are not directed at, children below the age of 12.

CHANNEL PARTNERS

An extensive network of over 100,000 retail partners anchors the island-wide distribution of the Manufacturing Sector's beverage and confectionery products. With the gradual improvement in consumer sentiment, the Sector placed strong emphasis on creating value for its channel partners to ensure consistent product availability across the country. Distributors were supported through cost reimbursements, financial assistance, and advanced data-driven insights, aimed at improving operational efficiency and enabling more informed decision-making.

BEVERAGES	CONFECTIONERY

Project Greenroads

Provided name boards to 750 retail outlets enhancing our brand visibility while boosting revenue for channel partners.

We have distributed name boards to1,500 channel partners since the Greenroads programme's inception in 2023.

Exclusive outlets

Entered into exclusive contracts with 250 outlets. This included the provision of marketing and promotional support, including branded signage, in-store displays and advertising. This helped to ensure a reliable and consistent supply of our products while reducing stock outages.

Merchandiser support

Deployed a team of merchandisers to retail outlets with high footfall within the Western Province to ensure display purity. This enhanced brand visibility while supporting retailers in creating an organised and appealing shopping experience for customers.

Support through digital ecosystems

Surge, our Distributor Management System continued to support our channel partner network, enhancing collaborations, enabling real-time performance monitoring through real-time performance dashboards, real-time approval of discounts, delivery confirmations and day-end sales alerts. This platform also serves as the source for data sets and data pipelines for the implementation of data analytics use cases to support ongoing value creation for our distributor network

Freezer Deployment

The 'Jeewaya' Initiative continued to support channel partners through proactive engagement and loyalty schemes with attractive discounts.

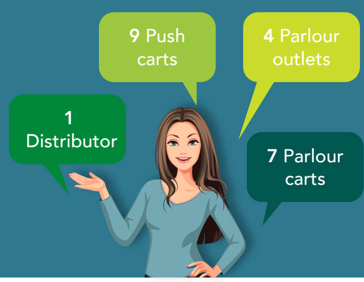
Cold chain support through the deployment of 2,216 freezers and 777 coolers to the market.

Distributor route optimisation.

50	2,993	Over 1,661
New distributors added during the year under review	Freezers and Coolers added to the market	Relationships with suppliers and distributors

"DINANNEE" PROGRAMME

The Confectionery category (Manufacturing Sector) continued to promote women's empowerment and livelihood development, offering opportunities for direct and indirect employment. Our female partners contribute to sales, distribution, and sourcing of inputs needed for ice cream production. This programme has been implemented across 7 districts, namely, Colombo, Gampaha, Kalutara, Ambalangoda, Kandy, Kegalle and Polonnaruwa.



SOCIAL AND RELATIONSHIP CAPITAL

SUPPLIERS

Manufacturing Sector

The Sector has developed a diverse pool of over 1,432 suppliers to secure its raw materials and services. We have strategically identified multiple suppliers across different geographic regions to ensure continuity in raw material supply. We have also prioritised the development of local suppliers which has reduced our reliance on imports, lowered Scope 3 emissions, created jobs and fostered community development.

The Manufacturing Sector's primary ingredients comprise agricultural inputs. These include sugar, ginger and other flavours in Beverages while in Confectionery, key ingredients include fresh milk, skimmed milk powder, whey powder, vegetable fat, cocoa, sugar, jaggery, treacle, and cashew. The Sector's reliance on agricultural inputs exposes it to vagaries in weather patterns and adverse weather events which can lead to supply shortages, declining yields and crop failures. During the year under review, the country experienced a shortage in the supply of ginger, which arose due to multiple reasons, including unfavourable weather conditions. The Group engaged closely with its farmer community to ensure the continuous supply of ginger during this time.

CCS is committed to managing its supply chain ethically and sustainably. To this end, the Group has integrated quality, environmental and social considerations into its supplier contracts, which include prohibitions on the use of child labour and forced and compulsory labour. We also encourage our suppliers to obtain external quality certifications including Good Manufacturing Practices (GMP) and ISO certifications. The Group conducts annual audits of its supplier base to verify compliance with contractual terms, including those related to quality and environmental and social considerations. The Group evaluates new suppliers for quality and sustainable practices before onboarding them.

During the year under review, the Sector created value for its suppliers through

- Exclusively sourced cocoa mass and mango purée from local suppliers. These ingredients were previously imported.
- Alternate suppliers were developed for cone lids and wooden ice cream spoons. This enabled a shift from direct imports to importing semi-finished products with final processing being completed in Sri Lanka.
- Developed a new supplier for jaggery.
- Capacity-building initiatives for treacle suppliers.
- Initiated the development of a local supplier base for packaging including cone sleeves, PET caps, PET labels and wrappers.

Input material and supplier base	Input material and supplier base	
	Volume (KG/Litres)	Rs. Million
Vanilla (3,800 farmers - sourced from the several Kandy suburban areas in partnership with the Kandy Vanilla Growers Association)	371	18.6
Kithul Jaggery (+1,000 farmers through Krushi Swayan Rekiya Samithiya and Self Employment Society of Nuwara Eliya)	40,467	54.1
Treacle (420 from Waralla and Deniyaya)	58,000	17.8
Cashew Nuts (1,210 farmers from Wanathawilluwa, Galewella, Adiyagama,Chilaw, Serukele and processed in Kuliyapitiya and Ja-Ela)	46,910	180.6
Fresh Milk (2,934 suppliers from Kappetipola, Bogawanthalawa, Dickoya, Gampaha)	3,056,400	640.9

Supermarket Sector

The Supermarket Sector's supplier base comprises over 5,088 suppliers, including farmers, private label suppliers, small to medium scale suppliers and large producers. The Sector's supply chain related sustainability considerations are primarily linked to its fresh and animal produce supply chain and its private label supplier base. These considerations relate to responsible environmental practices, labour practices and customer health and safety. Accordingly, enhancing the sustainability of its value chain and building resilience is a key strategic priority for the Sector. This focus is particularly important given the worsening outlook for environmental risks over the next decade (Global Risk Report 2025, World Economic Forum) and growing consumer focus on ethical and sustainable value chains.

Reflecting its commitment to sustainability, the Supermarket Sector has partnered with industry experts and aid agencies to promote climate resilient agricultural practices among its farmer communities. The Sector has also integrated social and environmental considerations into supplier contracts, including product quality, health and safety standards, environmental and social regulations, responsible labour practice including the prohibition of the use of child labour and forced/compulsory labour and the protection of human rights. We actively encourage suppliers to obtain external quality certifications including Good Manufacturing Practices (GMP) and ISO certification. Supplier audits are conducted twice a year and consist of an internal assessment and an independent third-party evaluation. This process ensures alignment with the Group's sustainability commitments while also providing feedback for improvement and promoting knowledge sharing. Ethical sourcing audits conducted during the year, confirmed that all suppliers were compliant with our quality, social and environmental standards.

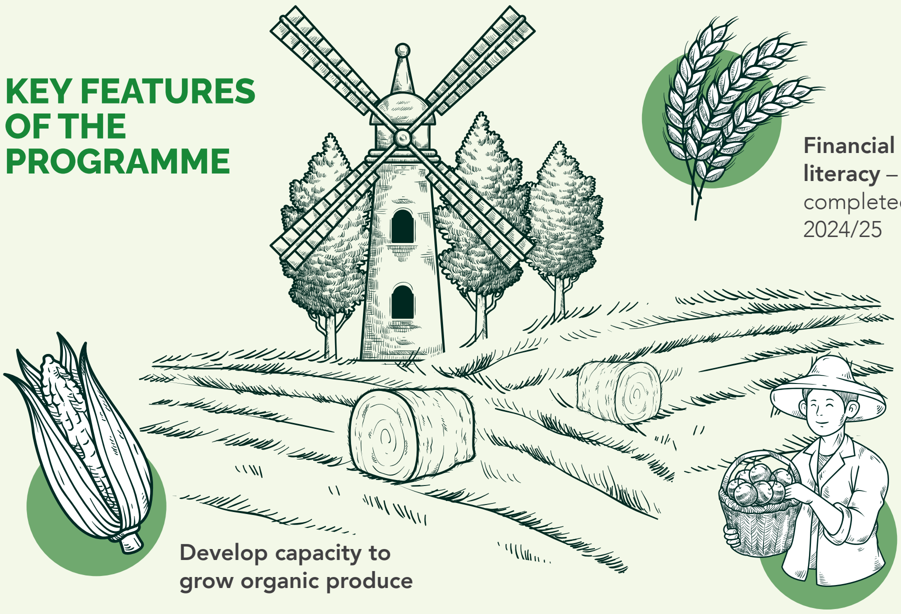
The Sector's value creation initiatives for suppliers during the year under review included,

- Partnerships with 4 new private label suppliers, expanding our private label supplier base to 57. The Sector also supported their development through proactive engagement and supplier audits.
- Supported three own-label suppliers in obtaining GMP certification.
- Continuing the onboarding of suppliers to the Keells Advance Network Exchange (KANE) platform. The platform enables proactive, paperless engagement and collaboration with suppliers through efficient and seamless information flows.
- Ongoing digitalisation of farmer engagement through the Keells Farmer Management System. This initiative was also supported by Market Development Facility (MDF) enabling the monitoring and forecasting of crop volumes and yields among others.
- Ongoing capacity building of farmers to enhance knowledge, improve hygiene practices and strengthen climate resilience.
- Provide suppliers with more accurate forecasts of future supply needs through improved demand planning, enabling them to better align production and delivery schedules.

KEELLS GOVI DIRI PROGRAMME

Launched in 2023, the second phase of the Keells Govi Diri programme, a farmer development initiative conducted in collaboration with the ADB, continued into 2025. This programme comprises four stages as outlined below. During the year under review, the Supermarket Sector successfully strengthened the financial literacy of participating farmers by conducting 128 training programmes covering areas including, access to credit, financial management and cashflow management.

KEY FEATURES OF THE PROGRAMME



Financial literacy – completed in 2024/25

Enhance farmers' climate resilience

- Optimise agrochemical usage.
- Promote sustainable agricultural practices including poly mulching, and insect proof nets.
- Sustainable irrigation solutions.
- Training and knowledge transfer.
- Use of greenhouses.

Develop capacity to grow organic produce

Development of four model farms

2,126 No. of participating farmers

4,000 Grow bags distributed to 40 registered farmers

605 Female participation promoting women's empowerment

During the year under review, 97% was local procurement, and payments to local suppliers by the CCS Group amounted to Rs. 148 Bn. All new suppliers were screened for environmental and social impacts. Additionally, 4% (114 supplier audits) of existing suppliers where audited based on social and environmental impacts. No suppliers were identified as having significant negative environmental and social impacts during the year under review.

SOCIAL AND RELATIONSHIP CAPITAL

INDUSTRY PARTNERSHIPS

Through active participation in numerous industry associations, CCS collaborates with multiple stakeholders, on a wide range of issues and concerns relevant to the industry. These memberships provide a platform for engaging with industry partners and stakeholders, sharing best practice and advocating for policies that drive industry growth and sustainability.

INDUSTRY ASSOCIATIONS IN WHICH CCS HOLDS MEMBERSHIP

- Ceylon Chamber of Commerce
- Employers' Federation of Ceylon (EFC)
- National Chamber of Commerce
- Export Development Board
- National Chamber of Exporters
- Lanka Confectionery Manufacturers Association
- Sri Lanka Association of Testing Laboratories

COMMUNITY ENGAGEMENT

CCS continued to implement numerous community engagement initiatives in 2024/25 aimed at empowering women and youth. Key initiatives implemented during the year under review and how they positively impacted the communities we operate in are summarised below.

Empowering women through the Elephant House – Gunadamin - Plastic Recycling Initiative

4 female led Material Recovery Facilities

Supported the livelihoods of over **250** women.

Youth training and skill development

Over **40** students have received vocational training through the NAITA Skills Centre.

Skills into Progress (SKIP) Youth Development Programme

Supported English language training of 70 youth through collaborations.

Preschool meal programme

211,452 meals distributed to **1,839** children across **34** locations while **34** community gardens have been established during the financial year 2024/25.

Higher education scholarship programme

Sponsored a total of **27** student scholarships.

Food redistribution project

192,921 kg of fruit and vegetables supplied to beneficiaries per month.

Over **3,000** beneficiaries

EMPOWERING WOMEN THROUGH THE ELEPHANT HOUSE - GUNADAMIN - PLASTIC RECYCLING INITIATIVE

Through its partnership with USAID's Ocean Plastics Reduction Activity, the Manufacturing Sector extended the Gunadamin Plastic Recycling Initiative to support women's empowerment. The Manufacturing Sector established Sri Lanka's first women led plastic recyclable collection network and material recovery facilities during the year under review. Accordingly, 4 women-led Material Recovery Facilities (MRF) were established in Jaffna, Mannar, Vavuniya and Trincomalee. We also partnered with grassroot women's organisations and trained them to identify and collect plastics that can be profitably recycled. This included the provision of essential tools such as gloves, scales and collection bags to support their efforts. This initiative has empowered over 250 women, through the development of a new income stream for them.

Rs. 18.7 Mn

invested during the year 2024/25

Over 250

women empowered

4

women led Material Recovery Facilities established

A NUTRITIOUS TOMORROW FOR OUR LITTLE ONES'

Recognising the importance of nutrition in the growth and development of young children, the Supermarket Sector continued its crowd-funded pre-school meal programme into 2024/25. Through this programme, pre-school children between the ages of 3-5 years were provided a nutritious mid-day meal while parents were engaged in meal preparation to raise awareness about children's nutritional needs. Ingredients are sourced from local vendors to support the livelihoods of community members. In partnership with 'Thuru' and 'Ceylon Agri', small community gardens are also maintained within the preschool premises to enhance the sustainability of the programme while educating children about the origins of their food. During the year under review, in collaboration with the National Child Protection Authority, several child safety awareness programmes were also conducted under this initiative.

48
schools assisted

Rs. 33 Mn
invested

1,839
children assisted

211,452
meals provided

EMPOWERING OUR YOUTH

The Supermarket Sector continued to empower the youth of the nation through the implementation of several skill development initiatives during the year under review.

Youth training and skill development

In collaboration with the NAITA Skills Centre, over 40 students received vocation training, equipping them with essential skills for future employment and career growth.

Higher education scholarship programme

The Supermarket Sector sponsored a total of 27 student scholarships (15 Advanced Level students and 12 university students) through the John Keells Foundation Higher Education Scholarship Programme. These scholarships support talented youth from areas such as Tissamaharamaya, Keppetipola, Welimada, Sooriyawewa and Ethiliwewa, creating pathways for higher education that might otherwise be inaccessible.

Skills in Progress (SKIP) Youth development programme

Through partnerships with the John Keells Foundation and the Rainbow Institute, English language training was provided to youth between the ages of 18 and 24. Over 70 students participated in this programme with each student receiving 36 hours of learning, free of charge.

English Language Scholarship Programme (ELSP)

We collaborated with the John Keells Foundation to promote English language learning across the country.

FOOD REDISTRIBUTION PROJECT

We donated over **2.3 million kg** of excess unsold fresh produce, reducing food wastage by **81%**.

2,315,057 kg of fruits and vegetables and **165,919** number of lunch and dinner packets were supplied.

Our operations do not have significant actual and potential negative impacts on local communities. The CCS Group did not have any contracts or tenders with the Government.

WAY FORWARD

MANUFACTURING SECTOR

- Introduce exciting new flavours and products in Beverages and Confectionery.
- Ongoing initiatives to develop local suppliers.
- Collaborative partnerships with channel partners.
- Ongoing investments in impactful community development initiatives.

SUPERMARKETS SECTOR

- Expand our own label product range and optimise processes to enhance the affordability of our product range.
- Expand our prepared food offering.
- Ongoing emphasis on streamlining supply chains to enhance price competitiveness.
- Collaborative partnerships with value chain partners.
- Support our local communities.

NATURAL CAPITAL

OUR OPERATIONS IN MANUFACTURING AND SUPERMARKETS DEPEND ON NATURAL CAPITAL INPUTS INCLUDING WATER, ENERGY AND RAW MATERIALS. UNDERSTANDING THE ENVIRONMENTAL IMPACT OF OUR BUSINESS, WE PRIORITISE SUSTAINABLE PRACTICES TO MINIMISE OUR ENVIRONMENTAL FOOTPRINT.

OUR NATURAL CAPITAL

MANUFACTURING

- 15,120 MT of raw materials
- 114,323 GJ energy consumed
- 505,962 M^3 water withdrawal

SUPERMARKETS

- 41,142 tCO_2e total carbon footprint
- 12,856 M^3 of effluents
- 5,467 MT of solid waste

How we created value in 2024/25

- Consistent focus on strengthening energy resilience through increased reliance on solar energy generation and increasing energy efficiency.
- Solar energy fulfilled 17% of total electricity needs in 2024/25.
- The number of outlets with solar panels in the Supermarket Sector increased to 112.
- Established 5 new Material Recovery Facilities (MRF) under the Elephant House Gunadamin Plastic Recycling Initiative expanding recycling capacity by 420 MT.
  - » 763 MT (+5% y-o-y) of plastic waste collected for recycling.
  - » Minimising polythene usage within our operations.
  - » 35% reduction in single use polythene bags.

Our plans for value creation in 2025/26

- Expand the solar power generation capacity.
- Ongoing focus on increasing the plastic recycling capacity of the Elephant House Gunadamin Plastic Recycling Initiative.
- Maintain focus on reducing polythene and plastic consumption and waste within its operations.
- Intend to increase plastic bin deployment to strengthen waste management.

Our contribution to the SDGs

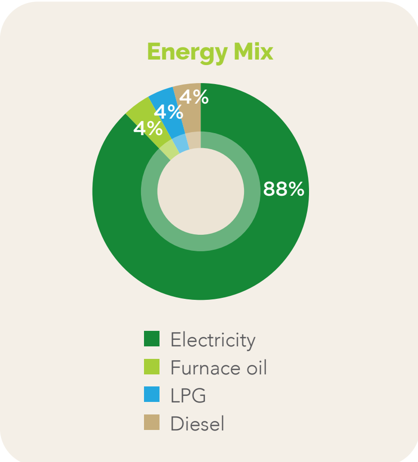
NATURAL CAPITAL

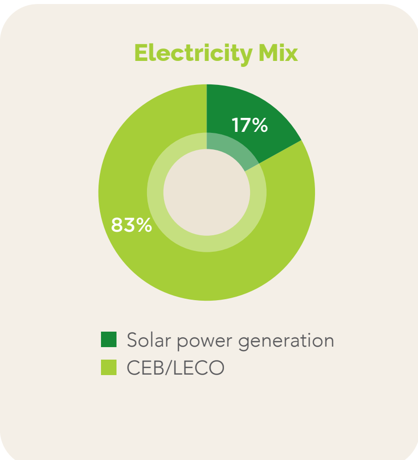
OUR ENVIRONMENTAL COMMITMENT

The rising implications of climate change have necessitated an increased focus on understanding its effects on our value chain activities to identify risks and opportunities and to implement strategic interventions that enhance business resilience. We are also acutely aware of the environmental impacts of our operations and consistently seek sustainable solutions to minimise them. Aligned with the JKH Group's Environmental Policies, our environmental management framework includes robust systems to track and manage our environmental impacts which includes energy consumption, energy intensity, water intensity and quality and quantity of effluents and waste. We complied fully with all environmental laws and regulations during the year under review, with no fines or penalties incurred. Our approach to managing our environmental impacts and key priority areas are set out below.

IMPACTS ON OUR OPERATIONS	KEY ENVIRONMENTAL IMPACTS	OUR PRIORITIES	OUR APPROACH
• Implications of climate change on our supply chain. • Water scarcity. • Potential implications on input costs. • Interruptions to energy supply. • Climate change impact on consumer consumption patterns.	• Energy consumption and carbon footprint. • Plastic and polythene usage. • Water consumption.	• Reducing our carbon footprint through solar power generation and initiatives that enhance energy efficiency. • Reducing polythene and plastic usage. • Water efficiency. • Increasing collection of plastics.	• John Keells Group Environmental Policy. • Earthcheck benchmarks to compare sustainability performance on a quarterly basis.

CLIMATE ACTION





Our climate impact stems primarily from energy consumption across our Manufacturing, Supermarket and distribution operations. We consistently evaluate our operations to identify opportunities to enhance energy efficiency while investing in renewable energy sources. At present, our energy mix comprises renewable and non-renewable sources which include electricity, LP gas, diesel, petrol, furnace oil and renewable energy generated from solar power.

During the year under review, the Manufacturing Sector obtained ISO 50001:2018 Energy Management accreditation for its factory at Ranala. This involved the development of a policy for enhancing energy efficiency, establishment of targets and objectives, development of action plans to achieve these targets, progress monitoring and continuous improvement. As a result of these efforts, the Manufacturing Sector achieved a 3% improvement in its energy intensity during the year under review.

The Group's renewable energy investments fulfilled approximately 17% of total electricity consumption in 2024/25. This was enabled by,

- 59,018 GJ of electricity generated through solar panels installed at 112 Supermarkets and the distribution centre.
- 3,823 GJ of electricity generated through solar panels installed at the Ranala and CICL factories.
- Additionally, solar power generation was trailed on the car park roof at the Homagama Keells outlet. This initiative will be expanded to other outlets if successful.

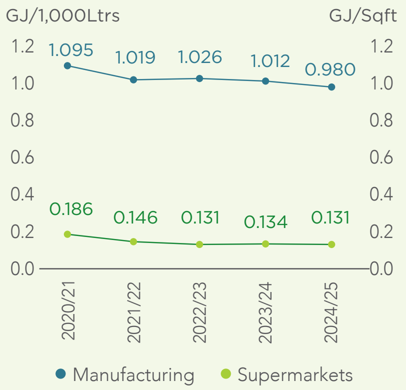
Other initiatives implemented to promote sustainable energy consumption included,

- Installation of a new energy efficient chilling plant at the Ranala factory.
- Rigorous real-time monitoring of energy consumption at supermarkets and initiation of remedial action when deviations were noted.

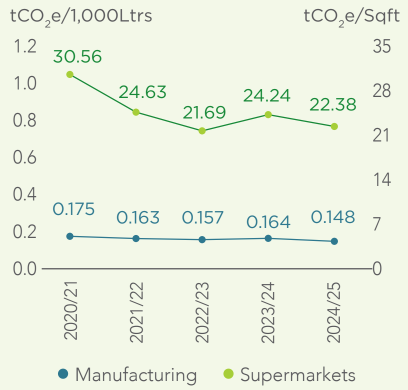
During the year under review, the Group's indirect and direct energy consumption increased in line with rising production volumes. However, energy intensity across both sectors continued to improve reflective of the Group's commitment to improving the energy efficiency of its operations.

Meanwhile, the Group's total carbon footprint decreased by 2%. However, emission intensity across both Sectors improved given increased reliance on renewable energy sources and improvements in energy intensity. The Group computes its emission intensity considering Scope 1 and 2, while the carbon footprint is computed based on the GHG Protocol published by the World Resources Institute. Energy related goals are set based on last year performance. Further the Group has referred to the Intergovernmental Panel on Climate Change (IPCC) for the disclosures. The Group only considers emission generated from product distribution, product re-distribution and business air travel under Scope 3 GHG emissions. No substantial emissions of Nitrogen Oxides (Nox), Sulphur Oxides (Sox) and other hazardous air emissions took place during the year under review.

Energy intensity



Emission intensity



RENEWABLE ENERGY PERFORMANCE IN 2024/25

38,173
number of solar panels

62,841 GJ
of solar power generated during the year

17%
of electricity needs fulfilled through solar energy

112
Supermarket outlets with solar power generation capabilities

Energy consumption	Units	2024/25	2023/24	YoY % change
Electricity consumption by type				
Non-renewable	kWh	85,236,883	82,760,020	3
Renewable	kWh	17,455,949	17,382,018	0.4
Direct energy consumption				
Diesel	GJ	16,190	12,603	28
Furnace oil	GJ	17,762	12,833	38
LPG	GJ	17,973	13,419	34
Indirect electricity consumption				
Purchased from CEB	Units	64,309,683	62,069,126	4
Purchased from LECO	Units	20,030,819	21,151,722	-5
Energy intensity (Manufacturing)	GJ/1,000 produced Ltrs	0.980	1.012	-3
Energy intensity (Supermarket)	GJ/Sqft	0.131	0.134	-2
Carbon Footprint				
Scope 1 GHG emissions	tCO_2e	3,709	2,783	33
Scope 2 GHG emissions	tCO_2e	54,670	56,723	-4
Total emissions	tCO_2e	58,379	59,507	-2
Scope 3 GHG emissions				
Emission factor - Diesel	tCO_2e	10,729	9,615	12
Ozone depleting substances	MT	16,128	9,857	64
Emission intensity - Manufacturing	tCO_2e/1,000 produced Ltrs	0.148	0.164	-10
Emission intensity - Supermarkets	GJ/Sqft	22.38	24.24	-8

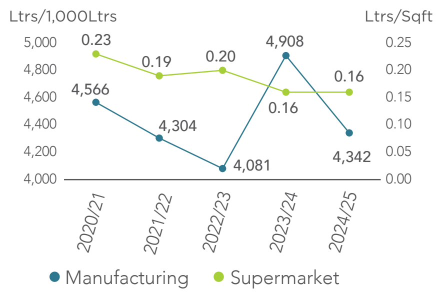
NATURAL CAPITAL

WATER AND EFFLUENTS

Our interaction with water is primarily in the Manufacturing Sector as it is a key input in production and cleaning for both Confectionery and Beverages. We actively work to manage our water usage sustainably, particularly given Sri Lanka's categorisation as a highly water stressed nation, by the Food and Agriculture Organisation (FAO). In compliance with regulatory requirements, we regularly conduct pumping tests in deep wells within proximity to our manufacturing facilities to ensure our operations do not negatively impact the availability of water to neighbouring communities. During the year under review, our water usage increased by 7% in line with the increase in production volumes. Moreover, the Supermarket Sector's water recycling initiative operational across its distribution centers successfully recycled 5,026 m^3 of water.

Water withdrawal and consumption (M^3)	2024/25	2023/24	YoY % change
Ground water	403,881	372,901	8
Municipality water	401,412	380,169	6
Total water withdrawn	805,293	753,070	7
Total water consumption	243,589	227,990	7
Water intensity-Manufacturing (Litres/1000 litres)	4,342	4,908	-12
Water intensity-Supermarket (Litres/Sqft)	0.16	0.16	3

Water intensity



Effluent discharge

We ensure effluents generated from our manufacturing operations are treated at a state-of-the-art effluent treatment plant before responsible discharge. We monitor water quality indicators on an ongoing basis and ensure they are consistently maintained within the regulatory guidelines established by the Central Environmental Authority.

Water discharge (M^3)	2024/25	2023/24	YoY % change
Water discharge by destination			
Municipality sewerage, drainage	220,822	191,159	6
ETPs and recycled	414	354	17
To rivers, lakes after being treated	145,234	141,437	3
Direct to rivers, lakes, wetlands, marshes	28,059	22,076	27
Ground through soakage pits	170,842	160,470	6
Provided to another organisation	14,634	9,583	53
Total water discharge	562,004	525,079	7
Total Discharge of Freshwater (less than 1000 TDS) to non-Water stressed areas	551,216	513,020	7
Total Discharge of Other Water (more than 1000 TDS) to non-Water Stressed areas	10,788	12,059	-11

MATERIALS

The raw materials used in the Manufacturing Sector comprise primarily agricultural inputs and packaging materials. Agricultural inputs include sugar, fresh milk, skimmed milk powder, whey powder, vegetable fat, vanilla and ginger while packaging materials consist primarily of PET bottles, plastic cups, plastic containers and corrugated boxes. The total volume of agricultural inputs, amounted to 15,120 metric tons (MT) for the year. During the year under review, the Group did not use any recycled inputs for their operations. Furthermore, through the Gunadamin – Plastic Recycling Initiative, the Manufacturing Sector collected and recycled 28% of PET bottles sold.

Type of material	2024/25
Renewable materials	
Fresh Milk (Litres)	3,056,400
SMP (Kgs)	1,560,206
Sugar (Kgs)	9,212,489
Vegetable Fat (Kgs)	2,030,862
Whey Powder (Kgs)	260,760
Non-renewable materials	
Plastic – Pet (No. of bottles)	95,960,407
Plastic – Containers (No. of PC)	17,729,471
Corrugated boxes (No. of PC)	5,549,649

CIRCULARITY AND WASTE MANAGEMENT

We are conscious of the adverse environmental impacts of our plastic-based packaging materials in the Manufacturing Sector and single-use polythene in the Supermarket Sector. As part of our commitment to strengthening the sustainability of our operations, we have placed ongoing emphasis on minimising plastic consumption and waste in the operations of both the Manufacturing and Supermarket Sectors. Moreover, we engage with stakeholders, including our customers, and the broader community, to raise awareness about the negative implications of plastic and promote its recycling.

INSTILLING A RECYCLING MINDSET

- The Manufacturing Sector engaged with students at the Peradeniya University through an inter-faculty competition to promote plastic collection. This programme was conducted over a 4-month period and the faculty that collected the most amount of recyclable plastic was rewarded.
- The Sector also engaged with 10 schools in Negombo to promote plastic recycling.

Key initiatives implemented to reduce plastic consumption within its operations include,

MANUFACTURING SECTOR

- Introduction of cans as an alternative packaging material to PET bottles.
- Use of paper-based packaging for the wellness range in Confectionery.
- Collection and recycling of 28% of PET bottles sold, through the Elephant House Gunadamin Plastic Recycling Initiative.
- Use of paper straws.
- Reduction in paper consumption through the provision of digital bills to distributors.

In the Supermarket Sector, minimising food waste is also an important priority. Through efficient logistics solutions and systems, the Sector consistently strives to limit wastage along the value chain. We have also partnered with multiple charities to donate unsold fresh produce and prepared meals to those in need. Key initiatives implemented within the sector to reduce plastic consumption and food waste include,

SUPERMARKET SECTOR

Reducing our plastic consumption

- Promoted the use of reusable bags and box packing.
- Maintained 'trash2cash' machines at 10 stores facilitating the collection of over 1,500 bottles per month per store.
- Plasticcyle bins at 55 locations engaging a total collection of 10,152 kg.
- A Rs. 6/- rebate to customers who bring their own bags.
- Use of compostable bags at fresh, meat and fish counters and for top crust bread.
- Use of paper straws at juice counters.
- Discontinuation of the sale of plastic cups/plastic straws at outlets.
- Promoting digital bills to reduce paper consumption.

Reducing food waste

- 2.3 million kilograms of produce were donated through the "Say No to Food Waste" initiative.

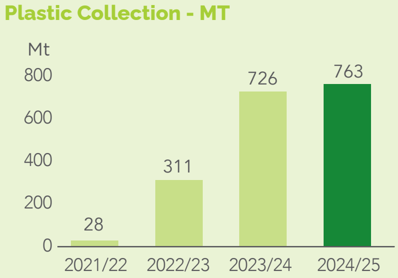
Types of waste generated (MT)	2024/25	2023/24	YoY % change
Non-hazardous waste	6,511	5,750	13
Hazardous waste	2.6	0.3	834
Total waste disposed	6,513	5,750	13

Waste type and disposable method (MT)	2024/25	2023/24	YoY % change
Total non-hazardous waste			
Reuse	2,390	1,939	23
Recycling	768	878	-13
Incineration	406	327	24
Sent to landfill	2,947	2,606	13
Total hazardous Waste			
Disposed	2.6	0.3	834

Gunadamin - Recyclable Plastic collection centre

ELEPHANT HOUSE – GUNADAMIN – PLASTIC RECYCLING INITIATIVE

Promoting the responsible disposal of PET bottles and reducing the environmental impacts of our primary packaging material, remained a key focus for the Manufacturing Sector. This was aligned with the Extended Producer Responsibility, a voluntary initiative implemented by the Central Environmental Authority and the Environment Ministry which requires producers to collect 40% of its sales of PET and High Intensity Polystyrene.

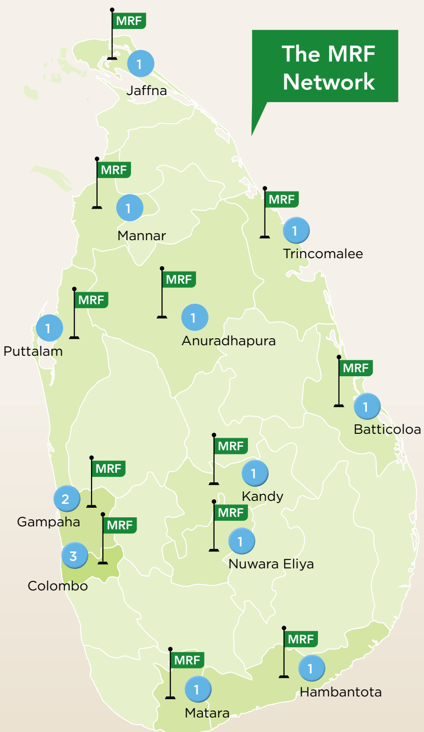


KEY HIGHLIGHTS IN 2024/25

5
Established new Material Recovery Facilities (MRF)

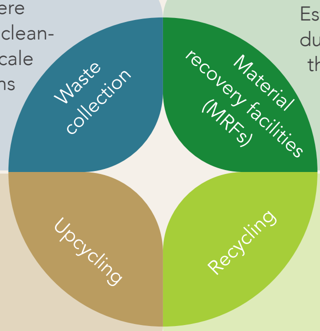
Established Sri Lanka's 1st women led plastic recyclable collection network and designated 4 MRFs which are women led.

763 MT (+5%)
plastic collection



Multiple clean up events were organised including beach clean-ups, clean-ups after large scale events, alongside collections from collection bins across the Colombo district.

Established 5 new MRFs during the year expanding the total network to 15 and increasing total recycling capacity to 1,260 MT.



The recycled output is upcycled into clothing and cleaning equipment.

The collected plastic waste is recycled at the MRFs.

During the year under review, we partnered with USAID's Ocean Plastics Reduction Activity to establish the Sri Lanka's 1st plastic recyclable collection network Material Recovery Facility (MRF) led by women. Other collaborations that continue to support our recycling initiative is alongside.

WAY FORWARD

MANUFACTURING SECTOR

- Enhance the energy efficiency of our operations.
- Expand solar power generation.
- Ongoing emphasis on plastic recycling by expanding the Elephant House Gunadamin Plastic Recycling Initiative.
- Community engagement to reduce single use polythene consumption and promote its recycling.

SUPERMARKETS SECTOR

- Expand solar power generation.
- Ongoing emphasis on reducing single-use plastic/ polythene within its operations.
- Community engagement to reduce single use polythene consumption at outlets.

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WAY FORWARD

Having successfully navigated a challenging economic period, the Sri Lankan economy is now poised for growth. In response, we have implemented focused strategies to capture emerging opportunities while proactively addressing risks with the goal of delivering sustained value to our stakeholders. How we intend to drive growth and create value over the short and medium-to-long term in the Manufacturing and Supermarket Sectors are outlined below.

MANUFACTURING SECTOR

Short-term

- Consistently innovate and evolve our product range in line with consumer preferences.
- Leverage digitalisation to proactively track shifts in market dynamics, drive operational efficiency and support advanced data driven decision making.
- Omni-channel consumer engagement to drive growth.
- Champion a culture of learning, wellbeing and inclusivity within the organisation.
- Foster the long-term growth of our value chain partners by creating mutual value.
- Expand local procurement and empower communities through job creation.
- Focus on improving margins through cost optimisation, efficient procurement and productivity improvements.
- Improve packaging formats to enhance convenience and reduce costs.

Medium-to-long term

- Maintain a product portfolio that is aligned with consumer preferences and tastes.
- Capacity expansion at manufacturing locations.
- Utilise technology and advanced data analytics to enhance agility in business strategy and strengthen our competitive edge.
- Expand our export markets.
- Strengthen business resilience through a purpose-driven strategy.
- Increased emphasis on inclusivity to support achievement of the Sector's 2028 gender diversity goals.
- Enhance the partnership with RCPL, India (Reliance Consumer Products Limited).
- Talent retention, training and development.
- Expand our product range into adjacent categories.

SUPERMARKET SECTOR

Short-term

- Enhance customer reach by expanding our geographical footprint.
- Leverage advanced data analytics to customise the value proposition at stores in line with consumer preferences.
- Expand the private label product range and prepared food offering at stores.
- Leverage our strength in advanced data analytics to expand Keells Insights, our B2B data services arm.
- Leverage our extensive farmer network.
- Foster a learning organisation.
- Drive business resilience though sustainable business practices.

Medium-to-long term

- Proactively monitor shifts in consumer preferences and adapt our value propositions accordingly.
- Expand revenue streams.
- A purpose driven strategy to create long term value for all stakeholders.
- Foster an inclusive culture and promote a gender diverse work place.

CAPITAL CONNECTIVITY AND TRADE-OFFS

Strategy execution involves inevitable trade-offs in resource allocation and relationship management, which over the long-term leads to enhancing, preserving or eroding our capitals. A summary of these key trade-offs during the year are listed below.

	Trade-off	Financial	Manufactured	Human	Intellectual	Social & Relationship	Natural
Sustainable growth	Short-term impact on financial capital arising from capex, outlet expansion, investments in digital infrastructure and brand building activities.	↓	↑		↑		
	Digitalisation supports strategy execution, strengthening financial capital and reducing human capital requirements in the long term.	↑		↓			
	Business expansion and its inevitable impact on the environment through increased consumption of raw materials, energy and water, and generation of carbon footprint.	↑	↑				↓
Fulfilling the customer promise	Investments in expanding and extending the product range in Manufacturing and Supermarkets to deliver on our promise of choice to customers.	↓			↑	↑	
	Investments in streamlining supply chains to facilitate product availability and customer reach.	↓				↑	
Empowered team	Significant investments in creating an engaging work environment that enhances employee retention and organisational tacit knowledge.	↓		↑	↑		
	Financial outlays to support employee well-being.	↓		↑			
	Improved customer relationships arising from better service, particularly in our Supermarket outlets			↑		↑	
Managing our value chain	Stronger value chain partnerships improved product availability and increased supply chain efficiencies, thereby enhancing profitability in the long term.	↑				↑	
	Supplier capacity building and propagating climate resilient practices along the agricultural supply chains minimizes adverse impacts on the environment while facilitating supply security of key inputs.	↑				↑	↑
Sustainable organisation	The introduction of the can range in Beverages reduces the adverse environmental impacts of plastic while responding to rising consumer sustainability concerns.					↑	↑
	Ongoing emphasis on reducing our environmental footprint will enhance business resilience while resonating with customers' increasing propensity towards sustainability.	↑				↑	↑
	Community engagement through investments in impactful CSR initiatives.	↓				↑	↑
	Investments in plastic recycling and driving female empowerment and community engagement through plastic recycling efforts.	↓				↑	↑

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ENTERPRISE GOVERNANCE

CORPORATE GOVERNANCE

EXECUTIVE SUMMARY

The John Keells Group's robust and comprehensive corporate governance framework, endeavours to create an enabling environment for growth in a structured, sustainable and transparent manner, whilst following all mandatory regulations and ensuring the highest levels of corporate governance. The JKH Group's corporate governance philosophy is institutionalised across all its business units, and this philosophy has continuously created value for all its stakeholders, notwithstanding the external environment and macroeconomic conditions.

Ceylon Cold Stores PLC (CCS) and its subsidiaries (collectively CCS Group) has its own set of internal policies processes and structures aimed at meeting, and, where possible, exceeding accepted best practice, in addition to the 'triggers' which ensure compliance with mandatory regulatory requirements. This framework is regularly reviewed and updated to reflect global best practice, evolving regulations, and dynamic stakeholder needs, while maintaining its foundational principles of accountability, participation, integrity and transparency.

In improving the quality and relevance of our governance reporting, the CCS Group has to structure the narrative in a manner that showcases the Board's activities and contribution to value creation during the year. Compliance with applicable statutory requirements is summarised in the narrative and discussed in detail in the compliance tables.

The ensuing discussion comprises of the following key aspects:

- Significant components of the John Keells Holdings PLC (JKH) Corporate Governance System
- Monitoring mechanisms in place to ensure strict compliance with the CCS Group's Governance policy
- Outlook and emerging challenges for corporate governance
- CCS Group's compliance with all mandatory requirements of law and its voluntary adoption of recommended codes in the governance field

COMPLIANCE SUMMARY

Mandatory Regulatory Frameworks – fully compliant
The Companies Act No. 7 of 2007 including applicable regulations
Listing Rules of the Colombo Stock Exchange (CSE), including circulars
Securities and Exchange Commission of Sri Lanka (SEC) Act No. 19 of 2021, including rules, regulations, directives and circulars
Code of Best Practices on Related Party Transactions (2013) advocated by the SEC
Voluntary Frameworks and Standards
Code of Best Practice on Corporate Governance (2023) issued by CA Sri Lanka – compliant to the extent of business exigency and as required by the Group
Code of Best Practice on Corporate Governance (2017) issued by CA Sri Lanka – compliant to the extent of business exigency and as required by the Group
Reporting Frameworks
International Integrated Reporting Framework published by the International Integrated Reporting Council (IIRC)
Global Reporting Initiative Standards
Internal Mechanisms
Articles of Association
Internal Policies
Board Charter and Board Sub-Committee Charters
Code of Conduct

CORPORATE GOVERNANCE HIGHLIGHTS FOR 2024/25

- The JKH Group undertook a thorough reassessment of its internal policy framework to align with the updated Listing Rules of the CSE. Additionally, a comprehensive Board Charter was formulated to establish a clear and consistent governance structure for the JKH Board, aimed at enhancing oversight, accountability, and operational effectiveness across the JKH Group.
- Aligned with the revised Listing Rules of the CSE, the JKH Group restructured the Board Committee framework for its listed subsidiaries. Effective 1 October 2024, separate Board Committees were established for each listed Subsidiary. This marked a shift from the earlier practice where JKH's Board Committees, played this role, ensuring adherence to the JKH Group's overarching governance principles.

Going forward, while each respective subsidiary has its own Board Committee, the parent company Board Committee will have oversight to ensure broad alignment of the Group's governing principles.

- The JKH Group embarked on a comprehensive financial transformation initiative aimed at optimising processes and improving efficiency, increasing agility, aligning with business strategy, and enhancing data driven insights and decision-making by leveraging on technology as an enabler. This involved a detailed analysis of financial workflows, identifying existing challenges, and reshaping the finance function to play a more strategic role in business operations. The transformation emphasised leveraging technology and advanced analytics, to address areas of manual work and enhance controls. By focusing on scalable processes, data-driven insights, and continuous improvement, the initiative aimed to strengthen reporting accuracy, support informed decision-making, and ensure robust financial system security.

- The core system of the JKH Group will be migrated to S/4 Hana, the latest SAP database built on a single data structure and architecture. These cloud-based solutions enable operational enhancements, real-time decision-making, increased agility, improved customer satisfaction, innovation, better risk management, and cost optimisation. The integration of advanced AI-driven analytics empowers the Group with deeper insights into customer behaviour, market trends, and operational performance, fostering data-informed decision-making and personalised customer experiences.

- The JKH Group has in place a Forensic Data Analytics platform to bolster financial governance and strengthen risk oversight through automated 'Transaction Outlier Detection.' By continuously monitoring critical accounting data sets, the system identifies unusual patterns and issues categorised alerts for prompt management intervention. Harnessing the power of machine learning and behavioural analytics, this platform, which is aligned with international standards, enhances fraud detection, supports risk mitigation strategies and ensures regulatory compliance.

- The JKH Group implemented measures to align its data governance practices with the Personal Data Protection Act No. 09 of 2022 (PDPA). Data Protection Officers (DPOs) have been designated across industry groups to oversee data compliance efforts, supported by a Data Governance Steering Committee that offers strategic guidance. To further enhance its data protection framework, the JKH Group engaged external consultants to conduct a gap analysis, evaluate and refine its technical, security, and organisational measures. Additionally, the JKH Group remains vigilant about regulatory developments and actively collaborates with the Data Protection Authority (DPA) through public consultations, ensuring sustained compliance and adherence to industry-leading best practices.

- Building on the JKH Group's overhaul of its Competency Framework, which introduced nine revised Success Drivers in the previous year, sector-specific awareness sessions and digital learning initiatives were implemented to engage employees. Success Drivers has been integrated into the performance management process to assess employees and identify development areas for 2024/25.

- To align with SLFRS S1 and S2, the local standards introduced by CA Sri Lanka for sustainability-related financial disclosures and climate-specific disclosures, the JKH Group partnered with an external consultant with international expertise to perform a comprehensive gap analysis across both Group and sector-level teams. This initiative ensures readiness to meet the CSE's reporting requirements for 2025/26. The standards are effective from 1st January 2025.

- The JKH Group advanced its environmental, social, and governance (ESG) framework by refining its ambitions and establishing a robust governance structure. The ESG ambitions were formally approved by the Group's Executive Committee, followed by the introduction of a governance framework to oversee and implement these commitments effectively. Key roles were designated, including Group Ambition Heads, Group Ambition Champions, and a Group-level Steering Committee, each guided by clearly defined responsibilities outlined in the ESG Steering Committee mandate. Initial kick-off meetings were conducted to create milestone plans, ensuring steady progress towards the JKH Group's short, medium, and long-term ESG objectives.

KEY ANNOUNCEMENTS TO THE COLOMBO STOCK EXCHANGE IN 2024/25

- The CCS Board declared a final dividend of Rs. 0.89 per share in May 2024 for the financial year 2023/24. The Board approved a first, second and third interim dividends of Rs. 0.74, Rs., 1.16 and Rs. 1.51 per share in July 2024, October 2024 and January 2025 respectively. A final dividend of Rs. 1.99 per share was declared in May 2025 for the financial year 2024/25. Accordingly, the dividend declared for 2024/25 is Rs. 5.40 per share [2023/24: Rs. 2.32 per share].

BOARD APPOINTMENTS AND RETIREMENTS IN 2024/25

- Having completed nine consecutive years on the Board, Mr. M Hamza, Independent, Non-Executive Director retired from the Board of Directors with effect from 19th June 2024.
- Mr. S. Kanag-Isvaran and Ms. R. N. K. Fernando were appointed as Independent, Non-Executive Directors with effect from 19th June 2024.
- Mr. H. A. J. De Silva Wijeyeratne was appointed as an Independent, Non-Executive Director with effect from 01st January 2025.

CORPORATE GOVERNANCE

HIGHLIGHTS OF THE 127TH ANNUAL GENERAL MEETING HELD ON 18 JUNE 2024

- Ms. P. N. Fernando, who retired in terms of Article 84 of the Articles of Association of the Company was re-elected as a Director of the Company.
- Mr. K. C. Subasinghe, who retired in terms of Article 84 of the Articles of Association of the Company was re-elected as a Director of the Company.
- Dr. (Ms) R. S. W. Wijeratnam who was over the age of 70 years and retired in terms of Section 210 of the Companies Act No. 7 of 2007 was re-elected as a Director of the Company.
- Messrs. Ernst & Young (E&Y) was re-appointed as the External Auditors of the Company and the Directors were authorized to determine the remuneration of E&Y.

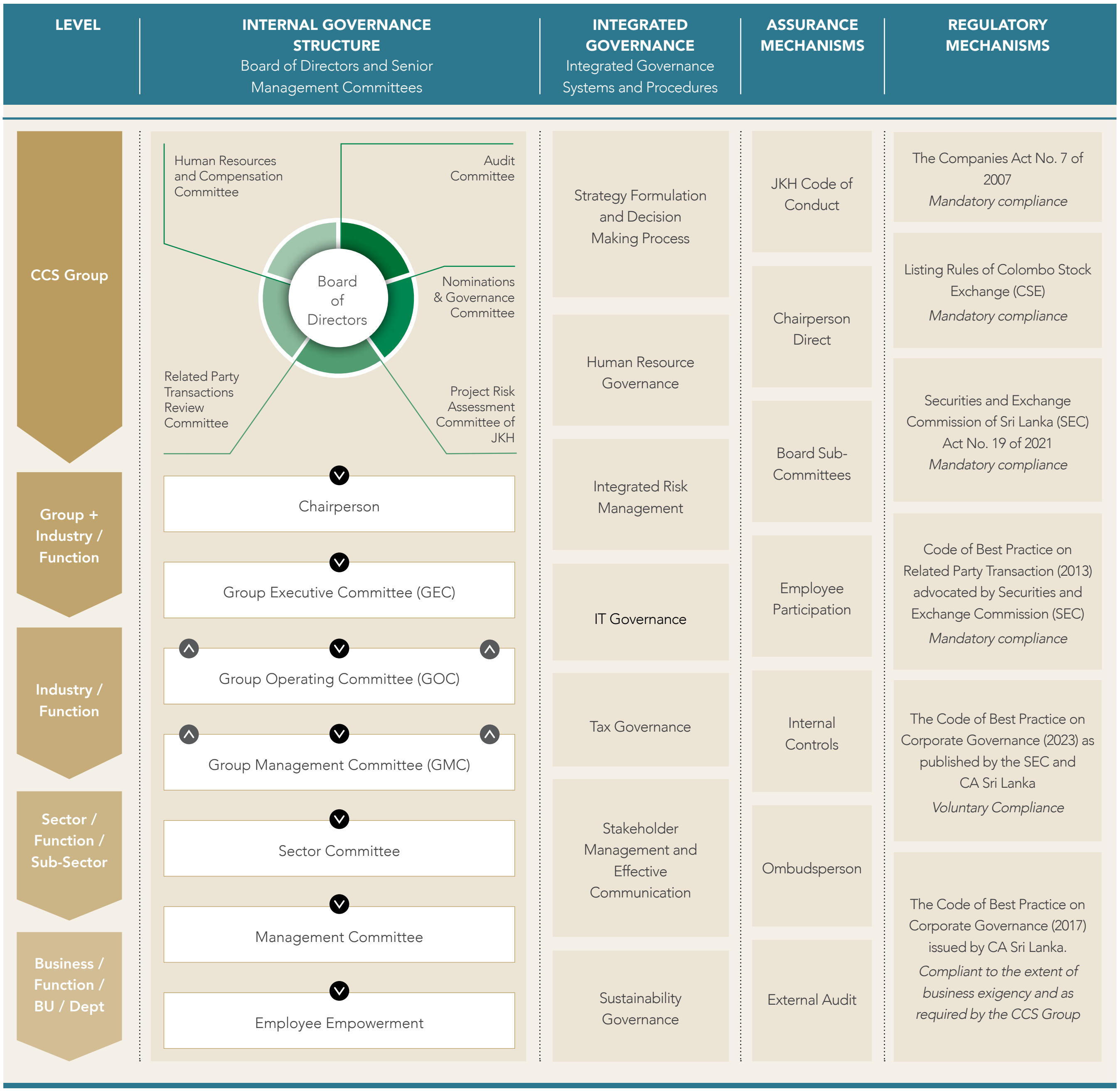
The 128th Annual General Meeting will be held on 20th June 2025.

Furthermore, an Extraordinary General Meeting took place on 18 June 2024, during which the Articles of Association were amended to incorporate the requirements outlined in Section 9.9 of the revised Listing Rules of the CSE regarding Alternate Directors.

CORPORATE GOVERNANCE – NAVIGATION OF CONTENTS

THE CORPORATE GOVERNANCE SYSTEM

The diagram below illustrates governance structures and policies of the Company and CCS Group conform to those of the Parent Company, John Keells Holdings PLC (JKH). It depicts the internal governance structure, from the Board of Directors cascading down to the employee level, the integrated governance systems and procedures of JKH, the Assurance Mechanisms in place and the various regulatory frameworks which abide by from a governance standpoint.



- Except for the Project Risk Assessment Committee, all other four (4) Sub Committees are appointed by the CCS Board.
- Audit Committee meetings are attended by the Presidents and Chief Financial Officers of CCS and Jaykay Marketing Services (Pvt) Ltd (JMSL) and the Head of Group Business Process Review, Internal and External Auditors are regular attendees.
- The GOC acts as the binding agent to the various businesses within the CCS Group towards identifying and extracting JKH Group synergies.
- Only the key components are depicted in the diagram.

INTERNAL GOVERNANCE STRUCTURE

The Internal Governance Structure comprises of the committees which formulate, execute and monitor Group strategies and initiatives and the policies, processes and procedures employed for doing so. These components have an impact on the execution and monitoring of all governance related initiatives, systems and methods, and is illustrated as follows:

BOARD OF DIRECTORS

Purpose: Assess the overall direction and implement strategy of the business; fiduciary duty towards protecting stakeholder interests; monitor the performance of the senior management; ensure effectiveness of governance practices; implement a framework for risk assessment and management, including internal controls etc.

AUDIT COMMITTEE

Purpose:

Compliance with applicable policies and procedures; the qualifications, independence, remuneration and performance of the external auditors; and the performance of the Company's Group Business Process Review division and the outsourced internal auditors.

HUMAN RESOURCES AND COMPENSATION COMMITTEE

Purpose:

To assist the Board in the establishment of remuneration policies and practices that are fair, appropriate and competitive.

To review and recommend appropriate remuneration packages for the Directors and Key Management Personnel and review the performance of the CCS Group's top talent/ monitor succession planning and the periodically review Group's Performance Management System.

NOMINATIONS AND GOVERNANCE COMMITTEE

Purpose:

Oversight of the process of appointment, re-election and re-appointment of Directors in accordance with the CCS Group's framework, ensure a comprehensive Board induction process is in place, to ensure that an acceptable methodology is in place for a self-evaluation of the Board, to review and recommend an overall corporate governance framework, periodically ·in consultation with the Chairperson-CEO, review the succession planning, in liaison with all the Directors

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Purpose:

To ensure that all related party transactions of the CCS Group are consistent with the Code on Related Party Transactions issued by the SEC and with the Listing Rules of the CSE.

Alignment with Group policies and procedures, ensure shareholder interests are protected, and fairness, integrity and transparency are maintained.

PROJECT RISK ASSESSMENT COMMITTEE OF JKH

Purpose:

To evaluate and assess risks associated with significant new investments at the initial stages of formulation and in any event prior to making any contractual commitments for the long-term.

Leadership and control

Accountability through reporting obligations

CHAIRPERSON

Purpose as Chairperson:

- To provide leadership to the Board whilst inculcating good governance and ensuring effectiveness of the Board.
- Ensure constructive working relations are maintained between the Executive and Non-Executive (including Independent) members of the Board.
- Ensure, with the assistance of the Board Secretary, that:
  - Board procedures are followed.
  - Information is disseminated in a timely manner to the Board.

Reporting obligations

Operations Management /Performance feedback

Delegated authority

MANAGEMENT COMMITTEES

Purpose: Led by the President, these committees execute strategies and policies determined by the Board, manage through delegation and empowerment the business and affairs of the Group, make portfolio decisions and prioritises the allocation of the capital, technical and human resources, thereby ensuring that value is created/enhanced for all stakeholders throughout the value chain.

EMPLOYEE EMPOWERMENT

Purpose: Effective recruitment, development and retention of this vital stakeholder, by equipping employees with the necessary skill set and competencies, to enable them to execute management decisions.

The components of the internal governance structures are strengthened and complemented by internal policies, processes and procedures, such as, strategy formulation and decision making, human resource governance, sustainability governance, integrated risk management, IT governance, tax stewardship and stakeholder management and effective communication.

THE BOARD OF DIRECTORS

The CCS Board has the authority to manage the affairs of the CCS Group in accordance with its Articles, applicable law and the Group's operating model. All decisions of the Board are made collectively and in a manner that upholds the principles of accountability, transparency, and good governance. Appropriate checks and balances are in place, as discussed in detail within this Commentary, to prevent the concentration of power in a single individual and to promote effective decision-making.

Board Oversight and Delegation of Authority

While the Board is accountable and responsible for the strategic direction and management of the CCS Group, it delegates the authority to the President and senior management to carry out day-to-day operations of the businesses. Once the Board has delegated broad authority, its primary responsibility is to oversee management's performance and ensure compliance with the broad policies and established governance principles. The Board reserves the right to withdraw or change any delegation of authority as deemed appropriate.

Board oversight involves the continual inquiry by Directors into whether the Board's delegation of authority to management is reasonable, and whether the Board has received sufficient and accurate information from management to make that determination.

Typical areas of oversight include strategic initiatives, portfolio decisions, financial performance, the integrity of financial statements, accounting and financial reporting processes, risk management, governance and compliance, and ESG matters.

The Group's governance framework ensures that Directors are well-positioned to satisfy their oversight responsibility through periodic assessment of Board agenda priorities and the related structures, processes, and controls that are in place to ensure that the Board is well-informed on a timely basis of matters requiring attention. Appropriate and sufficiently detailed reports are furnished at regular intervals in a form, timeframe and quality that enables the Board to discharge its duties effectively.

Board Responsibilities and Duties

The Board's principal role is to oversee the management and governance of the Group, ensuring that it operates in the best interests of its shareholders and stakeholders. The Board Charter sets out the overall governance framework and the roles and responsibilities of the Board. It is designed to ensure clarity and consistency in the functions of the Board functioning and promotes effective oversight and accountability in the Group's operations.

While the Board assumes these responsibilities on behalf of the shareholders, the Directors recognise that other stakeholders including employees, customers, business partners, regulators and, ultimately, the general public will benefit from effective commercial performance and enhanced governance processes.

The Board's key responsibilities include:

- Providing direction and guidance to the Group in the formulation of sustainable, high-level, medium, and long-term strategies which are aimed at promoting the long-term success of the Group.
- Reviewing and approving annual plans and long-term business plans.
- Tracking actual progress against plans.
- Ensuring business is conducted with due consideration on ESG factors.
- Reviewing HR processes with emphasis on top management succession planning, including the Diversity, Equity and Inclusion (DE&I) strategy.
- Ensuring operations are carried within the scope of the Enterprise Risk Management framework.
- Appointing and reviewing the performance of the President.
- Ensuring compliance with laws, regulations and ethical standards and monitoring systems of governance and compliance, including concerns on ethics, bribery and corruption.
- Overseeing systems of internal control, risk management and establishing whistle-blowing conduits.
- Determining any changes to the discretions/authorities delegated from the Board to the executive levels.
- Reviewing and approving major acquisitions, disposals and capital expenditure.
- Approving any amendments to constitutional documents.
- Approving the issue of equity/debt/hybrid securities.
- Ensuring all related party transactions are compliant with statutory obligations.
- Ensuring that the Group's values and standards are set with emphasis on adopting appropriate accounting policies and fostering compliance with financial regulations.
- Ensuring all stakeholder interests are considered in corporate decisions.
- Ensuring sustainable business development in corporate strategy decisions and activities.
- Fulfilling such other Board functions as are vital, given the scale, nature and complexity of the business concerned.

Board Composition

As of 31st March 2025, the Board comprised of ten (10) Directors, with four (4) of them being Non-Executive Independent (NED/ID), four (4) of them being Non-Executive Non-Independent (NED/NID) and two (2) of them being Executive Non-Independent (ED/NID).

The Group policy is to maintain a healthy balance between Executive, Non-Executive and Independent Directors, in keeping with the applicable rules and codes, with the Executive Directors bringing in deep knowledge of the businesses and the Non-Executive Independent Directors bringing in experience, objectivity and independent oversight. Independent Non-Executive Directors add value to strategic discussions and decision-making, whilst enhancing fair-mindedness.

In terms of composition, the Board shall comprise of not less than three and not more than twelve Directors, unless otherwise permitted by the Articles. The optimal number of Directors ranges from five to ten Directors, in compliance with applicable law, to facilitate effective group dynamics, foster individual responsibility, ensure adequate expertise and support decision-making. The Board includes at least two Independent

CORPORATE GOVERNANCE

Directors or such number equivalent to one third of the total number of Directors, whichever is higher, at any given time to be complaint with the applicable laws.

The key changes to the Board composition during the year under review are:

- Mr. M Hamza, Independent, Non-Executive Director retired from the Board of Directors with effect from 19th June 2024.
- Mr. S Kanag-Isvaran was appointed as an Independent, Non-Executive Director with effect from 19th June 2024.
- Ms. R N K Fernando was appointed as an Independent, Non-Executive Director with effect from 19th June 2024.
- Mr. H A J De Silva Wijeyeratne was appointed as an Independent, Non-Executive Director with effect from 01st January 2025.
- Ms. S T Ratwatte (NED/ID) and Dr. (Ms.) R S W Wijeratnam (NED/NID), will retire from the Board of Directors of CCS effective from and upon the conclusion of the Annual General Meeting of the Company to be held on 20th June 2025, having completed 9 years on the Board.

The current composition of the CCS Board is Illustrated as follows;

Name of the Director	Membership	Year of Appointment	Age	Meeting Attendance Attended/Eligible to Attend	Tenure on the Board (Years)
Mr. K N J Balendra – Chairperson	NED/NID	2018	51	4/4	7
Mr. J G A Cooray	NED/NID	2018	48	4/4	7
Mr. K C Subasinghe	NED/NID	2021	52	3/4	4
Dr. (Ms.) R S W Wijeratnam*	NED/NID	2016	72	4/4	9
Mr. D P Gamlath	ED/NID	2017	51	4/4	8
Ms. P N Fernando	ED/NID	2021	51	4/4	4
Ms. S T Ratwatte	NED/ID	2016	65	4/4	9
Mr. S. Kanag-Isvaran**	NED/ID	2024	49	2/3	9 months
Ms. R. N. K. Fernando**	NED/ID	2024	62	3/3	9 months
Mr. H. A. J. De Silva Wijeyeratne***	NED/ID	2025	58	1/1	3 months

** Dr. (Ms.) R S W Wijeratnam who was over the age of 70 years was re-elected as a Director of the Company and re-designated as a Non-Independent Non-Executive Director w.e.f. 1st March 2025*

*** Appointed to the Board with effect from 19 th June 2024*

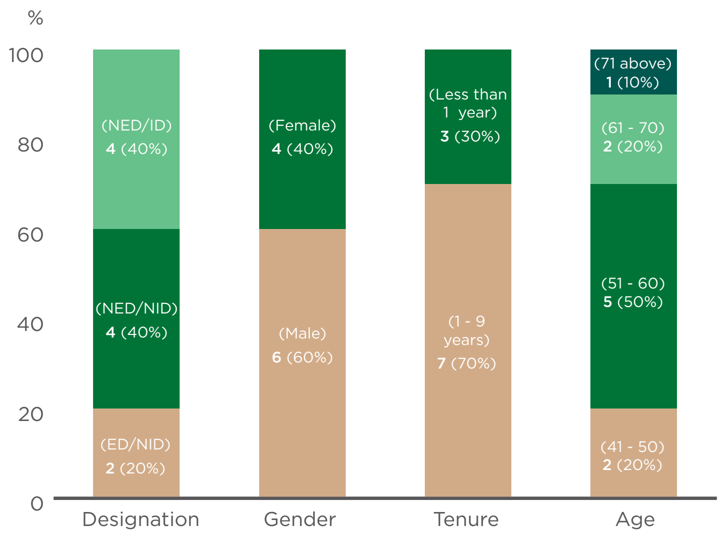
**** Appointed to the Board with effect from 1st January 2025*

NED/NID - Non-Executive Non-Independent Director

ED/NID - Executive Non Independent Director

NED/ID - Non-Executive Independent Director

Board Composition



Board Skills

The CCS Group is conscious of the need to maintain an appropriate mix of skills and experience in the Board through an annual review of its composition in order to ensure Board balance, diversity and appropriate levels of relevant skills and expertise aligned with the current and future needs of the CCS Group.

The Board regularly assess its collective skills and experience to align with the CCS Group's strategic needs and ensure diverse representation.

Collectively, the Board brings in a multi-dimensional wealth of diverse exposure in the fields of management, business administration, banking, finance, economics, taxation, marketing and human resources. All Directors possess the skills, expertise and knowledge complemented with a high sense of integrity and independent judgement.

Further details of their qualifications and experience are provided under the Board and Management Profiles section. - page 36 and 37

Board Access to Independent Professional Advice

To preserve the independence of the Board and to strengthen decision making, the Board is encouraged, where applicable and relevant, to seek independent professional advice, in furtherance of their duties, at the Group's expense. This is coordinated through the Board Secretary, as and when requested.

Board Appointment

Board appointments follow a structured and formal process within the purview of the Nominations and Governance Committee.

Pursuant to Listing Rule 9.3 of the Colombo Stock Exchange (CSE), a separate Nominations and Governance Committee was established for CCS Group with Effect from 1st October 2024 which marked a shift from the earlier practice where JKH's Board Committees, as the parent company, provided oversight, ensuring adherence to the Group's overarching governance principles.

The Committee has overall responsibility for making recommendations to the Board on all new appointments and for ensuring that the Board and its Committees have the appropriate balance of skills. The Board considers the recommendations of the Nominations and Governance Committee for appointment or re-election by the Board and, where relevant, by the shareholders at the Annual General Meeting.

Details of new Director appointments are disclosed to the Colombo Stock Exchange and media at the time of their appointment through a public announcement, covering the following:

- A brief resume of the Director.
- The nature of their expertise in relevant functional areas.
- The names of companies in which the Director holds directorships or memberships in Board committees.
- Whether such Director can be considered Independent.

Details of such appointments are also carried as relevant in Annual Reports, Interim releases and Investor Relations publications.

The Group has implemented requisite measures to ensure that the Directors consistently meet the fit and proper criteria stipulated in Section 9.7 of the Listing Rules. The Nominations and Governance Committee evaluates the fulfilment of the fit and proper criteria outlined in the Listing Rules prior to presenting nominations at the shareholders' meeting or making appointments. Additionally, annual declarations from the Directors are obtained, confirming that each individual has consistently met the fit and proper assessment criteria outlined in these Rules throughout the relevant financial year and continues to meet the criteria as of the date of such confirmation and any non-compliances shall be disclosed.

The Terms of Reference for the members of the Nominations and Governance Committee, and the Committee report can be found in the Nominations and Governance Committee section of this report. - pages 126 to 128.

Board Induction and Training

When Directors are newly appointed to the Board, they undergo a comprehensive induction where they are apprised, inter-alia, of the CCS Group values and culture, its operating model, policies, governance framework and processes, the Code of Conduct (which includes anti-corruption and anti-bribery) and the operational, environmental and social strategies of the CCS Group.

Additionally, the newly appointed Directors are granted access to relevant segments of the business and are given the opportunity to meet with Key Management Personnel and other key third-party service providers such as External Auditor, Internal Auditor and consultants.

The Board of Directors recognise the need for continuous training and expansion of knowledge and undertakes such professional development, as they consider necessary, to assist them in carrying out their duties as Directors. To this effect, the Chairperson and the Nominations and Governance Committee periodically reviews any training and development needs of the Board and recommends any identified gaps to the Board.

Each Director is responsible for ensuring continuous learning and development in their areas of expertise and that their professional qualifications/licenses and memberships are maintained.

The Chairperson ensures that the Board is informed of significant developments in applicable laws, rules, regulations and corporate governance practices, including any impacts to the Group, including ensuring that the senior management reports on the Group's compliance with applicable laws, rules and regulations to the Nominations and Governance Committee and the Board.

Re-Election

All Independent Non-Executive Directors are appointed for a period of three years, aligned with the Annual General Meeting, and are eligible for re-election, subject to the recommendation of the Nominations and Governance Committee and approval of the CCS Board. All Independent Non-Executive Directors may serve a maximum of three (3) successive terms, totalling nine (9) years unless otherwise permitted under Applicable Law or unless an extended Board tenure is necessitated by the requirements of the CCS Group.

All contracts are renewed by the Board based on the recommendation of the Nominations and Governance Committee. Nominations and Governance Committee recommendations will be based on the Directors meeting fit and proper criteria and, in the case of Independent Directors, independence criteria in addition to other requirements pertaining to qualifications, skills and experience, strategic demands facing the company and time commitments, diversity, etc are considered.

In terms of the Articles of Association, one third of all the Executive and Non-Executive Directors, except for the Chairperson, are eligible for re-election at the Annual General Meeting by the shareholders.

Annually, the Board discusses the possibility of any impairment of Director independence and collectively evaluates the independence of such Board members.

Board Meetings

Regularity of Meetings

The quarterly Board Meetings are scheduled well in advance to ensure full attendance and the Board and the Board Committees joining through audio visual means shall be accounted for attendance. In addition to the Board meetings, the Board of Directors communicate, as appropriate, when issues of strategic importance requiring extensive discussions arise.

The Board may increase the frequency of Meetings based on the needs of the Board and the business exigencies of the Group. The Chairperson presides at all Board meetings, unless excused or absent, in which circumstance either the Deputy Chairperson shall lead proceedings. Directors are required to attend a minimum of two or 50% of the meetings held during the financial year, whichever is higher, unless otherwise excused by the Board.

Pertinent Board discussions and decisions are recorded by the Board Secretary in the Board minutes and such minutes are put forward for approval of the Board at the next Board Meeting. All records pertaining to Board meetings and decisions are maintained in the minute book by the Board Secretary.

The attendance at the Board meetings held during the financial year 2024/25 is given below:

Name of the Director	Year of Appointment	30/04/2024	26/07/2024	30/10/2024	27/01/2025	Eligibility	Attended
Non-Executive / Non-Independent							
Mr. K N J Balendra – Chairperson	2018	✓	✓	✓	✓	4	4
Mr. J G A Cooray	2018	✓	✓	✓	✓	4	4
Mr. K C Subasinghe	2021	✓	Excused	✓	✓	4	3
Dr. (Ms.) R S W Wijeratnam	2016	✓	✓	✓	✓	4	4
Executive / Non-Independent							
Mr. D P Gamlath	2017	✓	✓	✓	✓	4	4
Ms. P N Fernando	2021	✓	✓	✓	✓	4	4
Non-Executive / Independent							
Mr. M Hamza*	2015	✓	N/A	N/A	N/A	1	1
Ms. S T Ratwatte	2016	✓	✓	✓	✓	4	4
Mr. S. Kanag-Isvaran**	2024	N/A	✓	Excused	✓	3	2
Ms. R. N. K. Fernando**	2024	N/A	✓	✓	✓	3	3
Mr. H. A. J. De Silva Wijeyeratne***	2025	N/A	N/A	N/A	✓	1	1

** Retired from the Board with effect from 19th June 2024*

*** Appointed to the Board with effect from 19th June 2024*

**** Appointed to the Board with effect from 1st January 2025*

Timely Supply of Information

The Directors were provided with the necessary information, well in advance, by way of electronic Board papers and proposals, as relevant, for all Board meetings held during the year, in addition to the monthly and quarterly information submitted pertaining to the Group, in order to ensure robust discussion, informed deliberation and effective decision-making.

The Directors continue to have access to, and independent contact with, the corporate and senior management of the CCS Group.

Board Agenda

The agenda for Meetings is determined by the Chairperson, where relevant consulting the Deputy Chairperson, and Board Secretary, with information relevant to such Meetings disseminated to the Board in a timely manner. During the period under review, the Chairperson-CEO ensured that all Board proceedings were conducted smoothly and efficiently, approving the agenda for each meeting prepared by the Board Secretary.

The typical Board agenda in 2024/25 entailed, discussion of matters arising from the previous minutes, submission of Board Sub-Committee reports, status updates of major projects and raising of capital, review of performance, strategy formulation, approval of quarterly and annual financial statements, review of risk, sustainability and corporate social responsibility related aspects, ratification of capital expenditure, ratification of Circular Resolutions and use of Common Seal, among others. Added emphasis was also placed on business performance in lieu of the challenges stemming from the macroeconomic volatilities and uncertainties.

Board Secretary

Keells Consultants (Pvt) Limited functions as both the Secretaries and Registrars of the Company.

The key responsibilities of the Board Secretary:

i. Assist the Board with compliance related matters pertaining to the Articles, Applicable Law and corporate governance practices adopted by the Group.

ii. Organise, coordinate, and support the scheduling of Board meetings, ensuring that all required documents and agendas are distributed in advance.

iii. Attend Board meetings and record minutes and ensure that all decisions are accurately documented.

iv. Facilitate regular updates to the Board on key developments in Applicable Law and corporate governance practices.

v. Assist in monitoring the Board's compliance with internal policies.

vi. Facilitate communications between the Board and the management of the Group.

Time Dedicated by Non-Executive Directors

The Board has dedicated adequate time for the fulfilment of their duties as Directors of the CCS Group.

In addition to attending Board meetings, the Directors have attended the respective Sub-Committee meetings and have also contributed to decision-making via Circular Resolutions and one-on-one meetings with Key Management Personnel, when necessary.

Board Evaluation

The Board conducted its annual Board performance appraisal for the financial year 2024/25. The process for the periodic evaluation of the performance of Board is established under the oversight of the Nominations and Governance Committee. This formalised process of individual appraisal enabled each member to self-appraise, on an anonymous basis, the performance of the Board under the areas of:

- Role clarity and effective discharge of responsibilities
- People mix, balance and structures
- Systems and procedures
- Quality of participation
- Board and corporate image and reputation

More recent deliberations have centred around the completion of the large ticket investments of the Group, continuous enhancement on the approach to proactively managing identification of risks, particularly in relation to cybersecurity risks, business resilience and enterprise risk management, including holistic ESG-related policies.

Ensuring Independence and Managing Conflicts of Interests

The CCS Group takes necessary steps to ensure that Directors avoid situations in which they have, or could have, a direct or indirect interest which conflicts with, or might possibly conflict, with the interests of the CCS Group.

In order to avoid such potential conflicts or biases, the Directors make a general disclosure of interests, as illustrated below, at appointment, at the beginning of every financial year, and during the year, as required. The confirmatory statement shall include declaration of all material interests in contracts involving the Company and whether they have refrained from voting on materially interested matters.

Such potential conflicts are reviewed by the Board from time to time to ensure the integrity of the Board's independence. The details of companies in which Board members hold Board or Board Committee membership are available with the Company Secretary for inspection by shareholders, on request.

Prior to Appointment

- Nominees are requested to make known their various interests.
- Provision of declarations and documents to confirm that there are no conflicts, meet the fit and proper criteria and satisfy the independence criteria. (to the extent applicable)

Once Appointed

- Directors obtain Board clearance prior to:
  - » Accepting a new position.
  - » Engaging in any transaction that could create or potentially create a conflict of interest.
- All NEDs are required to notify the Chairperson of any changes to their current Board representations or interests and a new declaration is made annually.
- Provision of declarations and documents to confirm that there are no conflicts, meet the fit and proper criteria and satisfy the independence criteria. (to the extent applicable)

During Board Meetings

- Directors who have an interest in a matter under discussion:
  - » Excuse themselves from deliberations on the subject matter.
  - » Abstain from voting on the subject matter (abstention from decisions is duly minuted).

The independence of all its Non-Executive Independent Directors was reviewed on the basis of criteria summarised as follows.

No Non-Executive Independent Director has a conflict of interest as at 31st March 2025 as per the criteria for independence outlined below.

	Criteria for defining independence	Status of conformity of NEDs
1	Shareholding carrying not less than 10% of voting rights.	None of the individual EDs' or NED/IDs' shareholdings exceed 1%.
2	Director of another company*.	None of the NED/IDs are Directors of another related party company.
3	Income/non-cash benefit equivalent to 20% of the Director's annual income excluding income/non-cash benefits received which are applicable on a uniform basis to all non-executive Directors on the Board.	NED/ID income/cash benefits are less than 20% of an individual Director's annual income.
4	Employment at CCS Group and/or material business relationship with CCS Group, currently or in the three years immediately preceding appointment as a Director.	None of the NED/IDs are employed or have been employed at CCS Group or any of its subsidiaries or JKH Group
5	Close family member is a Director, or a Key Management Personnel.	No family member of the EDs or NED/ IDs is a Director or a Key Management Personnel of a Related Party Company.
6	Has served on the Board continuously for a period exceeding nine years from the date of the first appointment.	No NED/IDs has served on the Board for more than nine years.
7	Is employed, is a Director, has a material business relationship and/or significant shareholding in other companies*. Entails other companies that have significant shareholding in CCS Group and/or CCS Group has a business connection with.	None of the NED/IDs are employed, are Directors, or have a material business relationship or a significant shareholding of another related party company as defined.
8	Is below 70 years of age, unless Nominations and Governance Committee recommends the appointment, The Board of Directors approves the recommendation and Board approval is affirmed by passing a resolution through majority vote of public shareholders at a General Meeting.	None of the Directors are above the age of 70 except for Dr. (Ms) R S W Wijeratnam who was over the age of 70 years and retired in terms of Section 210 of the Companies Act No. 7 of 2007 who was re-elected as a Director of the Company at the Annual General Meeting dated 18 June 2024. In line with the amendment to Section 9.8.3 (ix) of the Listing Rules of the CSE, Dr. R. S. W. Wijeratnam continued to serve as an Independent Director of CCS until 28th February 2025 and was redesignated as a Non-Independent Non-Executive Director of CCS, with effect from 1st March 2025.

** Other companies in which a majority of the other Directors of the listed company are employed or are Directors or have a significant shareholding or have a material business relationship or where the core line of business of such company is in direct conflict with the line of business of the listed company.*

Amendment to Section 9.8.3 (ix) of the Listing Rules of the CSE

With effect from 1st March 2025, CSE amended the listing rule 9.8.3 (ix) relating to a Director losing his/her independence after reaching the age of 70 years. As per the amended rule, a Director above 70 years may be considered independent if:

1. The Nominations and Governance Committee recommends the appointment, providing justification and rationale.
2. The Board of Directors approves the recommendation.
3. The recommendation and Board approval are affirmed by passing a resolution through majority vote of public shareholders at a General Meeting.

The existing Directors above 70 years may continue as Independent Directors if the entity complies with these conditions at the next Annual General Meeting, held within 12 months of the rule's adoption and the approval process for Directors over 70 years to be considered independent must be repeated at each Annual General Meeting.

Details in Respect of Directors

In accordance with the Group policy and applicable law, the Directors shall not hold more than fifteen directorships in listed companies. The following table illustrates the total number of Board seats held and employed as key management personnel in other companies by each Director.

Name of Director	Board Seats Held and employed as Key Management Personnel in Other Listed Sri Lankan Companies			No. of Board Seats Held in Other Unlisted Sri Lankan Companies
	Executive Capacity	Non-Executive Capacity	Key Management Personnel	
Mr. K N J Balendra – Chairperson	John Keells Holdings PLC	• Asian Hotels & Properties PLC • John Keells PLC • John Keells Hotels PLC • Trans Asia Hotels PLC • Keells Food Products PLC • Union Assurance PLC • Tea Smallholder Factories PLC (Resigned on 3 April 2025)	Nil	Director of many Unlisted Companies in the John Keells Group.
Mr. J G A Cooray	John Keells Holdings PLC	• Asian Hotels & Properties PLC • John Keells PLC • John Keells Hotels PLC • Trans Asia Hotels PLC • Keells Food Products PLC • Tea Smallholder Factories PLC (Resigned on 3 April 2025)	Nil	Director of many Unlisted Companies in the John Keells Group.
Mr. K C Subasinghe	Nil	• Nations Trust Bank PLC	Nil	Director of many Unlisted Companies in the John Keells Group.
Mr. D P Gamlath	Nil	• Keells Food Products PLC • Union Assurance PLC	Nil	Director of many Unlisted Companies in the John Keells Group.
Ms. P N Fernando	Nil	• Keells Food Products PLC	Nil	The Colombo Ice Company (Pvt) Limited
Ms. S T Ratwatte	Nil	• B P P L Holdings PLC • Convenience Foods (Lanka) PLC	Nil	• National Credit Guarantee Institution (Pvt) Ltd • Greenpeace South Asia (Pvt) Ltd
Dr. (Ms.) R S W Wijeratnam	Nil	Nil	Nil	• Rural Returns (Guarantee) Limited • LAPMAC
Mr. S. Kanag-Isvaran*	Nil	• Dialog Finance PLC	Nil	Nil
Ms. R. N. K. Fernando*	Nil	• Chairperson- Dialog Finance PLC	Group Chief Digital Services Officer - Dialog Axiata PLC	• Dialog Axiata Digital Innovation Fund (Pvt) Ltd • Digital Holdings (Pvt) Ltd • Agrithmics (Pvt) Ltd • Ifinity (Pvt) Ltd • Headstart (Pvt) Ltd
Mr. H. A. J. De Silva Wijeyeratne **	Nil	• Ceylon Tobacco Company PLC • DFCC Bank PLC • Trans Asia Hotels PLC	Nil	• Avastha Financial Advisory Services (Pvt) Ltd • KalyanaSL Guarantee Limited

** Appointed to the Board with effect from 19th June 2024* *** Appointed to the Board with effect from 1st January 2025*

Directors' Shareholding in Ceylon Cold Stores PLC (Including the Spouse)	31 March 2025	31 March 2024
Mr. K N J Balendra – Chairperson	819,040	819,040
Mr. J G A Cooray	Nil	Nil
Mr. K C Subasinghe	45,000	45,000
Mr. D P Gamlath	Nil	Nil
Ms. P N Fernando	Nil	Nil

Directors' Shareholding in Ceylon Cold Stores PLC (Including the Spouse)	31 March 2025	31 March 2024
Ms. S T Ratwatte	40,000	26,780
Dr. (Ms.) R S W Wijeratnam	Nil	Nil
Mr. S. Kanag-Isvaran *	Nil	N/A
Ms. R. N. K. Fernando *	Nil	N/A
Mr. H. A. J. De Silva Wijeyeratne **	Nil	N/A

** Appointed to the Board with effect from 19th June 2024* *** Appointed to the Board with effect from 1st January 2025*

Director Remuneration

Executive Director Remuneration

The Human Resources and Compensation Committee (HRCC) is responsible for determining the compensation of the Executive Directors of the CCS Group. The HRCC operates in conformity with applicable rules and regulations.

The HRCC is comprised majority of Independent, Non-Executive Directors and serves as an independent conduit for shareholder and other stakeholder interests. The members of the HRCC, as with all other Directors of the Company, are appointed by the Board on the recommendations of the Nominations and Governance Committee and are put forward for re-election by the shareholders at the Annual General Meeting convened following their appointment.

Refer the Human Resources and Compensation Committee section of this report for further details. - page 124-125

A significant proportion of Executive Director remuneration is variable. The variability is linked to the peer-adjusted consolidated Group bottom line and expected returns on shareholder funds, which aligns with the interest of shareholders by incentivising sustainable value creation over time. In determining remuneration, other ESG considerations, including non-financial key performance indicators (KPIs), are also given due prominence. Further, the HRCC consults the Chairperson about any proposals relating to the Executive Director remuneration, other than that of the Chairperson.

During the year, ESOPs, valued using a binomial pricing model, were granted to the Executive Directors as well as to all other eligible employees from the parent company, JKH. Further details are found in the Notes to the Financial Statements section and Share Information section of this Annual Report.

Excluding ESOPs granted, total aggregate of EDs remuneration for the year under review was Rs. 280.3 million. (2023/24 - Rs. 203.6 million)

Non-Executive Director Remuneration

The compensation of Non-Executive Directors is determined by the Board, based on the principles of non-discriminatory pay practices and with reference to fees paid to other Non-Executive Directors of comparable companies, macro-economic conditions, time commitments to be made by such Directors and the complexities of the CCS Group.

Non-Executive Directors were paid additional fees for either chairing or being a member of a Sub-Committee and did not receive any performance/incentive payments/ share option plans.

The total aggregate of Non-Executive Director remuneration for the year was Rs. 14 million [2023/24: Rs. 11 million].

Compensation for Early Termination

In the event of an early termination of a Director, there are no compensation commitments other than for:

- Executive Directors: as per their employment contract similar to any other employee.
- Non-Executive Directors: accrued fees payable for Board and Board Committee membership, if any, as per the terms of their contract.

Apart from the remuneration and compensation disclosed above, no other considerations such as recruitment incentives, termination benefits, or retirement benefits have been made to the Directors.

Board Sub-Committees

Whilst retaining final decision rights, the Board has delegated certain functions to Board Sub-Committees. Members of these Sub-Committees focus on their designated areas of responsibility and impart knowledge and oversight in areas where they have greater expertise. The five Board Sub-Committees are as follows:

i. Audit Committee
ii. Human Resources and Compensation Committee
iii. Nominations and Governance Committee
iv. Related Party Transactions Review Committee
v. Project Risk Assessment Committee of the Parent Company - JKH

Out of the five Board Sub-Committees, four are mandatory, whist the Project Risk Assessment Committee was formed voluntarily, considering the diverse nature of businesses within the JKH Group.

Important matters arising from the Board Sub-Committee meetings are deliberated at the Board meetings, and any concerns identified are referred to the Board for oversight.

The Board Sub-Committees comprise predominantly of Independent Non-Executive Directors.

In accordance with the mandatory compliance obligations stipulated under the revised Listing Rules of the Colombo Stock Exchange (CSE) on Corporate Governance, which require all listed companies to have their own Audit, Nominations and Governance, Human Resources and Compensation and Related Party Transactions Review Committees, the following Board Committees were constituted/re-constituted with effect from 1st October 2024.

Sub-committee name	Constituted/ Re-constituted
i. Audit Committee	Re-constituted
ii. Human Resources and Compensation Committee	Constituted*
iii. Nominations and Governance Committee	Constituted*
iv. Related Party Transactions Review Committee	Constituted*

** Prior to 1st October 2024, the Parent company Board Committees acted on behalf of the Company*

Details of the sub-committees and their reports are provided on pages 122 to 132.

The membership of the five Board Sub-Committees is as follows;

Board Sub-Committee membership as at 31st March 2025	Audit Committee	Human Resources and Compensation Committee	Nominations and Governance Committee	Related Party Transactions Review Committee	Project Risk Assessment Committee of JKH*
Non-Executive / Non-Independent					
Mr. K N J Balendra	-	-	Member	-	Member
Mr. J G A Cooray	-	Member	-	-	Member
Mr. K C Subasinghe	-	-	-	-	-
Dr. (Ms.) R S W Wijeratnam	Member	-	-	Member	-
Executive / Non-Independent					
Mr. D P Gamlath	-	-	-	-	-
Ms. P N Fernando	-	-	-	-	-
Non-Executive / Independent					
Ms. S T Ratwatte	Chairperson	-	-	Chairperson	-
Mr. S Kanag-Isvaran**	Member	Member	Member	Member	-
Ms. R N K Fernando**	Member	Chairperson	Chairperson	Member	-
Mr. H A J De Silva Wijeyeratne***	Member	-	-	Member	-

** Mr. D A Cabraal and Dr (Mr) S S H Wijayasuriya (Chairperson) are members of the Project Risk Assessment Committee which is formed by the Parent Company*

*** Appointed to the Board with effect from 19th June 2024*

**** Appointed to the Board with effect from 1st January 2025*

Audit Committee

The CCS Group's Audit Committee comprise four (4) Non-Executive Independent Directors and one (1) Non-Executive Non-Independent Director as of 31st March 2025.

Attendance and Composition

- Out of the five (5) members, four (4) members are Independent Non-Executive Directors, with the chairperson of the Committee having significant, recent and relevant financial management and accounting experience, and membership in a recognised professional accounting body.
- The Sector Presidents, the Sector Chief Financial Officers and the Head of the Group Business Process Review are permanent invitees for all Committee meetings.

The composition of the Committee as at 31st March 2025 along with the attendance of the members at Committee meetings respectively, is provided below

No of meetings – Five (05) - The Committee convened at least once every quarter.

Members	Date of Appointment	Eligible to Attend	Attended
Ms. S T Ratwatte – Chairperson	17/06/2016	5	5
Dr. (Ms.) R S W Wijeratnam	17/06/2016	5	4
Mr. S. Kanag-Isvaran	19/06/2024	4	4
Ms. R N K Fernando	19/06/2024	4	4
Mr. H A J De Silva Wijeyeratne	01/01/2025	2	2
By Invitation			
Mr. D P Gamlath		5	5
Ms. P N Fernando		5	5

Scope

- Overseeing the preparation, presentation and review of the quarterly and annual financial statements, including the quality, transparency, integrity, accuracy and compliance with accounting standards, laws and regulations, prior to tabling the same for the approval of the Board of Directors.
- Assess the adequacy and effectiveness of the internal control environment in the Group and ensure that appropriate action is taken by management on the recommendations of the internal auditors and to prevent the leakage of material information to unauthorised persons.
- Obtain and review assurance received from the Sector President and the Sector Chief Financial Officer and other Key Management Personnel, as relevant that the financial records have been properly maintained, and the financial statements give a true and fair view of the Company's and the CCS Group's operations and finances.
- Evaluate the competence and effectiveness of the risk management systems and internal controls of the Group and ensure robustness and effectiveness in monitoring and controlling risks, as recommended by the internal auditors.
- Review the adequacy and effectiveness of internal and external audit arrangements.
- Review the risk policies adopted by the Company on an annual basis.
- Recommend the appointment, re-appointment and removal of the External Auditors including their remuneration and terms of engagement by assessing qualifications, expertise, resources and independence.

Report of the Audit Committee

Refer Audit Committee Report on page 190 to 192 of the Annual Report.

Human Resources and Compensation Committee

In line with the recent amendments to the Listing Rules of the Colombo Stock Exchange ("CSE") the Company constituted its own Human Resources and Compensation Committee from 1st October 2024, replacing the previously permitted arrangement of sharing the Human Resources and Compensation Committee of the Parent Company, John Keells Holdings PLC (JKH) which acted on behalf of the Company until 30th September 2024.

Attendance and Composition

The composition of the Committee as at 31st March 2025 as well as 30th September 2024, along with the attendance of the members at Committee meetings respectively, is provided below.

31st March 2025: The committee did not convene after 1st October 2024.

Members	Date of Appointment
Ms. R. N. K. Fernando - Chairperson	01/10/2024
Mr. S. Kanag-Isvaran	01/10/2024
Mr J G A Cooray	01/10/2024

**The Committee's composition complies with the requirements of Rule 9.12.6 of the Listing Rules of the Colombo Stock Exchange.*

30th September 2024: The Committee met on one occasion from April to September 2024

Members	Date of Appointment	Eligible to Attend	Attended
Mr D V R S Fernando* - Chairperson	01/07/2024	N/A	N/A
Mr D A Cabraal	29/01/2015	1	1
Dr (Mr) S S H Wijayasuriya	05/11/2016	1	Excused

* Appointed w e f 1st July 2024

Scope

- Review and recommend overall remuneration philosophy, strategy, policies and practice and performance-based pay plans for the CCS Group.
- Determine and agree with the Board a framework for the remuneration of the Executive Directors based on performance targets, benchmark principles, performance related pay schemes, industry trends and past remuneration.
- Succession planning and talent management of Board of Directors and Key Management Personnel.
- Ensure the integrity of the Group's compensation and benefits programme is maintained.
- Commission compensation and benefit surveys as appropriate to assist the Committee in its deliberations.
- In performing these functions, to ensure that stakeholder interest are aligned and that the Group is able to attract, motivate and retain talent.
- At its discretion, the Committee may invite external specialists to provide advice and information on relevant remuneration and Human Resource development practices.
- Determining compensation of Non-Executive Directors is not under the scope of this Committee.

Report of the Human Resources and Compensation Committee

The Company established its own Human Resources and Compensation Committee, effective 1 October 2024, in compliance with the revised listing rules of the Colombo Stock Exchange on corporate governance. This replaced the previous arrangement of sharing the Parent Company, John Keells Holdings PLC's Human Resources and Compensation Committee, as permitted under prior rules. The Committee is governed by a Charter (Terms of Reference) that defines its mandate, functions, composition, and practices. The Charter is reviewed periodically to ensure alignment with regulatory requirements and corporate governance best practices, including Section 9.12 of the Listing Rules. The Company Secretary serves as its Secretary.

The Committee plays a vital role in the Company's governance framework by ensuring compensation and benefits policies are fair, competitive, and aligned with the John Keells Group's compensation philosophy. It reviews and ratifies the compensation of the Executive Directors and key executives, who are pivotal in shaping business strategy and decision-making, while also making recommendations to the Board. Additionally, the Committee monitors and evaluates top talent performance to support organizational growth and succession planning, with a focus on key executive roles. In fulfilling these responsibilities, it ensures the alignment of stakeholder interests, the retention of top talent, and compliance with legal and regulatory standards.

The Chairperson of the Committee updates the Board on pertinent matters during Board meetings, ensuring key developments and relevant issues are addressed. The Committee confirms compliance with the Companies Act No 7 of 2007 regarding Director remuneration and confirms that no Director or key executive participated in decisions regarding their own remuneration. Performance appraisals, along with short-term and long-term incentive calculations for the Executive Directors and key executives, were conducted in line with approved processes and the framework of the John Keells Group. As part of its governance responsibilities, the Committee conducted a self-evaluation of its performance for the year and concluded that its functions were carried out effectively in accordance with the Committee Charter.

Ms. R N K Fernando
Chairperson of the Human Resources and Compensation Committee

26th May 2025

Nominations and Governance Committee

In line with the recent amendments to the Listing Rules of the Colombo Stock Exchange ("CSE") the Company constituted its own Nominations and Governance Committee from 1st October 2024, replacing the previously permitted arrangement of sharing the Nominations and Governance Committee of the Parent Company, John Keells Holdings PLC (JKH) which acted on behalf of the Company until 30th September 2024.

Attendance and Composition

The composition of the Committee as at 31st March 2025 as well as 30th September 2024, along with the attendance of the members at Committee meetings respectively, is provided below.

31st March 2025: The Committee met on one occasion after 1st October 2024.

Members	Date of Appointment	Eligible to Attend	Attended
Ms. R. N. K. Fernando - Chairperson	01/10/2024	1	1
Mr. S. Kanag-Isvaran	01/10/2024	1	1
Mr K.N.J. Balendra	01/10/2024	1	1

**The Committee's composition complies with the requirements of Rule 9.11.4 of the Listing Rules of the Colombo Stock Exchange.*

30th September 2024: The Committee met on five occasions from April to September 2024.

Members	Date of Appointment	Eligible to Attend	Attended
Dr (Ms) S A Coorey - Chairperson	08/11/2023	5	5
Mr D A Cabraal	07/11/2013	5	5
Dr (Mr) S S H Wijayasuriya	05/11/2016	5	5
Mr K N J Balendra*	01/01/2019	5	5

** Resigned with effect from 1st October 2024.*

Scope

- Assess the skills required on the Board given the needs of the businesses.
- From time to time assess the extent to which the required skills are represented at the Board.
- Prepare a clear description of the role and capabilities required for a particular appointment.
- Identify and recommend suitable candidates for appointments to the Board.
- Ensure, on appointment to the Board, Non-Executive Directors receive a formal letter of appointment specifying clear expectations in terms of time commitment, involvement outside of the formal Board meetings and participation in Committees, amongst others.
- Ensure that every appointee undergoes an induction to the Group.
- The appointment of the Chairperson and Executive Directors is a collective decision of the Board.

Report of the Nominations and Governance Committee

The Nomination and Governance Committee, appointed by the Board, is constituted in compliance with the Listing Rules and the Company's Corporate Governance framework. Governed by a Charter (Terms of Reference), it defines the Committee's mandate, functions, composition, and operative practices, reviewed annually for alignment with regulatory requirements, including Section 9.11.5 of the Listing Rules and corporate governance best practices voluntarily adopted by the Company. Effective 1 October 2024, the Company established its own Committee, replacing the previous arrangement of utilising the parent company's Nominations Committee until 30 September 2024. The Company Secretary serves as its Secretary.

The Committee reaffirmed its mandate to:

- Lead the process of Board appointments and to make recommendations to the Board in respect of all new Board appointments, and the re-election/re-appointment of those retiring in terms of the Articles of Association, under contract or applicable law.
- Oversee the process of appointment, re-election and re-appointment of Directors to the Board of the Company, in accordance with the John Keells Group's philosophy and framework on matters pertaining to the appointment and tenure of Directors of the listed subsidiaries.
- Ensure a comprehensive Board induction process is in place and is carried out in a timely manner.
- Define and establish processes for the nomination and re-appointment/re-election of Independent Non-Executive Director and Non-Independent Non-Executive Directors.
- Ensure that there is an acceptable methodology in place to periodically carry out a self-evaluation of the Board, which will be administered by the Chairperson of this Committee and the outcomes discussed at the Board level.
- Review and recommend an overall corporate governance framework, considering applicable laws, rules, regulatory requirements and industry/international best practices.

Activities During the Year

During the financial year ended 31 March 2025, the Committee undertook the following key activities:

- Collaborated with the Board in reviewing the skills and competencies required for effective Board functioning.
- Prioritized Board balance and diversity by considering a broad range of factors—including experience, skills, age, gender, and other attributes—to foster a well-rounded mix of perspectives that enhance decision-making and Board performance. These considerations were integrated into the Director appointment process.
- Evaluated all appointments and re-appointments to the Board, ensuring that all appointments were made in alignment with the Company's corporate governance policies and framework, including succession planning, and were conducted in an informed, equitable, and impartial manner, with no individual participating in decisions pertaining to their own appointment/re-appointment.

  The following Director appointments to the Boards of the Company were recommended in accordance with the nominations and re-election policy, following due diligence and a thorough review of each Director's qualifications, experience, compliance with fit and proper requirements, and, where applicable, independence criteria:

  » Mr. S Kanag-Isvaran, Independent Non-Executive Director (new appointment)

  » Ms. R N K Fernando, Independent Non-Executive Director (new appointment)

  » Mr. H A J De Silva Wijeyeratne, Independent Non-Executive Director (new appointment)
- Ensured that in accordance with Article 84 of the Company's Articles of Association, one-third of the Directors on the Board being subject to retirement by rotation by virtue of being the longest-serving members in office (excluding the Chairperson) retired by rotation at each Annual General Meeting. Additionally, ensured adherence to Article 91, requiring Directors appointed during the year, if any, to retire at the first Annual General Meeting following their appointment.

  During the year, the following Directors, retiring under Article 84 and being eligible for re-election, were presented along with their respective profiles, to the shareholders of the Company for re-election at the Annual General Meeting held on 18 June 2024:

  » Ms. P N Fernando - Executive Director

  » Mr. K C Subasinghe - Non-Executive Director
- Ensured that newly appointed Directors were provided with an induction to the Company and the Group together with an induction pack containing key governance documents.
- Ensured that all Directors, including Independent Non-Executive Directors, remained informed of regulatory updates, governance developments and significant matters relevant to the Company and the Group, through periodic briefings at Board and Board Committee meetings from the Chairperson, Executive Directors, Company Secretary, and senior management and through Board notes.
- Reviewed general disclosure of interests, statutory and fit and proper declarations submitted by Directors and confirmed their eligibility in accordance with the Listing Rules and applicable governance requirements.

Report of the Nominations and Governance Committee

- Reviewed the independence declarations submitted by Independent Non-Executive Directors and confirmed their compliance with the criteria outlined in Rule 9.8.3 of the Listing Rules.
- Reviewed key Company policies ensuring compliance with Rule 9.2 of the Listing Rules.

Director Profiles and Information Disclosures

The profiles of the Company's Directors, including details of their first appointment to the Board, most recent re-appointment, nature of Directorship, appointments to Board Committees, principal commitments and positions held and any relevant relationships (including relationships with other Directors, the Company, or significant shareholders of the Company), are provided in the Board and Management Profiles and Corporate Governance sections of this Annual Report.

Directors retiring at the Annual General Meeting of the Company for the financial year 2024/2025.

The Committee notes that the following Directors will complete their contractual tenure, having served over nine (9) years on the Board of Directors and will retire from the Board of Directors on the date immediately following the date of the Annual General Meeting of the Company.

The following Directors who are retiring under Articles 84 and 91 of the Articles of Association of the Company will be placed before the shareholders at the Annual General Meeting of the Company for re-election:

Members proposed for re-election and contract renewal	Nature of Directorship	Date of first appointment as a Director	Date of last re-appointment as a Director	Current membership in Board Committees
Mr. J G A Cooray (Article 84)	Non-Executive Director	01st January 2018	26th June 2023	The details are provided in the Board Profiles and Corporate Governance sections of this Annual Report
Mr. D P Gamlath (Article 84)	Executive Director	01st January 2021	26th June 2023	
Mr. S Kanag-Isvaran (Article 91)	Independent Non-Executive Director	19th June 2024	N/A	
Ms. R N K Fernando (Article 91)	Independent Non-Executive Director	19th June 2024	N/A	
Mr. H A J De Silva Wijeyeratne (Article 91)	Independent Non-Executive Director	01st January 2025	N/A	

Board and Board Committee Evaluations

- The Committee conducted a self-evaluation of its performance for the year and concluded that its functions were carried out effectively in accordance with the Committee Charter.
- All other Committees of the Board underwent similar performance assessments.
- The Board completed an annual self-assessment of its performance for the financial year 2023/24, the outcome of which were discussed between the Board and the Committee.

Reporting

The Committee reports its activities at each Board Meeting of the Company.

Governance Practices and Compliance with Listing Rules

The Committee has reviewed the management report confirming compliance with the corporate governance framework and confirms that all applicable requirements under Section 9 of the Listing Rules have been met. The Company continues to strengthen its governance practices to promote transparency, accountability, and stakeholder confidence. A detailed statement of the Company's compliance with the Listing Rules may be found in the Corporate Governance section of the Annual Report.

RNK Fernando

Ms R N K Fernando

Chairperson of the Nominations and Governance Committee

26th May 2025

Related Party Transactions Review Committee

In line with the recent amendments to the Listing Rules of the Colombo Stock Exchange ("CSE") the Company constituted its own Related Party Transactions Review Committee from 1st October 2024, replacing the previously permitted arrangement of sharing the Related Party Transactions Review Committee of the Parent Company, John Keells Holdings PLC (JKH) which acted on behalf of the Company until 30st September 2024.

Attendance and Composition

The composition of the Committee as at 31st March 2025 as well as 30th September 2024, along with the attendance of the members at Committee meetings respectively, is provided below.

31st March 2025: The Committee met on two occasions after 1st October 2024

Members	Date of Appointment	Eligible to Attend	Attended
Ms. S T Ratwatte - Chairperson	01/10/2024	2	2
Dr. R S Wilson Wijerathnam	01/10/2024	2	2
Ms. R N K Fernando	01/10/2024	2	2
Mr. S. Kanag-Isvaran	01/10/2024	2	2
Mr. H A J De Silva Wijeyeratne	01/01/2025	1	1

*The Committee's composition complies with the requirements of Rule 9.14.2 of the Listing Rules of the Colombo Stock Exchange.

30st September 2024: The Committee met on three occasions from April to September 2024

Members	Date of Appointment	Eligible to Attend	Attended
Mr. H M A Jayesinghe** - Chairperson	01/07/2024	1	1
Mr. D A Cabraal	29/01/2014	3	3
Mr. D V R S Fernando	08/11/2023	3	3
Mr. A N Fonseka*	29/01/2014	2	2

** Retired with effect from 1st July 2024.*

***Appointed with effect from 1st July 2024.*

Scope

- The Group has broadened the scope of the Committee to include senior decision makers in the list of Key Management Personnel, whose transactions with Group companies also get reviewed by the Committee, in addition to the requisitions of the CSE.
- All proposed Related Party Transactions shall be reviewed in advance and in the event of any material changes, such changes shall also be reviewed by the Related Party Transactions Review Committee prior to the completion of the transaction.
- Develop and recommend for adoption by the Board of Directors, a Related Party Transaction Policy which is consistent with the operating model and the delegated decision rights of the Group.
- Update the Board on Related Party Transactions of companies of the CCS Group on a quarterly basis and formally request the Board to approve the Related Party Transactions following the determination of whether such approval is needed.
- Define and establish the threshold values for each of the subject companies in setting a benchmark for Related Party Transactions, Related Party Transactions which have to be pre-approved by the Board, Related Party Transactions which require to be reviewed annually, such as recurrent Related Party Transactions and similar issues relating to listed companies.
- Ensure that they have or have access to expertise to assess all aspects of proposed Related Party Transactions, and where necessary, obtain expert advice from an appropriately qualified person.
- Where a Director has personal material interest in a matter being reviewed by the Committee, such Director shall not be present in the meeting and shall not vote in the matter, except at the request of the Committee.

Report of the Related Party Transactions Review Committee

In line with the recent amendments to the Listing Rules of the Colombo Stock Exchange ("CSE") the CCS Group constituted its own Related Party Transactions Review Committee with effect from 1 October 2024, replacing the previous arrangement of sharing the Related Party Transactions Review Committee of the Parent Company, John Keells Holdings PLC (JKH) which acted on behalf of the CCS Group until 30 September 2024. In line with the Corporate Governance rules, documented policy and processes are in place regarding related party transactions.

The Chief Financial Officer of the Consumer Foods Industry Group serves as the Secretary to the Committee.

Objective and Governing Policies

To ensure on behalf of the Board of Directors of the CCS Group, that all Related Party Transactions (RPT) of the CCS Group are consistent with the Code of Best Practices on Related Party Transactions issued by the Securities & Exchange Commission of Sri Lanka ("Code"), the Listing Rules of the Colombo Stock Exchange ("Listing Rules") and other applicable laws, rules, regulations, codes of best practice and standards.

The Committee shall ensure that in discharging its functions:

- It is in compliance with the Listing Rules, the Code and other applicable rules and regulations.
- CCS Group's Related Party Transactions framework is aligned with the John Keells Group's policies and procedures.
- Shareholder interests are protected.
- Fairness, integrity and transparency are maintained.

Functions of the Committee

- To develop, and recommend for adoption by the Board of Directors of the CCS Group, an RPT Policy which is consistent with applicable laws, rules and regulations, the Operating Model and delegated decision rights of the John Keells Group and which sets out, amongst others, the following:
    - » Defining relevant requirements and threshold values for the CCS Group in setting a benchmark for RPTs, including those requiring detailed discussion, the approval of the Board and/or annual review
    - » The guiding principles on which RPTs require prior approval of the Board and which transactions do not require the prior approval of the Board and therefore can be reviewed retrospectively.
    - » Establishment of the starting base for Recurrent RPTs.
    - » Guidelines which senior management must follow in dealing with Related Parties, including the conformance with Transfer Pricing regulations.
    - » Instances where an immediate market disclosure of the RPT is required.
    - » Instances where shareholder approval for the RPT is required.
    - » Formats to be used by the CCS Group in presenting the RPT information to the Committee.
- To provide updates to the Board on a quarterly basis, of the RPTs pertaining to the CCS Group as follows:
    - » Starting Recurrent RPTs.
    - » RPTs during the quarter including Non-recurrent RPTs.
    - » RPTs which were above the thresholds.
    - » Market announcements made in keeping with the RPT disclosure guidelines.
- The Committee primarily relied on processes that were validated from time to time, periodic reporting by the relevant entities and Key Management Personnel (KMP), with a view to ensuring that:
    - » There is compliance with the Code and the Listing Rules of the CSE;
    - » Protection of Shareholder interests; and
    - » Maintenance and preservation of fairness and transparency
- Recurrent RPTs were reviewed by the Committee.

Further, in addition to the Directors, Presidents and Executive Vice Presidents have been designated as KMPs to increase transparency and enhance good governance. Annual disclosures from all KMPs setting out any RPTs they were associated with, if any, were obtained and reviewed by the Committee

Conclusion

The committee has reviewed Related Party Transactions during the financial year. During the year no Related Party Transaction has been reported to the Board that has exceeded the limits prescribed in the Listing Rules Section 9. Further, either the Directors or close family members do not have any material business relationships with the CCS Group or with other Directors of the CCS Group. The activities and views of the Committee are communicated to the Board of Directors, through verbal briefings and by tabling the minutes of the Committee meetings.

Ms. S T Ratwatte
Chairperson of the Related Party Transactions Review Committee

26th May 2025

Project Risk Assessment Committee of the Parent Company - JKH

Composition

- Should comprise of a minimum of four Directors.
- Must include the Chairperson-CEO and Deputy Chairperson/Group Finance Director.
- Must include two Non-Executive Directors.
- The Chairperson of the Committee must be a Non-Executive Director.

Scope

- Review and assess risks associated with large-scale investments and the mitigatory plans thereto, if mitigation is possible, and identify risks that cannot be mitigated.
- Ensure stakeholder interests are aligned, as applicable, in making this investment decision.
- Where appropriate, obtain specialised expertise from external sources to evaluate risks, in consultation with the Group Finance Director.
- Recommend to the Board, necessary action required, to mitigate risks that are identified in the course of evaluating a project in order to ensure that those risks are captured by the Group Risk Matrix for monitoring and mitigation.
- The Committee shall convene only when there is a need to transact in business as per the terms of its mandate

Report of the Project Risk Assessment Committee

The Project Risk Assessment Committee was established with the purpose of augmenting the Group's Investment Evaluation Framework. The Committee provides the Board with enhanced illumination of risk perspectives with respect to large scale new investments and also assists the Board in assessing the potential impact of risks associated with such investments. Investments which are referred to the Committee are those which exceed a board-agreed threshold in terms of quantum of investment and/or potential impact to the Group. The Committee, accordingly, provides early-stage recommendations to the Board with respect to the extent of risk and adequacy of mitigation strategies.

During the year under review, the context of Project Risk Assessment was centred primarily on the two landmark investment projects - 'City of Dreams Sri Lanka' and the West Container Terminal. Given the scale and impact of the risks and opportunities associated with the said projects and the near operational status of both projects, the committee and board were of the view that related deliberations should take place with participation of the full Board as regular board agenda items.

While there were no specific new investments during the year which required the approval of the Committee as per the Board agreed financial thresholds, matters pertaining to the operationalisation of the BYD - New Energy Vehicle business were presented to the full Board and duly deliberated.

Dr. (Mr.) S S H Wijayasuriya
Chairperson of the Project Risk Assessment Committee

26th May 2025

No of meetings – The committee did not convene during the year.

	Date of Appointment
Dr. (Mr.) S S H Wijayasuriya - Chairperson	25/05/2018
Mr. D A Cabraal*	01/10/2024
Mr. K N J Balendra	25/05/2018
Mr. J G A Cooray	25/05/2018

**Appointed with effect from 1st October 2024.*

Role of the Chairperson of the Board

The Chairperson is a Non-Executive Non-Independent Director. The Chairperson conducts Board Meetings ensuring effective participation of all Directors. The Chairperson is responsible for providing leadership to the Board and ensuring that proper order and effective discharge of Board functions is carried out at all times by the Board Members.

Chairperson

The Chairperson of JKH, the Parent Company, serves as the Chairperson of the Company and is responsible for providing leadership to the CCS Group and for performance of the Board, engaging all Directors to actively contribute to matters set before the Board. He sets the tone for the governance and ethical framework of the CCS Group, facilitates and encourages the expression of diverse views and by keeping in touch with local and global industry developments, ensures that the Board is alert to its obligations to the Company's shareholders and other stakeholders.

With the assistance of the Board Secretaries, Keells Consultants (Private) Limited, he also ensures that:

- Board procedures are followed.
- Directors receive timely, accurate and clear information.
- Updates on matters arising between meetings.
- The agenda for the board meeting, reports and papers for discussion are dispatched at least one week in advance so that the directors are able to study the material and arrive at sound decisions.
- A proper record of all proceedings of Board meetings is maintained.

The Human Resources and Compensation Committee of the Parent Company appraises the performance of the Chairperson on an organisational and individual basis as approved by the JKH Board.

Group Executive Committee and Other Management Committees

The JKH Group Executive Committee and the other Management Committees met regularly as per a timetable communicated to the participants 6 months in advance. In the absence of a compelling reason, attendance at these Committee meetings is mandatory for the Committee members. All the Committees carried out specific tasks entrusted to each component, as expected.

Whilst the Chairperson and Presidents are ultimately accountable for the Company/ Group and the industry groups/sectors/ business functions respectively, all decisions are taken on a committee structure as described below.

Group Executive Committee (GEC) - JKH

As at 31st March 2025, the eight-member GEC consisted of the Chairperson of the JKH Group, Deputy Chairperson/ Group Finance Director of the JKH Group and the Presidents of each business/ function. The GEC is the overlay structure that implements, under the leadership and direction of the Chairperson, the strategies and policies determined by the Board, manages through delegation and empowerment, the business and affairs of the JKH Group, makes portfolio decisions and prioritises the allocation of all forms of capital.

A key responsibility of the members of the GEC is to act as the enablers of the operating model of the JKH Group. The members of the GEC are well equipped to execute these tasks and bring in a wealth of experience and diversity to the Group in terms of their expertise and exposure.

The GEC meets twice a month, in addition to the meetings that are scheduled as necessitated by the requirements of the JKH Group.

Group Operating Committee (GOC) - JKH

As at 31st March 2025, the twenty-member GOC consisted of the Chairperson of the JKH Group, Deputy Chairperson/ Group Finance Director of the JKH Group, the Presidents and the Executive Vice Presidents in charge of sectors and the finance functions of the industry groups and Executive Vice Presidents who are functional heads at Centre Functions. The GOC provided a forum to share learnings, and identify synergies, across industry groups, sectors, business units and functions.

The GOC meets once a month and is instrumental in preserving a common group identity across diverse business units.

Group Management Committee (GMC)

The GMC's of the Consumer Foods Industry Group and Supermarket Industry Group operate under the leadership of the respective Presidents are dedicated and focused towards implementing strategies and policies determined by the Board and designing, implementing and monitoring the best practices in their respective functions, strategic business units or even at departmental level where appropriate and material.

Key Objectives of the GMC

The underlying intention of the GMC is to encourage the respective business units to take responsibility and accountability to the lowest possible level, via suitably structured committees and teams in a management by objectives setting.

Scope of the GMC

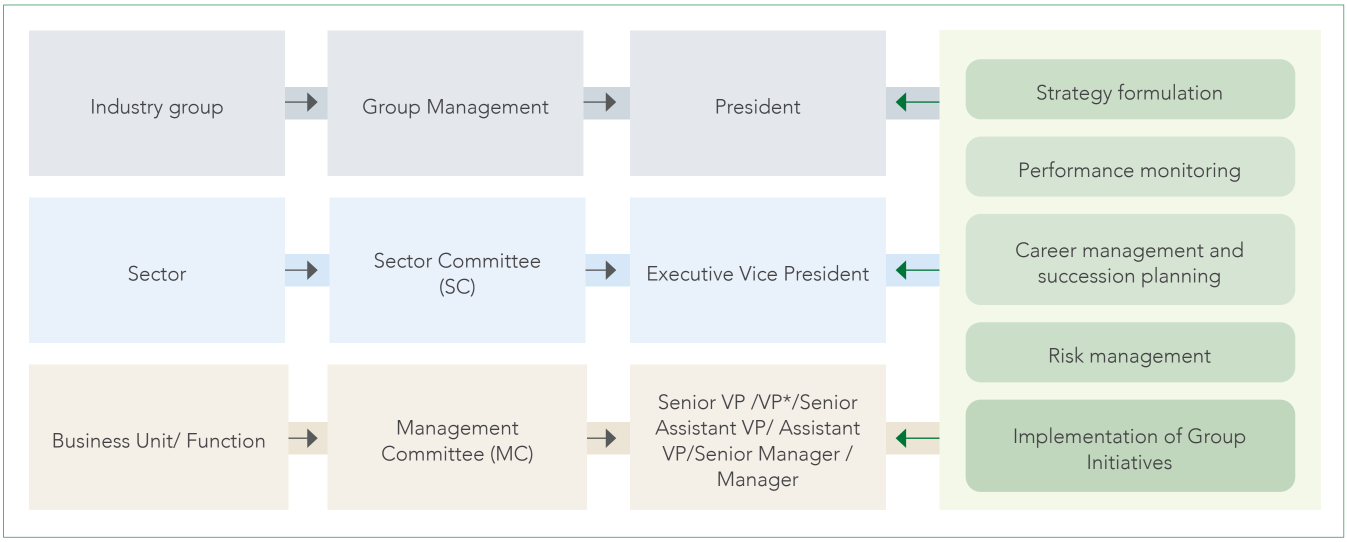
The agenda of the GMC is carefully structured to avoid duplication of effort and ensure that discussions and debate are complementary both in terms of a bottom- up and top-down flow of information and accountability. Responsibility and accountability of the effective functioning of the GMC is vested upon the President and the functional heads as applicable.

The GMC focus is aligned to headline financial and non- financial indicators, strategic priorities, risk management, implement the strategies and policies determined by the Board, the use of IT as a tool of competitive advantage, new business development, continuous process improvements, management of human resource and managing through delegation and empowerment, the business affairs of the respective sectors. Responsibility for monitoring and achieving plans as well as ensuring compliance with Group policies and guidelines rests with the Presidents and functional heads where applicable.

These Committees met regularly and carried out their tasks in keeping with their scope. The Management Committees proved to be key in enhancing employee engagement and empowerment.

Illustrated below is the structure of the three Committees.

GMC Structure



*Note : Vice President (VP)

Employee Empowerment

The CCS Group ensures that the necessary policies, processes and systems are in place to ensure effective recruitment, development and retention of this vital stakeholder. The bedrock of these policies is the Group's competency framework, which has been further refined and updated to reflect the current needs of the Group. To support these policies, the Group continued with, and further strengthened, the following practices.

- Top management and other senior staff are mandated to involve, as appropriate, all levels of staff in formulating goals, strategies and plans.
- Decision rights were defined for each level of employment in order to instil a sense of ownership, reduce bureaucracy and speed-up the decision-making process.
- A bottom-up approach was taken in the preparation of annual and long-term plans and the Group also ensured employee involvement in strategy, and thereby empowerment.
- Organisational and Committee structures are designed to enable, and facilitate, high accessibility of all employees to every level of management.
- Open, honest, frank and constructive communication is encouraged at all levels. The Group strongly believes that constructive disagreement is essential for optimal decision making.

The CCS Group prioritises a safe, secure and conducive environment for all its employees, allows freedom of association and collective bargaining, prohibits child labour, forced or compulsory labour and any discrimination based on gender, race, religion, gender identity or sexual orientation, and promotes workplaces which are free from physical, verbal or sexual harassment.

CORPORATE GOVERNANCE

Integrated Governance Systems and Procedures

Listed below are the main governance systems and procedures of the JKH Group, adopted by the Company and the CCS Group. These systems and procedures strengthen the elements of the Internal Governance Structure and are benchmarked against industry best practice.

i. Strategy formulation and decision-making process
ii. Human resource governance
iii. Integrated risk management
iv. IT governance
v. Tax governance
vi. Stakeholder management and effective communications
vii. Sustainability governance

JKH Group's ethical business practices, adopted by the Company and the CCS Group;

Seeks to ensure that ethical business practices are the norm from the most senior to the most junior employee, stemming from, and including the Board of Directors. All Group companies have procedures and processes to enable the prevention and reduction of corruption and bribery. Each business unit is also expected to evaluate the risk of corruption as part of its risk management process and put in place mitigation measures to reduce such risks. Its transparent control and prevention mechanisms also extend this expectation to its value chain comprising of its customers, suppliers and business partners. The Group is required to analyse all its business units and functions and include the risk of corruption as part of its risk management process. The Group has a zero-tolerance policy towards bribery and corruption.

i. Stringent checks during the recruitment process ensures that minimum age requirements are met.
ii. Ensures that all businesses are educated on the possible sources of forced and compulsory labour.
iii. Committed to upholding the universal human rights of all its stakeholders.
iv. Is an equal opportunity employer and has zero-tolerance for physical or verbal harassment based on gender identity, race, religion, nationality, age, social origin, disability, sexual orientation, political affiliations or opinion.

STRATEGY FORMULATION AND DECISION-MAKING PROCESSES

The CCS Group have adopted the JKH Group Strategy Formulation and Decision-Making Processes.

Strategy Mapping

Strategy mapping exercises, concentrating on the short, medium and long-term aspirations of each business, are conducted annually and reviewed, at a minimum, quarterly/half-yearly or as and when a situation so demands.

This exercise entails the following key aspects, among others.

- Progress and deviation report of the strategies formed.
- Competitor analysis and competitive positioning.
- Analysis of key risks and opportunities.
- Management of stakeholders, such as, suppliers and customers.
- Value enhancement through initiatives centred on the various forms of Capital under an integrated reporting framework.

The strategies of the various business units, operating in diverse industries and markets, will always revolve around the JKH Group strategy, while considering their domain specific factors. The prime focus always is to heighten value for all stakeholders.

The JKH Group's investment appraisal methodology and decision-making process ensures the involvement of all key stakeholders that are relevant to the evaluation of the decision.

In this manner:

- A broad range of views, opinions and advice are obtained prior to making an investment decision.
- A holistic view is taken on the commercial viability and potential of any project, including operational, financial, funding, legal, risk, sustainability and tax implications.
- Sensitivity and scenario analysis are conducted to understand the impacts from the macroeconomic environment, especially during periods of volatility and uncertainty.
- All investment decisions are consensual in nature, made through the afore-discussed management Committee structure where no single individual has unfettered decision making powers over investment decisions.
- The ultimate responsibility and accountability of the investment decision rests with the Chairperson.

The following section further elaborates on the **Group's strategy formulation and planning process**.

Medium-term Strategy

The ensuing section illustrates the comprehensive process followed by each business in developing the business's strategy for the medium-term.

Values and Promises

- Identification of the core values the business will operate with and the internal promises that the business will strive to deliver to stakeholders

Brand and Business Review

- Review of global and regional trends
- Identification of insights, risks, challenges, opportunities and implications, collated into key themes

Brand Plan

- Identifying key activities required to be undertaken under each theme and the articulation of the varied brand-led themes and activities
- Identification of KPIs to measure delivery of Promises

Long-Term Business Plan

- Setting of a long-term goal and agreeing on the core pillars that would deliver growth
- Long Term target setting, scheduling activities and identifying workstreams to execute long-term initiatives
- Identifying operating and capital expenditure along with capability resources

Annual Business Plans

- Articulation and approval of detailed project plans for execution of workstreams
- Approval of Annual Business Plans

Performance Measurement

Measure of performance against:

- Promises
- Annual plans and projects
- Long-term initiatives
- Financial objectives

Project Approval Process

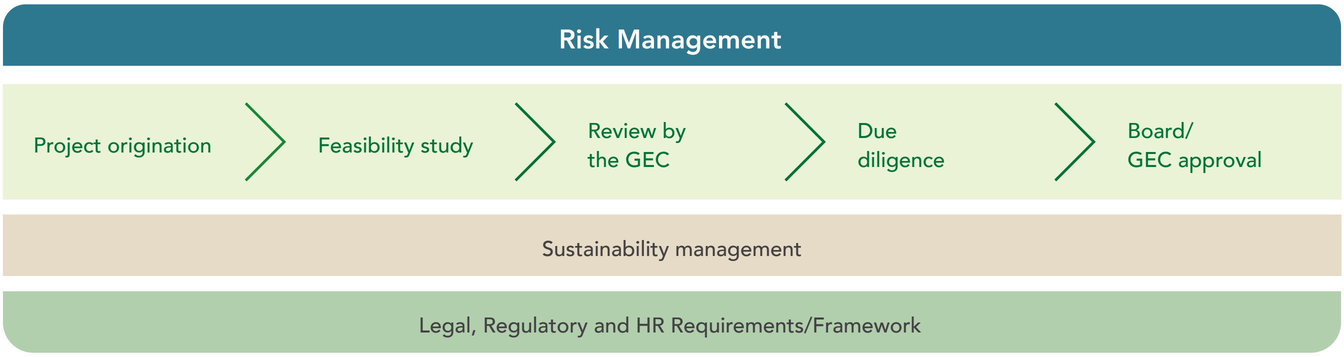
Projects undertaken at the Group follow a detailed feasibility report covering key business considerations under multiple scenarios, within a framework of sustainability. The feasibility stage is not restricted to a financial feasibility and encompasses a wider scope of work covering risk management, sustainable development, ESG and HR considerations.

Based on the decision rights matrix, subsequent to review by the relevant leadership Committee of the feasibility report and post in principle approval, a multi-disciplined project team will proceed to the next phase of the project evaluation which will focus on detailed operational, commercial, financial and legal due diligence, including a deep dive into ESG impacts and risks. Discussions will also commence with regulatory and licensing authorities, financial institutions and possible partners, worker representatives, as relevant and deemed necessary.

- Where the transaction involves the transfer or lease of land, title searches would be conducted for both private and State land. In case of State land, every action would be taken to ensure compliance with the relevant rules and regulations. As appropriate, written authority and approvals will be obtained.
- Any project which involves bidding on contracts and tenders, including to those of local and foreign Government and related bodies, is executed in conformance with the Group's policy on bidding on contracts and tenders. It is noted that, while the Company currently does not have any contracts with any local and foreign Governments, the Company will disclose the same in its financial statements, in such an event.
- Where the project is a part of a privatisation, the entire process will be conducted in line with the directives of the relevant administrative authority as communicated through expressions of interests, request for proposals, pre-bid meetings, official approvals and correspondence.

Subsequent to the project satisfying the above highlighted criteria, the final approval to proceed will be granted by the Board. Based on thresholds of the investment quantum, the JKH Project Risk Assessment Committee, on behalf of the Board, will review and assess risks associated with such investments and the mitigatory plans thereto, if mitigation is possible, and identify risks that cannot be mitigated. The aim of this intervention is to ensure alignment with the interest of various stakeholders and to recommend to the Board, necessary action required, to mitigate risks that are identified in the course of evaluating a project in order to ensure that those risks are captured by the Group Risk Matrix for monitoring and mitigation. When appropriate, the GEC is empowered to approve such proposals in terms of the delegated decision rights with the Board being kept informed.

The aforementioned project appraisal framework flow is illustrated below:



HUMAN RESOURCE GOVERNANCE

The Company and CCS Group abide by the JKH human resource governance framework, which is designed in a manner that enables high accessibility by any employee to every level of management. Constant dialogue and facilitation is also maintained, ranging from work related issues to matters pertaining to general interest that could affect employees and their families. The Company and CCS Group follows an open-door policy for its employees which is promoted at all levels of the Group.

The state-of-the-art cloud based Human Resource Information System (HRIS) manages the entire lifecycle of the employee from onboarding to performance management, succession planning, compensation, learning and development, through to offboarding.

Performance Management

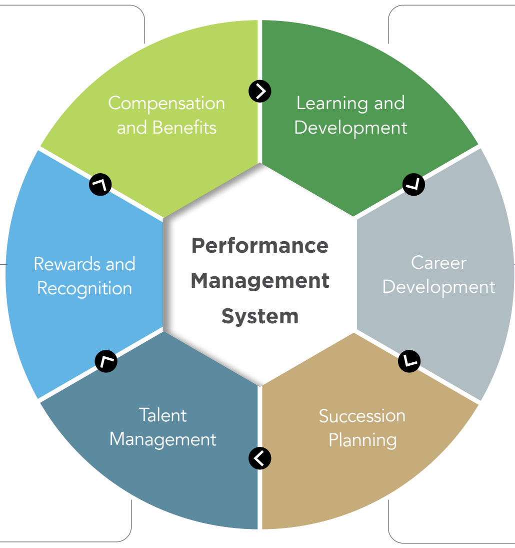
The Performance Management System, as illustrated below, is at the heart of many supporting human resource management processes such as learning and development, competency mapping, career development, succession planning, talent management, rewards/recognition and compensation/benefits.

Performance Management System

Identification of:
- Performance rating
- Competency ratings

Identification of:
- Chairman's Award
- Employee of the Year
- Champion of the Year

Identification of:
- High performers
- High potential



Identification of:
- Long-term development plans
- Competency-based training needs
- Business focussed training needs

Identification of:
- Promotions
- Inter-company transfers
- Inter department transfers

Identification of:
- Jobs at risk
- Suitable successors
- Readiness level of successors
- Development plans
- External recruitments

Whilst the employees are appraised for their performance, equal emphasis is placed on how well they embody CCS Group Values, namely: Caring, Trust, Integrity, Excellence and Innovation.

JKH Success Drivers

During the year, the JKH Group initiated a project to revamp its Competency Framework, which had been in use for over a decade. This effort resulted in the creation of Success Drivers, a refreshed and more relevant set of competencies. These nine Success Drivers were developed through discussions and workshops, involving a diverse group of internal and external stakeholders at various levels.

In 2024/25, the JKH Group introduced sector-specific awareness sessions and digital learning initiatives to enhance understanding and encourage the adoption of these Success Drivers within teams. Around 70% of employees participated in these awareness sessions during the year. Furthermore, Success Drivers are set to become a key part of the performance management process in 2024/25. Employees will be evaluated based on these competencies, with opportunities for development identified as part of the process.

1. INCLUSIVE LEADERSHIP
- Inclusivity & Diversity
- Collaboration & Open Communication
- Compassion & Empathy
- Coaching & Mentoring
- Upholding Values

2. CONNECTING THE DOTS
- Big Picture Perspective
- Multidisciplinary Approach
- Critical Thinking
- Value Driven Approach

3. BEING AGILE
- Adapting to Change
- Thriving in Uncertainty
- Bouncing Back from Adversities
- Rapid Experimentation Approach
- Solution-Oriented Growth Mindset

4. RELENTLESS EXECUTION
- Action Orientation
- Prioritization
- Effective Time Management Focus & Commitment

5. EMOTIONAL RESILIENCE
- Self-Control and Self-Regulation
- Adapting to Change
- Bouncing Back from Adversities
- Positive Outlook & Growth Mindset

6. STORYTELLING
- Impactful Communication
- Inspiring People
- Creative Ways of Engagement
- Active Listening

7. ENTREPRENEURIAL MINDSET
- Innovative Thinking
- Decisiveness & Ownership
- Unwavering Commitment
- Prudent Risk-Taking

8. 360 STAKEHOLDER COMMITMENT
- Passion for all Stakeholders
- Building Synergies
- Trust & Credibility
- Commitment to Financial Outcomes + ESG

9. CORPORATE CITIZENSHIP
- Commitment to ESG
- Ethical Practices
- Focus on Sustainability

Performance Based Compensation Philosophy

The JKH Group Compensation Policy which have been adopted by the CCS Group is as follows:

PERFORMANCE MANAGEMENT

'Pay for performance'

Greater prominence is given to the incentive component of the total target compensation.

SATISFACTION

'More than just a workplace'

Continuously focuses on creating a sound work environment covering all aspects of employee satisfaction.

COMPENSATION POLICY

- Compensation comprises of fixed (base) payments, short-term incentives, and long-term incentives.
- Higher the authority levels within the Group, higher the incentive component as a percentage of total pay.
- Greater the decision influencing capability of a role, higher the weight given to organisational performance as opposed to individual performance.

INTERNAL EQUITY

- Remuneration policy is built upon the premise of ensuring equal pay for equal roles.
- Manager and above level roles are banded using the Mercer methodology for job evaluation, on the basis of the relative worth of jobs.

EXTERNAL EQUITY

- Fixed compensation is set at competitive levels using the median, 65th percentile and 75th percentile of the best comparator set of companies (from Sri Lanka and the region, as relevant) as a guide.
- Regular surveys are done to ensure that employees are not under / over compensated.

Equity Sharing

The Company does not offer its shares under an ESOP Scheme. The ESOP Scheme made available to the Senior Executives of the Company is from the Parent Company, JKH, at defined career levels based on pre-determined criteria which are uniformly applied across the eligible levels and performance levels. These long-term incentives have been significantly instrumental in inculcating a deep sense of ownership in the recipients and are seen to be a key driver of performance-driven rewards. Share options are awarded to individuals based on their immediate performance and the potential importance of their contribution to the CCS Group's plans.

JKH Group issues share options not exceeding a specified percentage of the total issued shares of the Company as at the date of awarding every such option, which is subject to in-principle approval of the Exchange and shareholder approval, by way of a Special Resolution at a General Meeting.

INTEGRATED RISK MANAGEMENT

CCS's Group-wide risk management programme focuses on wider sustainability development, to identify, evaluate and manage significant Group risks and to stress test various risk scenarios, including a review of materiality. The programme ensures that a multitude of risks, arising as a result of the CCS Group's diverse operations, are effectively managed in creating and preserving stakeholder wealth. The CCS Group manages its enterprise risk, and incident management processes through an automated risk management platform that enables the maintenance of live, dynamic and virtual risk registers which are linked to business goals and responsible personnel. Features such as, the provision of timely alerts on action plans and escalation processes for risks, where action plans are over-due, ensure maintenance of live risk grids.

Continuous steps taken towards promoting the CCS Group's integrated risk management process are:

- Integrating and aligning activities and processes related to planning, policies/ procedures, culture, competency, internal audit, financial management, monitoring and reporting with risk management.
- Supporting executives/managers in moving the organisation forward in a cohesive integrated and aligned manner to improve performance, while operating effectively, efficiently, ethically and legally within the established limits for risk taking. The risk management programmes have allowed greater visibility and understanding of risk appetites. Enabled by the automated risk management platform, key management personnel have virtual visibility of the risks, as relevant, while the Board has visibility of all CCS Group risks.
- Update of the Enterprise risk management platform to improve performance and include the latest features.

The Board, GEC and GOC oversee risk management across the Group to ensure that risks are brought within tolerance, managed and/or mitigated.

Please refer the Enterprise Risk Management section of the Annual Report for more details.

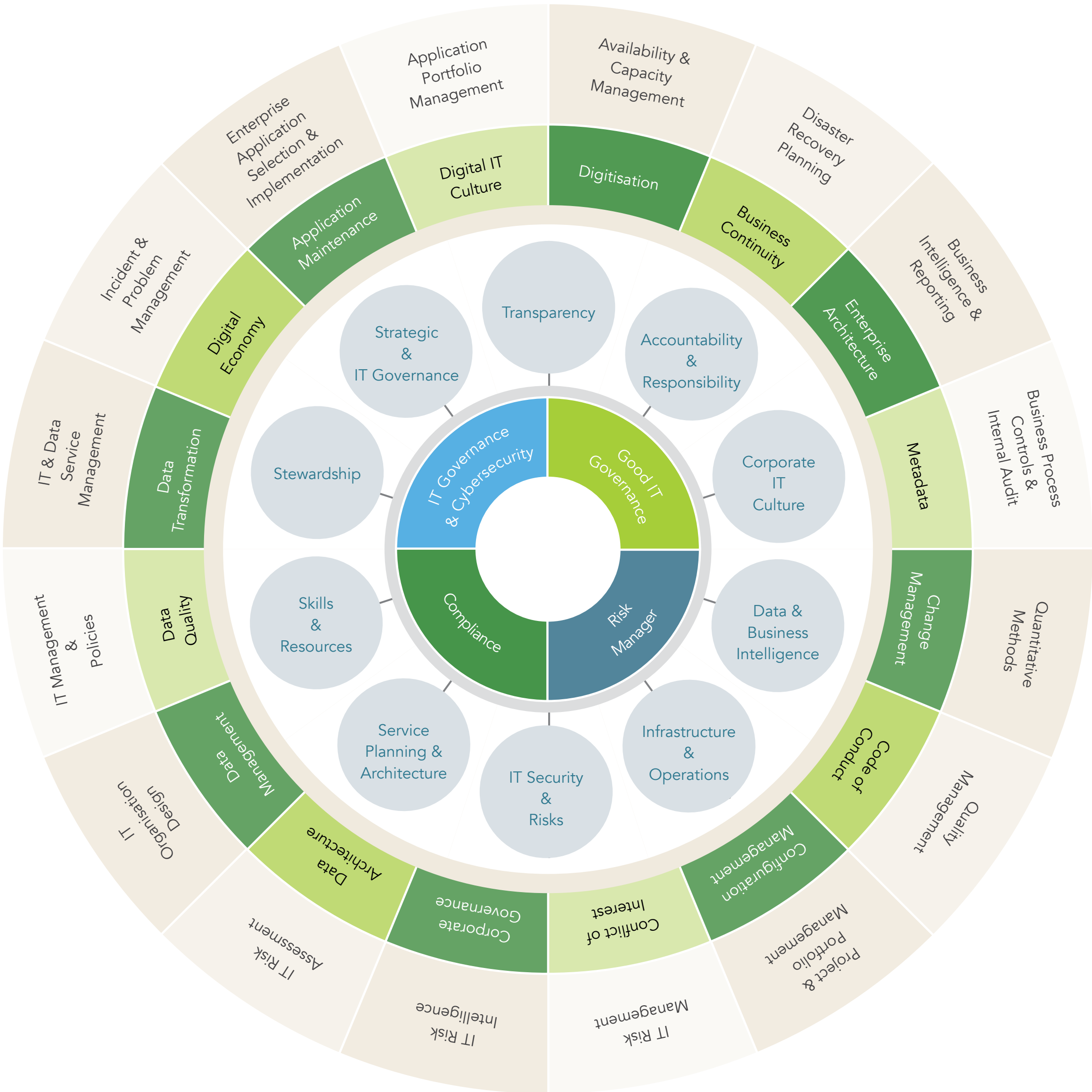
INFORMATION TECHNOLOGY (IT) GOVERNANCE

IT governance stewardship roles are governed through layered and nested committees, cascading from the Board, GEC, GOC, the Group IT Steering Committee and to the Group IT Operations Committee with well-defined roles and responsibilities across the Group with a federated governance structure to cater to the holistic Group-level as well as specific industry level nuances. This ensures empowerment and enablement to act with a singular and more robust governance and policy framework across the Group, whilst being agile and nimble.

The Group's IT governance framework focuses on five broader segments, namely, strategic alignment, value delivery, performance management, risk management, and resource management.

Additionally, the IT governance framework used within the Group leverages on best practice and industry leading models such as CoBIT (Control Objectives for Information and Related Technology), ISO 35800, ISO27001, ISO 9001:2015, COSO (Committee of Sponsoring Organisations of the Treadway Commission)/BCP (Business Continuity Planning), ITIL (Information Technology Infrastructure Library), CMMI (Capability Maturity Model Integration), NIST (National Institute of Standards and Technology), FAIR (Factor Analysis of Information Risk), among others, in formulating a state-of-the-art framework for IT governance, risk and compliance management across the CCS Group.

The key focus areas of the **IT Governance Framework** are as follows:



CORPORATE GOVERNANCE

The CCS Group continually focuses on enhancing the IT governance framework in line with its business and IT strategies with a focused shift towards a zero-trust model built on a mobile-first, internet-first, cloud-first and artificial intelligence (AI)-first strategy.

Key Initiatives during the year:

- During the year, the Group undertook a financial transformation to align processes with strategic goals and enhance performance. This involved a comprehensive look of the business's financial processes, understanding existing challenges, controls, areas of manual work, identifying areas to leverage technology such Robotic Process Automation (RPA), Advance Analytics and challenges to transform the finance function to be a more strategic contributor to the businesses. With the initial review over 200 changes and areas of improvement were identified and are being reviewed for implementation. The transformation efforts have been focused on establishing scalable finance processes, leveraging data-driven insights, and fostering a culture of continuous improvement, enhanced financial reporting accuracy, improved decision-making capabilities and security across all financial systems.
- As a part of the transformation journey, JKH embraced the advancement of technology within core systems and made a decision to migrate its core system to S/4 Hana which is the latest SAP database built on a single data structure and architecture and emphasises the simplifications and innovation in processes. The integration of S/4HANA simplifies complex processes, reduces redundancies, and enables faster transaction times. With a unified data structure, decision-makers can access real-time insights, facilitating quicker and more informed decisions. Cloud-based scalability reduces costs and improves flexibility while the AI-driven analytics enhance insights and predictive analytics supports proactive planning. The migration decision has been integral in improving customer experience, fostering innovation, strengthening security and compliance, and optimising resources, ensuring long-term success.

TAX GOVERNANCE

The JKH Group's tax governance framework adopted by the Company and the CCS Group is designed to ensure responsible tax practices and is aligned with the Group's broader ESG commitments focusing on compliance, transparency and stakeholder engagement. It ensures that tax decisions contribute to sustainable business practices, respect societal norms and are aligned with ethical corporate behaviour.

Key components of the framework are:

- Keeping abreast with local and international tax laws and regulations to avoid non-compliance and reputational damage.
- Transparency in tax disclosures to stakeholders, ensuring clarity on tax strategies and practices.
- Accountability to stakeholders, ensuring that tax obligations are met in a socially responsible manner, balancing shareholder interests with societal responsibilities.

Governance Structure

- The JKH Group's Tax Governance Structure is overseen by the Deputy Chairperson/Group Finance Director who provides oversight to ensure that the tax strategies align with the Group's overall ESG objectives.
- Voluntary compliance and efficient tax management are key aspects of the Group's overall tax strategy.
- This is enabled through a decentralised tax structure where expertise is built at each industry group level to executing the tax strategy, ensuring compliance with existing laws and changes to legislation, and managing tax risks for the Group.
- The Head of Tax of each industry group, reporting functionally to the Group Head of Tax, ensures uniformity of interpretation, robust compliance management and roll-out of Group tax strategy across all businesses.

Policy and Strategy

- Ensures the following taking into account the Group's business models, supply and value chains, structure, assets, investments and financing:
  - » Integrity of all reported tax disclosures.
  - » Robust controls and processes to manage tax risk.
  - » Openness, honesty, and transparency in all dealings.
  - » Presence of legitimate business transactions underpinning any tax planning or structuring decision/opportunity.
- Contribute to fiscal policy formulations constructively in the interest of all stakeholders.

Role	• Implement and maintain strong tax compliance and review processes for current and potential business operations and transactions. • Analyse and disseminate business impact from changes in tax legislation. • Provide clear, timely, and relevant business focused advice across all aspects of tax. • Ensure availability of strong and well documented technical support for all tax positions. • Obtain independent/external opinions where the law is unclear or subject to interpretation. • Foster healthy professional relationships with all regulatory authorities
Review and Monitoring	• Leverage on digital platforms to support, record and report on tax compliance status across the Group. • Continuous dialog and scheduled meetings of the Group Tax Team to ensure uniformity of tax interpretation and application. • Monitored through internal controls including compliance reporting measures and, external audit reviews. • Debate discussion and signoff by the Board of Directors on any significant tax positions with supporting legal rationale. • Periodic updates to the Board of Directors on the Group Tax positions (quarterly at minimum).

The Groups Tax Governance Framework integrates compliance, transparency, and social responsibility, aligned with ESG reporting obligations. By adhering to this framework, the Group ensures that its tax practices are both legally compliant and ethically responsible, supporting sustainable growth while creating value for all stakeholders.

The presence of a well structure tax governance framework ensures the following:

- Ability to manage tax exposures efficiently by reducing the tax burden on the CCS Group, within the ambit of applicable laws.
- Manage tax risks and implications on the CCS Group reputation through adequate policies and proactive communication defence.
- Facilitate healthy relationships amongst stakeholders, Government and tax authorities.
- Ensuing integrity of reported numbers and timely compliance.

STAKEHOLDER ENGAGEMENT, MANAGEMENT AND EFFECTIVE COMMUNICATION

Stakeholders play a crucial role in the Group, contributing labour, capital, and market demand. The CCS Group is committed to transparently communicating its ambitions to its diverse stakeholder groups and actively seeks their input to refine its initiatives. With well-defined objectives aligned with its sustainability and business goals and targets, the CCS Group prioritises the achievement of these commitments across the short, medium, and long term.

Engagement of significant stakeholders

Identify Stakeholders → Mapping and Prioritising stakehoders → Stakeholder Engagement → Feedback

Recognising the broad impact of its operations, the Group actively engages with a wide range of stakeholders across different industries, communities, and regions.

Internally, the CCS Group's stakeholders consist of its business units and employees. Externally, it engages with shareholders, investors, lenders, customers, suppliers, business partners, government bodies, regulators, industry peers, advocacy groups, media, and the wider community. Through ongoing dialogue and collaboration, the CCS Group strives to integrate diverse perspectives into its sustainability efforts.

Following are the key stakeholder management methodologies adopted by the CCS Group. Whilst the CCS Group has multiple channels enabling effective communication, there were no material concerns that were raised during the year by stakeholders regarding the operations of the CCS Group.

The table shown below indicates the key stakeholders of CCS, and the in-debt engagement and management methodologies adopted and carried out by the group. This helps in enabling effective communication between both parties.

Stakeholder Expectations	Management	Methods of Engagement
Customers		
Products and services being up to their required standards, in terms of high quality and safety. Products and services are provided in an environmentally and socially responsible manner.	• Constant engagement with customers. • Providing products that meet customer requirements	• Road shows, trade fairs and field visits (A) • One-on-one meetings, discussion forums, progress reviews (B) • Customer satisfaction survey (Q) • Information dissemination through printed reports, telephone, SMS, e-mail, corporate website, workshops and business development activities (O)
Employees		
Provide a safe and enabling environment. Ensure equal opportunity within a meritocratic culture. Enhancement of skills and knowledge, continuous engagement. Work-life balance.	• Accessibility to all levels of the management. • Involvement though means such as staff volunteerism, John Keells employee service, HIVE portal extra.	• Performance reviews and skip level meetings (B) • Employee satisfaction surveys and group- wide year end get-together (A) • Intranet communications (Q) • Training and development, team building, joint consultative committees, open door policy, sports events, Corporate Social Responsibility programmes (O)
Community		
Stimulate local economy through procurement and employment. Operate with minimal impact on shared natural resources.	• Provide updates on business activities that may impact the community. • Support local businesses through partnerships and sourcing from local suppliers. • Provide direct and indirect employment .	• Community engagement prior to entry and on exit via one-on-one meetings, workshops, forums (On) • Regular engagement while operating via one-on one meetings, workshops, forums (M) • Corporate Social Responsibility programmes (O)
Institutional Investors etc.		
Consistent economic performance. Economic growth.	• Maintain transparency in reporting and corporate governance. • Stay updated on policy changes and proactively adapt business strategies.	• Annual reports, disclosures and reviews (A) • Quarterly reports (Q) • Investor Road shows (R) • Phone calls, e-mail, written communication, websites, one-on-one meetings (O)
Government		
Contribute to economy through strategic investments . Create direct and indirect employment Timely payment of taxes and levies.	• Transactions in compliance with all relevant laws and regulations, transparently and ethically. • Zero- tolerance policy in ensuring that all business units meet their statuary obligations in time and in full.	• Participation of senior management in chambers and industry associations. (Q) • Meetings, business forums, newsletters, circulars, presentations and briefings, advisory meetings of industry associates. (O)

Stakeholder Expectations	Management	Methods of Engagement
Legal and Regulatory Bodies		
Compliance with laws and regulations Practice sound corporate governance	• Regularly review policies and procedures to align with legal changes. • Conduct regular legal audits and risk assessments.	• Participation of senior management in chambers and industry associations (Q) • Meetings, periodic disclosures, correspondence (O)
Business Partners		
Long-term business relation and adherence to contractual obligations Knowledge sharing Representation in business councils and committees	• Set clear service-level agreements (SLAs) and key performance indicators (KPIs). • Implement a Supplier Code of Conduct to enforce ethical business practices.	• Distributor conferences, contract renegotiations and reviews, road shows, supplier assessments, supplier fora (A) • Supplier review meetings (B) • Market reports (R) • Conference calls, e-mails, circulars, corporate website and sourcing, contracting and supplier management platform (O)
Society, Media, Pressure Groups		
Operate in accordance with social norms, cultures with minimal negative social and environmental impact Adhere to laws and regulations Operate as a responsible corporate citizen	• Invest in social causes that align with business values and stakeholder expectations. • Demonstrate commitment to ethical and sustainable business practices.	• Website, press releases, media briefings, correspondence (O).
Industry Peers and Competition		
Ethical business practices Participation in business councils and committees	• Foster Healthy Competition and Ethical Practices • Stay Agile and Adapt to Market Changes	• Participation of senior management in chambers and industry associations (Q) • Membership of trade associations, conferences, discussion forums (R)

(A)-Annually, (B)- Biannually, (Q)- Quarterly, (O)- Ongoing, (On)- One- off, (M)- Monthly, (R)- Regular

Policy on Corporate Disclosures and Relations with Shareholders and Investors

This policy ensure that required information, other than confidential business information, is disclosed to the public, investors, employees, customers, creditors and other relevant stakeholders in a timely, accurate, complete, understandable, convenient and affordable manner, in compliance with the Group's governing framework and listing regulations of the Colombo Stock Exchange (CSE). The policy covers matters related to shareholders and investors of the Group such as disclosures of material information, financial information, Annual Reports, press releases and website management.

Corporate disclosures and relations with shareholders and investors are mainly centrally managed at John Keells Holdings PLC, on behalf of the Group companies.

This Policy is governed by the Company's Board of Directors and is periodically reviewed by the Board to ensure alignment with evolving regulatory changes, best practices and the strategic interests of the Group and its stakeholders.

A mechanism is in place under the policy for keeping Directors aware of major issues and concerns of shareholders.

Communication with Shareholders

The CCS Group maintains several communication channels with the shareholders which include the Annual Report, interim financial statements, investor presentations, AGMs, EGMs, announcements to the CSE, press releases, the corporate website, shareholder surveys on a needs basis, the investor feedback form provided in the Annual Report, and through the Company Secretaries.

Engagement Mechanism	Frequency
Annual Reports and AGMs	Annually
Extraordinary General Meetings	As Required
Interim Financial Statements	Quarterly
Investor Relations Webinar	Quarterly
Investor Presentations	As Required, Quarterly at a Minimum
Transcript of the Investor Relations Webinar	Quarterly
Press Releases	As Required
Announcements to CSE	As Required
One-to-one Discussions	As required
Investors' Section in the Corporate Website	Continuous
Feedback Surveys	As Required

Investor Relations

The Investor Relations team of the JKH Group is responsible for maintaining an active dialogue with shareholders, potential investors, investment banks, analysts and other interested parties in ensuring effective investor communication.

- The Investor Relations team has regular discussions with shareholders, as and when applicable, to disseminate highlights of the JKH Group's performance as well as to obtain constructive feedback.
- The online quarterly investor forums provide stakeholders the opportunity to directly engage with the JKH Group's Chairperson and the Deputy Chairperson/Group Finance Director. The recording and the transcript of the investor forum is made available on the corporate website for reference of all stakeholders/shareholders.
- Quarterly Investor Presentations, which include an update on the latest financial results, are made available on the corporate website, to provide easier access and in-depth detail of the operational performance of the JKH Group.
- Annual Investor Presentations, detailing an overview of the Group and industry groups with financial and non-financial performance indicators, are made available on the corporate website, to provide easier access and in-depth detail of the overall Group.
- Shareholders may, at any time, direct questions, request for publicly available information and provide comments and suggestions to Directors or management of the Group by contacting the Investor Relations team, Secretaries, or the Chairperson, although individual shareholders are encouraged to carry out adequate analysis or seek independent advice on their investing, holding or divesting decisions at all times.

JKH won the Silver award for Best Investor Relations at the Capital Market Awards 2024 of CFA Society Sri Lanka.

Release of Information to the Public and CSE

The Board of Directors, in conjunction with the Audit Committee, where applicable, is responsible in ensuring the accuracy and timeliness of published information and in presenting a true and fair view, and balanced assessment of results in the quarterly and annual financial statements. Accordingly, CCS has reported a true and fair view of its financial position and performance for the year ended 31 March 2025 and at the end of each quarter of the financial year 2024/25.

All other material and price sensitive information about the Company is promptly communicated to the CSE and such information is also released to employees, the press and shareholders. Shareholders and investors may, at any time, direct questions, request for publicly available information and provide comments and suggestions to Directors or Management of CCS. Such questions, requests and comments should be addressed to the Company Secretary.

The CCS Group focuses on open communication and fair disclosure, with emphasis on the integrity, timeliness and relevance of the information provided. The Group ensures that information is communicated accurately and in a manner that will avoid the creation or continuation of a false market.

Annual General Meeting

Information is provided to the shareholders prior to the AGM to give them an opportunity to exercise the prerogative to raise any issues relating to the businesses of the CCS Group. Annual Reports are made available to shareholders in electronic form. Shareholders may at any time elect to receive an Annual Report from CCS in printed form, which is provided free of charge.

The CCS Group maintains records of all resolutions and applicable information upon a resolution being considered at any General Meeting. The Group shall also provide copies of the same at the request of the Colombo Stock Exchange and/or the SEC.

The CCS Group constructively makes use of the AGM towards enhancing relationships with the shareholders and towards this end the following procedures are followed:

- Notice of the AGM and related documents are made available to the shareholders along with the Annual Report within the specified time.
- Summary of procedures governing voting at the AGM are clearly communicated.
- The Board ensures that the external auditors are present at the AGM.
- Most Executive and Non-Executive Directors are made available to answer queries.
- The Chairperson ensures that the relevant senior managers are also available at the AGM to answer specific queries.
- Separate resolutions are proposed for each item that is required to be voted on.
- Proxy votes, those for, against, and withheld (abstained) are counted.
- The AGM for the year was held virtually, complying to the guidelines issued by the CSE.

Serious Loss of Capital

In the unlikely event that the net assets of a company fall below half of its stated capital, shareholders will be notified, and the requisite resolutions would be passed on the proposed way forward.

Extraordinary General Meetings, including Shareholder Approval through Special Resolution

The Company will seek shareholder approval, either via special or ordinary resolution as permitted under applicable law, when transactions and events which are material in the context of CCS Group and Company occur or are undertaken in line with all applicable rules and regulations. During the year under review, an amendment to the Articles of Association was done through passing a special resolution in an extraordinary general meeting, to facilitate the revised rules on Alternative Directors.

SUSTAINABILITY GOVERNANCE

The CCS Group remains steadfast in its commitment to being responsible and conducting operations in a sustainable manner whilst focusing on environmental, social and governance aspects. Sustainable practices remain a strategic priority of the Group, and this is ensured through the embedding of its framework into day-to-day operations.

Approach

The company and the CCS Group adopted the JKH Group's approach to sustainability. The JKH Group's approach to sustainability is materiality and is optimised continuously based on performance. The Board firmly embeds sustainability concerns within the Group's strategic planning process, with companies striving to optimise performance from a triple bottom line lens and Internal and External Sustainability Assurance and Standard Operating Procedures which are in place to review the effectiveness of the procedures embodied by the group on a needs basis.

The CCS Group has in place a sound sustainability integration process, management framework and sustainability organisational structure through which sustainable practices are embedded to the CCS Group's operations.

With the introduction of the Group's Environmental, Social, and Governance (ESG) ambitions, A governance framework has been put in place to follow through and ensure accountability. This structure will enable top down undertaking of material aspects at Group and Sector levels and assign accountability as well as further contribution.

Sustainability Integration Process

The JKH Group's well-established sustainability integration processes and its sustainability management framework works alongside other key functions and management systems such as human resources, health and safety and product responsibility processes, as well as risk management, internal audit, legal and statutory compliance and corporate social responsibility initiatives. The Sustainability Management Framework is updated on a continuous basis to incorporate changing requirements and updates to the global sustainability landscape.

Environmental issues such as, climate change, resource scarcity and environmental pollution, social issues such as, the Group's labour practices, talent management, product safety and data security, and Governance aspects such as, Board diversity, executive pay and business ethics are given significant emphasis within the Group and are periodically reviewed by the GEC and Board.

JKH Group's effort towards ESG initiatives during the year:

- Outlined a comprehensive roadmap to achieve Environmental, Social, and Governance (ESG) ambitions, focusing on short, medium, and long-term goals across various dimensions.
- Governance framework established to drive ambitions with senior leadership appointed as ambition heads and champions from across the JKH Group to spearhead ambitions at a Group level.
- Cross cutting steering committees have been appointed for each ambition to assist with sector level implementation.
- Developed and updated JKH Group policies to support ambitions.

ESG Focus areas and Governance structure

Environmental
- GHG Emission and Energy Management
- Water Stewardship
- Waste/Packaging
- Biodiversity

Social
- Health & Safe
- Diversity and Equal Opportunity
- Stakeholder Management (Customers/Suppliers/Regulators)
- Community Empowerment

Governance
- Risk Management
- Business Conduct and Ethics
- Corporate Governance and Compliance

Group's ESG focus areas

These ambitions are also focus areas for the John Keells Foundation (JKF). Efforts through JKF will also contribute towards the achievement of ambitions set under these pillars.

The JKH Group has outlined a comprehensive roadmap to achieve Environmental, Social, and Governance (ESG) ambitions, focusing on short, medium, and long-term goals across various dimensions. On the environmental front, the Group aims to achieve net-zero GreenHouse Gas (GHG) emissions by 2050, reflecting its commitment to energy management. For waste management and packaging, the medium-term targets include using 100% recyclable plastics, eliminating 50% of internally consumed plastics, achieving zero waste to landfill, and becoming plastic-neutral by 2030. Looking further ahead, the Group aspires to become plastic-positive by 2040. Under water stewardship, medium-term goals include reducing water consumption per revenue earned, with group-wide targets to be determined, while the long-term vision is to achieve water neutrality by 2040 and water positivity by 2050.

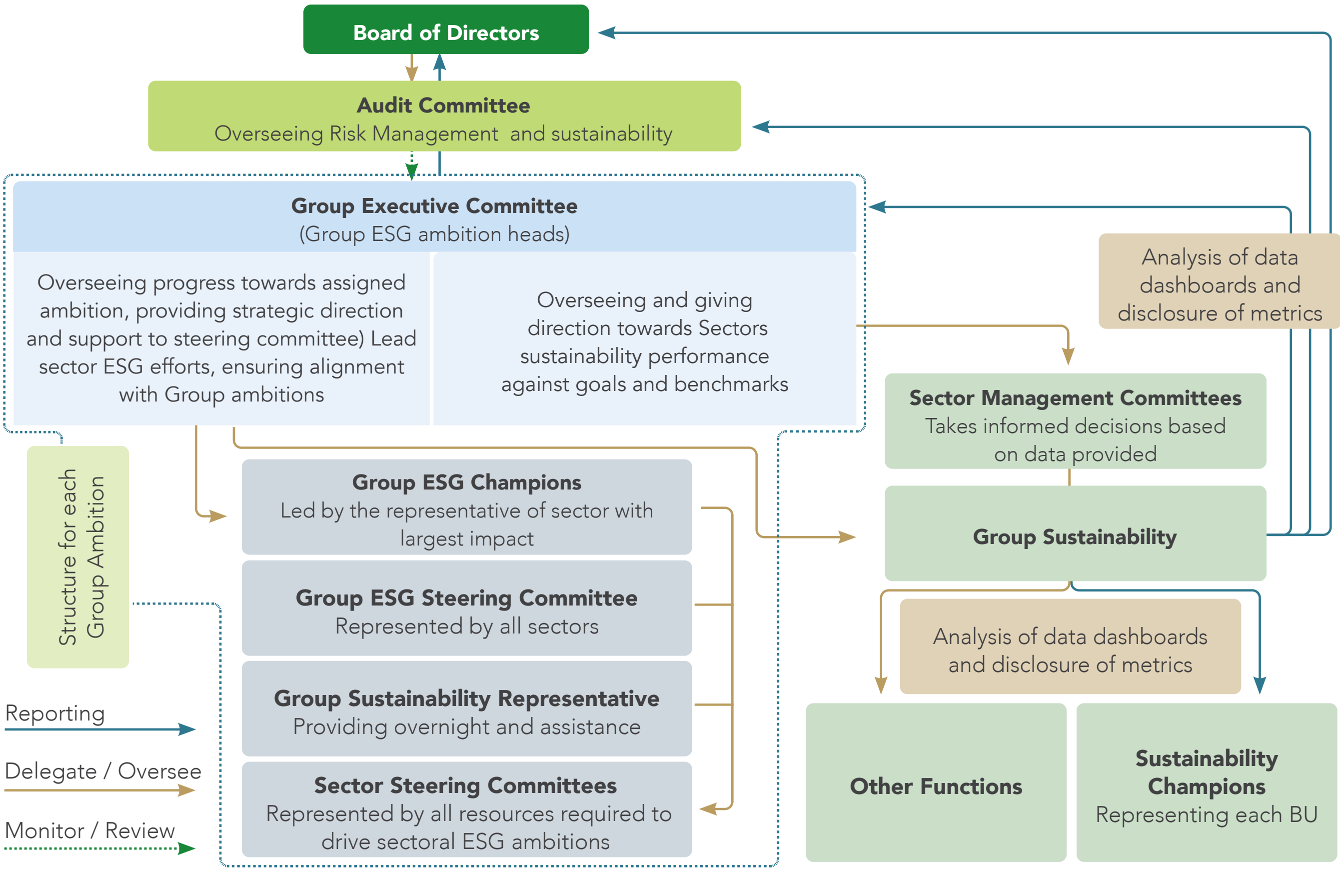
In the social domain, health and safety targets aim for zero preventable injuries across all businesses in the medium term, with all businesses achieving Occupational Health and Safety (OHS) accreditation in the long term. Diversity and equal opportunity initiatives include increasing female workforce representation to 40% by 2025, ensuring workplace accessibility by 2027, and committing leadership to the Champions of Change pledge. Medium-term objectives include achieving 30% women in leadership positions and enhancing accessible communication for all. Long-term goals target gender parity and establishing a specific representation target for Persons With Disabilities (PWDs) by 2040.

Under community empowerment, the JKH Group's short-term objectives involve enhancing skills, increasing market access, and implementing activities to promote social health by 2025. For stakeholder management, the Group is committed to enhancing the sustainability of its supply chain. These goals demonstrate the Group's commitment to fostering a sustainable, inclusive, and equitable future through deliberate and phased ESG strategies.

John Keells Foundation, the CSR arm of the Group, undertook a strategic review of its focus areas, guided by research into evolving socio-economic needs. The initiatives carried out under the areas of Education, Community and Livelihoods, Social Health and Cohesion, and Biodiversity not only fulfil the Foundation's purpose but also contribute meaningfully towards achieving the Group's Environmental and Social (E&S) ambitions, as illustrated.

The JKH Group established a comprehensive governance framework to ensure accountability, consistency, and support the effective delivery of the ambitions set out under the ESG pillars. This included the appointment of Group ESG Ambition Heads, ESG Champions, and Steering Committees, all guided by a clearly defined mandate outlining roles, responsibilities, reporting structures, and frequencies. This framework was integrated into the existing sustainability governance structure to create a unified, streamlined system for reporting and decision making.

ESG GOVERNANCE FRAMEWORK



The JKH Group's ESG framework is an amalgamation of the various frameworks within the JKH Group and through this, the CCS Group endeavours to ensure sustainable value creation for all stakeholders and mitigate any adverse impacts of Group businesses on the environment, economy and society. As such, the **ESG disclosures across the Report** are captured through the following frameworks:

Sustainability Organisation Structure

Group Executive Committee

Responsible for formulating and steering the Group's overall Sustainability strategy.

Sustainability, Enterprise Risk Management and Group Initiatives Division

Operationalises the Sustainability Management Framework (SMF) and carries out Group-wide processes, including identification of stakeholder and material issues, stakeholder engagements, risk assessments, Group-wide awareness campaigns and overall review and monitoring of the SMF.

Business Units

Each business unit is responsible for their sustainability performance, operating under the umbrella of the Group's SMF. Sustainability Champions under the leadership of their respective Heads of Business/Sector Heads, and working closely with the central sustainability division, have responsibility for implementing sustainability initiatives and management of performance of their individual businesses.

CORPORATE GOVERNANCE

The CCS Group firmly embeds sustainability concerns within the Group's strategic planning process, with companies striving to optimise performance from a triple bottom line lens. All business units are required to identify non-financial risks and material impacts and include strategies to address these through sustainability initiatives and projects. Business and individual objectives are therefore aligned with overall sustainability goals, resulting in an entrenched focus on sustainability.

The SMF extends beyond Group boundaries, also focusing on the Group's value chain with the purpose of benefiting suppliers and their own dependent supply chains. Through its Supplier Code of Conduct, annual assessment of supply chain partners and ongoing awareness and engagement through Supplier Fora, the Group hopes to have a positive impact on key external stakeholders.

Sustainability Disclosures

The CCS Group uses both its Annual Integrated Report and corporate website as the primary means of responding to stakeholder concerns and outlining its sustainability strategy, including materiality assessments and management policies and processes. The data measurement techniques, calculation methodologies, assumptions and estimations applied in the compilation of the sustainability indicators contained in this Report, are in accordance with standard industry practices and GRI Standard. Such data measurement techniques, methodologies, assumptions and estimations are detailed in the relevant Management Approach Disclosures section and can be found in each of the Capital Review sections of the Annual Report. Reference to specific information and disclosures required by the GRI Standards can be found through the GRI content index. Figures and statements have been rearranged, wherever necessary, to conform to the current year's presentation in terms of restatements and comparisons to the previous year.

ASSURANCE MECHANISMS

The Assurance Mechanisms comprise of the various supervisory, monitoring and benchmarking elements of the CCS Group Corporate Governance System which are used to measure actuals against plan with a view to highlighting deviations, signalling the need for quick corrective action, and quick redress when necessary. These mechanisms also act as safety nets and internal checks in the Governance system. The CCS Group also conducts internal and external audits on a periodic basis, annually at minimum.

As outlined in the ensuing sections, the CCS Group has various mechanisms in place for concerns to be escalated and raised to the GEC or to the Board as relevant and required. Other than matters on significant transactions linked to the operations of the CCS Group, no critical concerns which have a material adverse effect on the CCS Group were raised during the year.

THE CODE OF CONDUCT

The Company and the CCS Group abide by the JKH Code of Conduct.

JKH Code of Conduct

- Allegiance to the Company and the Group, that ensures the Group will do the right thing, by going further than the letter of any contract, the law and the Group's written policies.
- Compliance with rules and regulations applying in the territories that the Group operates in.
- Conduct all businesses in an ethical manner at all times in keeping with acceptable business practices and demonstrate respect for the communities the Group operates in and the natural environment.
- Exercise of professionalism and integrity in all business and public personal transactions.

The JKH Code of Conduct also entails conformance to all Group policies, and includes, amongst many others, policies on gifts, entertainment, facilitation payments, proprietary and confidential information. Policies on anti-fraud, anti-corruption and anti-money laundering and countering the financing of terrorism and JKH's Code of Conduct, amongst other policies, also encompass:

- anti-bribery controls to prevent payments and contributions being made with the aim of obtaining an improper business benefit from any party including, but not limited to, clients, service providers, customers, business associates and political parties; and
- controls on gifting and favours. The giving or accepting gifts or favours in whatsoever form, including from clients, service providers, customers, business associates and political parties and any other stakeholder we engage with in the course of carrying out duties in our professional capacity, is prohibited if it was possible on the part of a reasonable person to conclude that the giving/ acceptance of such gifts or favours could directly or indirectly affect one's independence in decision making and conduct as an employee and/or if it could be seen by others as a consideration for an official or business favour. The reasonable person test should also be applied in respect of charitable donations and sponsorships (financial or in-kind) that are made.
- In the event a gift or benefit of a threshold of above USD 50 per gift is given or received, based on business exigencies, these are monitored to ensure conformance with the Group's policies, including policies on gifts and entertainment. Such exceptions are required to be reported to the respective Finance Head of the business (Chief Financial Officer or Sector Financial Controller), where in turn, these are collated and monitored centrally.

The Code of Conduct, and thereby all Group policies, apply to all employees and Directors. All policies of the Company receive final approval at Board level and are readily available to employees in the official languages of Sri Lanka (Sinhala, Tamil and English). The Company Leadership, both the Board of Directors and the Group Executive Committee, spearheads the implementation of the Code.

During the year under review, no legal actions for anti-competitive behaviour, anti-trust, and monopoly practices has been recorded.

During the year under review, the Group continued to strengthen its internal policy framework in line with best practices and the revised CSE Listing Rules. This included a review of the interdependencies among its policies, the revamping of existing policies, and the formalisation of processes already in place through the introduction of overarching policies for these processes. As part of this effort, the Group's Code of Conduct is currently being revamped to consolidate all expectations from an employee into a single, more informative, and comprehensive policy document.

The objectives of the Code of Conduct are strongly affirmed by a strong set of Values which are well institutionalised at all levels within the Group through structured communication. The degree of employee conformance with Values and their degree of adherence to the JKH Code of Conduct are key elements of the reward and recognition schemes.

The Group Values continue to be consistently referred to by the Chairperson, Presidents, Sector and Business Unit Heads during employee and other key stakeholder engagements, in order to instil these values in the DNA of the employees.

The CCS Group Values are found in the Our Values section of the Annual Report – page 3.

INDEPENDENT DIRECTORS

Independent Directors represent more than one third of the Non-Executive Directors in the Board to preserve the corporate governance as stake holders need an independent party to voice their concerns on a confidential note.

Key Internal Policies

The CCS Group maintains a robust set of internal policies and implementation procedures adopted from JKH and any changes to such polices shall be communicated to the stakeholders as relevant. The Board delegates the responsibility for monitoring compliance with such policies to the Chairperson or relevant Board Committees. The Board shall monitor adherence to the policies and where relevant, will inquire into and take requisite steps to address any material departures.

Key Internal Policies of the CCS Group:

- Policy on Conduct and Business Ethics
  - » Code of Conduct, which also includes policies on gifts, entertainment, facilitation payments, proprietary and confidential information
  - » Policy on Diversity, Equity and Inclusion (DE&I), including a gender policy
  - » Policies on equal opportunities, non-discrimination, career management and promotions, including on employees with disabilities
  - » Information Technology (IT) policies and procedures, including data protection, classification and security
  - » Policy on Communications and Ethical Advertising, complemented by social media and crisis communication guidelines
  - » Insider Trading Policy
  - » Supplier Code of Conduct
  - » Policy Against Sexual Harassment
- Policy on Matters Relating to the Board of Directors (BoD)
- Policy on Board Committees
- Policy on Corporate Governance
- Policy on Nominations and Re-election
- Policy on Remuneration
- Policy on Relations with Shareholders and Investors
- Policy on Control and Management of Company Assets and Shareholder Investments
- Policy on Corporate Disclosures
- Policy on the Engagement of the External Auditor for Non-Audit Services
- Policy on Anti-Bribery, Anti-Corruption, Anti-Fraud, Anti-Money Laundering, Anti-Terrorism and Proliferation Financing and Sanctions
- Policies on Whistleblowing (Speak up Policy), grievance handling and disciplinary procedures
- Leave (which also encompasses the equal parental leave), flexi-hours, tele-working and agile working policies including health and safety enhancements and protocols
- Enterprise Risk Management and Internal Controls Policy
- Policies on Products and Services
- Recruitment and Selection, Rewards and Recognition, and Learning and Development Polices
- Policy on Forced, Compulsory Child Labour and Child Protection
- Group Accounting Procedures and Policies
- Policies on Fund Management and Foreign Exchange Risk Mitigation
- Ombudsperson Policy
- Environmental, Social and Governance (ESG) Policy

CORPORATE GOVERNANCE

The CCS Group's policy commitments available to all employees via the CCS Group's employee portal and such policies are made available to the shareholders upon a written request. These policy commitments are approved by the Group Executive Committee with Board oversight. No material changes were done to the Group policies during the reporting period and all the policies were complied with and no waivers from compliance or exemptions for the internal code of conduct and business ethics were granted during the year under review. The Group is in the process of making available all applicable policies in the public domain.

Key initiatives of JKH Group during the year

During the year under review, the Group revisited its internal policy universe to ensure adherence with the revised Listing Rules of the CSE. The key developments include:

- While the Group has a Code of Conduct applicable to all Employees, a Policy on the Code of Conduct was introduced to provide a structured framework to govern ethical business practices and professional behaviour.
- While separate sustainability related policies existed and continue to do so, a Policy on Environmental, Social and Governance (ESG) was newly developed to provide an overarching framework to tie in the different aspects of the individual policies.
- A Policy on Relations with Shareholders and Investors was introduced, and while the Group already had relevant processes in places for the same, this Policy ensures alignment with the Listing Rules while incorporating existing governance measures.
- A Policy on Control and Management of Company Assets and Shareholder Investments was formalised to enhance transparency and accountability in the oversight of shareholder assets and investment decisions.

Disclosure as per Rule 9.2 of the Listing Rules: https://www.keells.com/resource/governance/Statement-for-Website-Adoption-of-Policies.pdf

CHAIRPERSON DIRECT

The JKH Group has a formal mechanism in place that enables both shareholders and employees to directly communicate with the Chairperson via email regarding any critical grievances or concerns. This platform ensures transparency, accountability, and open dialogue, allowing stakeholders to voice their issues in a structured and confidential manner.

BOARD SUB-COMMITTEES

The Board Sub-Committees play an important supervisory and monitoring role by focusing on the designated areas of responsibility passed to it by the Board.

For more information refer the Board Sub-Committees section – page122 - 132.

EMPLOYEE PARTICIPATION IN ASSURANCE

The CCS Group is continuously working towards introducing innovative and effective modes of employee communication and employee awareness. The importance of communication – top-down, bottom-up, and lateral – in gaining employee commitment to organisational goals has been conveyed extensively through various communications issued by the Chairperson and the management. Whilst employees have many opportunities to interact with senior management, the Group has created the ensuing formal channels for such communication through feedback, without the risk of reprisal.

- Skip level meetings
- Exit interviews
- 360 degree evaluation
- Employee surveys
- Monthly staff meetings
- Chairperson-Direct
- Ombudsperson
- Access to Senior Independent Director
- Continuous reiteration and the practice of the Open-Door policy

Additionally, the CCS Group continued with its whistle-blower policy and securities trading policy. The Group has witnessed an increased level of communication flow from employees. Such communication and feedback received from the employees by the management are recorded, irrespective of the level of anonymity, and subsequently discussed and followed up, to the extent possible, to ensure two-way communication. The respective outcomes are duly recorded

Transparency in Corporate Reporting (TRAC) Assessment of JKH

JKH was ranked first in the Transparency in Corporate Reporting (TRAC) Assessment by Transparency International Sri Lanka (TISL) for the past four consecutive years, with a 100% score for transparency in disclosure practices.

This ranking is based on an assessment of corporate disclosure practices among the top 125 companies listed on the Colombo Stock Exchange (CSE), under six different thematic areas crucial to fighting and preventing corruption – reporting on anti-corruption programmes, organisational transparency, country-by-country reporting, domestic financial reporting, reporting on gender and non-discrimination and reporting on procurement related to Government contracts and tenders. For the period under review, TISL has not updated the TRAC assessment ranking.

INTERNAL CONTROLS

The Board has taken necessary steps to ensure the integrity of the Group's accounting and financial reporting systems, and internal control systems remain robust and effective via the review and monitoring of such systems on a periodic basis.

INTERNAL COMPLIANCE

A quarterly self-certification programme requires the President, and Chief Financial Officers of CCS Group to confirm compliance with statutory and other regulatory procedures, and also to identify any significant deviations from the expected norms. The compliance statement which gets collated every quarter and tabled at the respective Audit Committee meetings, is subject to periodic review and where applicable revised, to reflect and capture any material changes that drive the macro and micro operating contexts, for reporting and monitoring purposes.

System of Internal Control

The Board has taken steps to obtain assurance that systems designed to safeguard the Company's assets and provide management information are functioning according to expectations and proper accounting records are in place through the involvement of the Group Business Process Review function.

This also entails automated monitoring and workflow based escalation in order to facilitate timely clearing of all transactional entries including complete reconciliation, unreconciled and open entries being flagged and periodically scrutinised, and formal disclosure being made to the relevant Audit Committees, efficient management and tracking of cash and cheques deposits, in line with international best practice and continual streamlining and optimisation of the Internal Audit function via identification of focus areas, improvement opportunities and feedback reporting in order to reinforce governance and assurance.

The JKH Group has in place two integrated frameworks, the JKH Fraud Deterrent and Investigation Framework and the JKH Process Review Framework that complement each other to strengthen the Group's effort to promote anti-fraud, anti-corruption and anti-bribery by proactively recognising the changing context and operating landscape. The integrated fraud deterrent and investigation framework, which enables an integrated platform for handling all aspects of fraud and stakeholder assurance, reinforces uniformity across common processes in matters relating to fraud, employs a data-driven approach to the continuous assessment of control efficacy and assesses and deploys appropriate preventive and detective controls against frauds. The Integrated Process Review Framework provides an innovative approach to internal audits which enable audits to be specific and highly focused on matters relevant to a business entity. Emphasis is placed on use-cases and events stemming from the current business strategy, which must be facilitated by participating processes, systems, and personnel which form micro-value chains with special attention to the efficacy of control and its placement to ensure the integrity of transactions as each traverse through each micro-value chain, at the time of audit reviews.

The digital system for quarterly financial and operational information management implemented, continues to perform as per expectations facilitating data capturing for compliance reporting, providing a sustainable and structured mechanism to enable top-down and bottom-up stakeholder engagement, and tracking the progression of how the compliance posture at an entity level has evolved, among others. The Forensic Data Analytics platform feeds into Internal Audit Scoping and continues to be used to identify areas for process optimisation, strengthening controls and in feedback reporting to reinforce governance (management) and assurance structures.

Initiatives to Strengthen Internal Controls

- A Forensic Data Analytics platform was implemented for automated transaction outlier detection, to monitor key financial data such as Accounts Payable, Accounts Receivable, the General Ledger and other financial transactions. The system detects anomalies and routes alerts for timely management review, helping deter fraud and reinforce internal controls. Alerts are classified as Useful or Not Useful, with the latter undergoing independent internal audit review. This process includes a formal root-cause analysis and an evaluation of the efficacy of remedial measures. Findings and trends are regularly reviewed with governance bodies to drive continuous improvements. Utilising machine learning and behavioural analytics, the platform enhances risk mitigation, fraud detection, and regulatory compliance.
- The JKH Group launched a pilot for an advanced, data-driven Integrated Risk Intelligence System to enhance financial governance, compliance oversight, and credit risk mitigation. Utilising behavioural analytics and machine learning, the system analyses customer payment patterns, generating actionable insights. Aligned with IFRS 9 guidelines, it supports informed decision-making, strengthens governance, and ensures regulatory compliance.
- The JKH Group maintained a robust Business Continuity Management (BCM) framework; a process driven approach designed to safeguard operational integrity, protect stakeholder interests, and align with globally recognised resilience standards such as ISO22301:2019 and DRI best practices. This framework integrates proactive risk mitigation, rigorous testing, and governance oversight to ensure continuity of critical functions during disruptions.
- In order to ensure compliance with the Personal Data Protection Act No. 09 of 2022 (PDPA), Data Protection Officers (DPOs) have been designated across the various Industry Groups, each responsible for overseeing data protection practices within their respective domains. They are supported by a Data Governance Steering Committee that provides strategic oversight and guidance on data governance and personal data protection matters. External professionals have also been engaged to conduct comprehensive analyses, which have helped identify areas of improvement in the Group's data protection framework leading to enhancements in processes, technical including security controls, and organisational measures. Regular compliance reports are submitted by the DPOs to the President/Sector Head and the Data Governance Steering Committee, while the Audit Committee receives updates on compliance, emerging issues and continuous improvements. No substantiated complaints concerning breaches of customer privacy or loss of customer data have been reported by the businesses through the complaints recording mechanism, as reflected in the Group's operational compliance report. The Group remains committed to strengthening the reporting process to enhance overall governance and establish robust oversight. In parallel The Group actively monitors regulatory developments and engages with the Data Protection Authority (DPA) to ensure adherence to evolving the evolving regulatory requirements..

The risk review programme covering the internal audit of the whole Group is outsourced. Reports arising out of such audits are, in the first instance, considered and discussed at the business/ functional unit levels and, after review by the Sector President are forwarded to the relevant Audit Committee on a regular basis. Further, the Audit Committees also assess the effectiveness of the risk review process and systems of internal control on a regular basis.

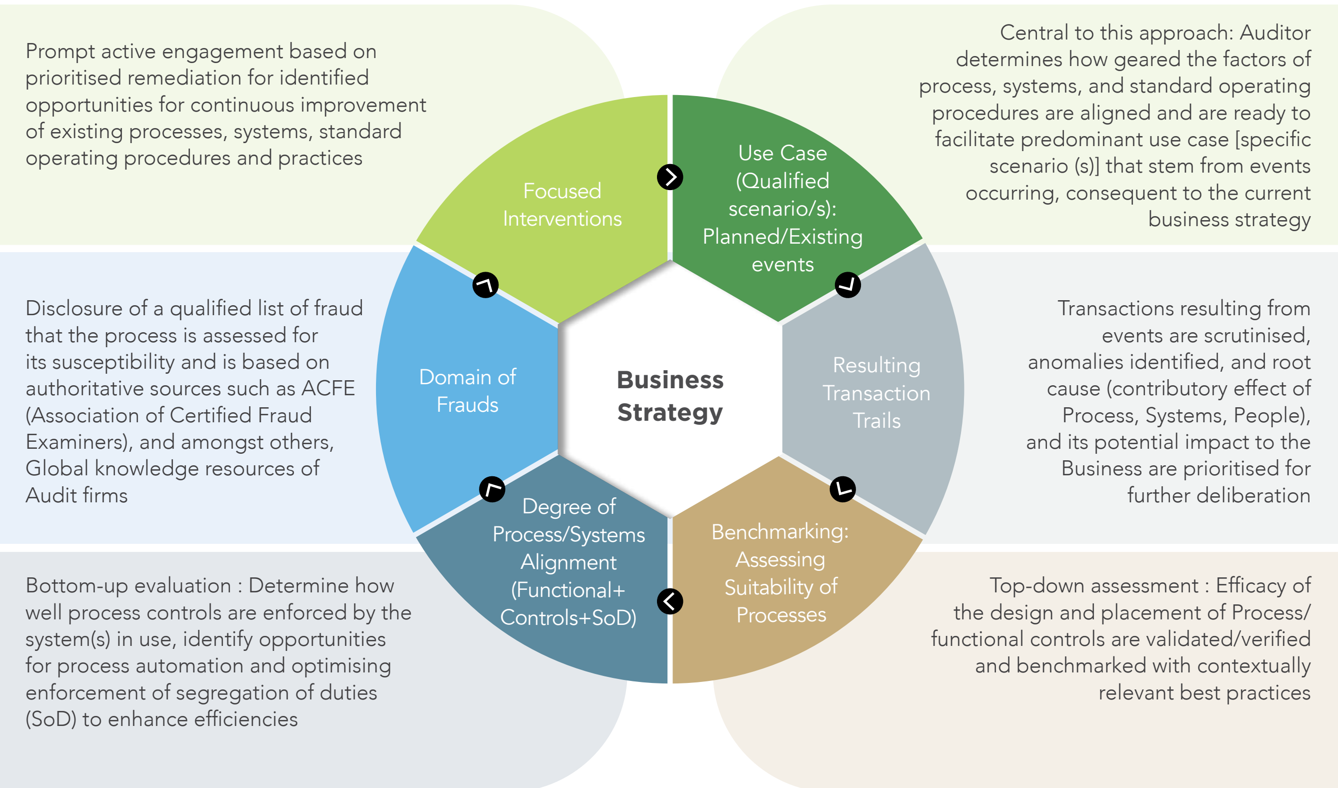
Segregation of Duties (SoD) under Sarbanes-Oxley (SOX)

The CCS Group is very much aware of the need to ensure that no individual has excessive system access to execute transactions across entire or several business processes which have critical approval linkages, in the context that increasing use of information technology and integrated financial controls creates unintended exposures within the Group. SoD dictates that problems such as fraud, material misstatements and manipulation of financial statements have the potential to arise when the same individual is able to execute two or more conflicting, sensitive transactions. Separating disparate jobs into task-oriented roles can often result in inefficiencies and costs which do not meet the cost versus benefit criteria. Whilst the attainment of a zero SoD conflict state is utopian, the CCS Group continues to take steps to identify and evaluate existing conflicts and reduce residual risks to an acceptable level under a cost versus benefit rationale. No material conflicts were reported during the year.

Internal Audit

The ensuing diagram provides a helicopter view of the new Internal Audit Approach that has been rolled-out within the CCS Group. Central to this approach is the business strategy and how the current processes, systems, and people, are geared to efficiently and effectively handle the deliverables of the current business strategy at the time of review. The outer elements reflect the reporting elements which are noted in audit reports, either as observations and/or value-added recommendations.

The New Internal Audit Approach: Continuous Emphasis on Context



CCS Group maintains an in-house Internal Audit team to address operationally specific requirements that demand industry specific knowledge, while an outsourced Internal Auditor is engaged for selected, specialized engagements.

Forensic data analytics to identify anomalies and facilitate behavioural oversight

Traditionally, internal auditing followed an approach which was based on a cyclical process that involves manually identifying control objectives, assessing and testing controls, performing tests, and sampling only a relatively small population of the dataset to measure control effectiveness and operational performance. Today, the Group operates in a complex and dynamic business environment where the number of transactions has increased exponentially over the years and traditional cyclical/sample based internal auditing techniques are becoming less effective. As such, the Group continues to use big data analysis techniques on the total data using standard deviations, z-scores and other statistical measures in establishing real-time, user-friendly outlier identification and early warning triggers.

Forensic Data Analytics

The CCS Group uses forensic data analytics to facilitate action towards investigating transactions that are distinct within its population, based on well-established algorithms that prompt attention to strengthen process and systems controls in ensuring the integrity of such transactions within its contextual domain.

A key success factor of this oversight mechanism is the use of advanced machine learning algorithms, that are continuously sensitised to each business's operating circumstances that trigger such transactions, and to remain relevant and insightful, by increasing its utility and providing optimisation opportunities for Continuous Controls Monitoring (CCM) and active intervention.

As part of the Group's commitment to strengthening financial governance and risk oversight, a Forensic Data Analytics platform for automated Transaction Outlier Detection is deployed to monitor data sets related to amongst others, Accounts Payable, Accounts Receivable, General Ledger, and other financial transactions. This system detects anomalies and routes alerts to Management for timely review and response, functioning as a strong oversight mechanism that helps deter fraud and reinforce the control environment.

Ombudsperson

Ombudsperson who was appointed by the Parent Company, JKH, is available to report any complaints from employees of alleged violations of the published Code of Conduct if the complainant feels that the alleged violation has not been addressed satisfactorily by the internally available mechanisms.

The findings and the recommendations of the Ombudsperson, subsequent to an independent inquiry, are confidentially communicated to the Chairperson- or to the Senior Independent Director upon which the involvement duty of the Ombudsperson ceases.

On matters referred to him by the Ombudsperson, the Chairperson or the Senior Independent Director, as the case may be, will place before the Board:

i. the decision and the recommendations.

ii. action taken based on the recommendations.

iii. where the Chairperson or the Senior Independent Director of JKH disagrees with any or all of the findings and or the recommendations thereon, the areas of disagreement and the reasons, thereof.

In situation (iii), the Board is required to consider the areas of disagreement and determine the way forward. The Chairperson or the Senior Independent Director of JKH is expected to take such steps as are necessary to ensure that the complainant is not victimised, in any manner, for having invoked this process.

The current Ombudsperson is an attorney-of-law by profession. Typically, the appointment of the Ombudsperson is for a fixed term between three to five years, which may be renewed at the option of the Board.

Mandate and Role

For purposes of easy reference, the Ombudsperson's mandate and role is set out below:

(a) legal and ethical violations of the Code of Conduct for employees, but in an appellate capacity, when a satisfactory outcome using existing procedures and processes has not resulted or when the matter has been inadequately dealt with;

(b) violations referred to above by individuals at the Executive Vice President, President and Executive Director levels, including that of the Chairperson, in which case the complainant has the option of either complaining to the Ombudsperson in the first instance, or first exhausting the internal remedies;

(c) sexual harassment, in which event the complainant has the option of either complaining to the Ombudsperson in the first instance, or first exhausting the internal remedies.

The mandate excludes disciplinary issues from the Ombudsperson's responsibilities. The right to take disciplinary action is vested exclusively in the Chairperson and those to whom this authority has been delegated.

No issues were raised by any member of the companies covered during the year under review.

Ombudsperson

31 March 2025

EXTERNAL AUDIT

Messrs. Ernst & Young is the External Auditor of the Company as well as of the Subsidiaries and audit the Consolidated Financial Statements of the CCS Group.

In addition to the normal audit services, Ernst and Young and the other External Auditors, also provided certain non-audit services to the CCS Group. However, the lead/ consolidating auditor would not engage in any services which are in the restricted category as defined by the CSE for External Auditors. All such services have been provided with the full knowledge of the Audit Committee and are assessed to ensure that there is no compromise of External Auditor independence.

The Board has agreed that, such non-audit services should not exceed the value of the total audit fees charged by the subject auditor within the relevant geographic territory. The External Auditors also provide a certificate of independence on an annual basis.

The Audit and non-audit fees paid by the Group and Company to its Auditors are separately classified in the notes to the financial statements of the Annual Report.

GOVERNANCE OUTLOOK AND EMERGING CHALLENGES

The need for maintaining a robust and well-grounded corporate governance framework is vital when operating in a dynamic and challenging socio-economic environment, exacerbated by global volatility. A strong governance mechanism is pivotal in enhancing accountability to diverse stakeholders, ensuring corporate transparency, fair-mindedness and creating sustainable value. In this light, the CCS Group will continue to stay abreast of governance best practice and assess its level of preparedness and its capability in meeting and managing evolving internal and external challenges.

The pursuit of continuous improvement in governance, emphasis on environmental and social considerations, and a call for increased accountability and transparency continue to influence and shape the role of Board governance aspects. It not only mitigates risks but also fosters trust, attracts investment, and drives sustainable growth. The primary areas of focus and challenges, amongst many others, being continuously addressed by CCS Group are detailed in the ensuing section.

Board Diversity

CCS Group values Board diversity and strives to attract skilled Directors who align with its vision and values, while understanding the complexities of its diverse business interests. The Group believes diversity enhances stakeholder insights and responsiveness. Efforts are focused on recruiting qualified individuals from various demographics, experiences, and backgrounds, all within a strong culture of meritocracy.

Board Independence

Board independence holds significant value for stakeholders, stock exchanges, and regulatory bodies globally. CCS Group emphasises the need for effective structures and nomination processes to foster independent decision-making and minimize conflicts of interest.

While criteria for defining Board independence vary across countries, evidence suggests that a combination of checks and balances, such as assurance mechanisms, comprehensive evaluations, and Independent Director-led engagements, can enhance governance without compromising corporate operations. CCS Group remains committed to strengthening Board independence while aligning with its diversified conglomerate operating model.

Anti-Fraud, Anti-Corruption and Anti-Bribery

The CCS Group prioritises ethical practices across all operations and enforces a strict zero-tolerance policy against bribery and corruption. It fosters a culture of transparency and honesty in interactions with both internal and external stakeholders. Through its Code of Conduct and policies on anti-fraud, anti-corruption, anti-money laundering, counter-terrorist financing, and transparency, the CCS Group is dedicated to preventing, managing, and reporting unethical practices. Prohibited actions include fraud, embezzlement, bribery, conflicts of interest, and dishonesty in reporting.

There were 19 reported incidents of fraud, all of which resulted in employee terminations. These incidents were reported within the Supermarket business.

Additionally, the Group continuously enhances its monitoring and resolution processes for Code of Conduct deviations.

Increasing Emphasis on Environmental, Social and Governance (ESG) Aspects

ESG-focused investing is gaining momentum globally as governments, funding agencies, and investors seek to minimise irresponsible corporate practices that harm the environment, infringe on human rights, and encourage corruption. Effective ESG policies are vital for attracting talent, retaining employee loyalty, and ensuring sustainable growth.

CCS Group believes that prioritising ESG fosters a comprehensive analysis of performance, enabling a sustainable business model that benefits all stakeholders. Efforts include managing natural resources, reducing environmental impact, enhancing stakeholder well-being, and ensuring robust governance. ESG metrics are regularly reviewed during decision-making to stay ahead of developments and integrate ESG elements into strategy, operations, and reporting.

In collaboration with an international consultancy, JKH conducted detailed studies across industries to identify material ESG topics, benchmark performance against industry leaders, and engage stakeholders for insights. This resulted in the identification of key ESG priorities for each sector.

Following the release of IFRS S1 and S2 standards by International Sustainability Standards Board (ISSB) and their localisation to SLFRS S1 and S2 by CA Sri Lanka, JKH Group is preparing for their implementation. A consultant-led gap analysis will guide integration, supported by dedicated teams at CCS Group level. Without opting for transitional relief, JKH aims to align fully with the standards, creating a roadmap to refine processes and enhance disclosures while adhering to CSE listing requirements for the 2025/26 reporting period.

Continual Strengthening of Internal Controls

Augmenting transactional and financial internal controls with operational aspects, in line with international best practice, remains a medium-term priority for the

CCS Group. Continuous strengthening of internal controls through a structured process that optimises and facilitates process audit information, lifecycle management and related processes are expected to:

- eliminate inefficiencies inherent in manual processes.
- provide a platform based on process enforcement.
- enable management follow-up based on centrally held data in a compliance repository.
- identify trends, action taken, effectiveness and opportunities for process improvement by analysing movement of the compliance posture.
- strengthen the Group's ability to prevent and detect fraud.
- leverage data analytics and technology to raise alerts.

Digital Oversight and Cyber Security

Whilst the rapidly advancing nature of technology and the continual integration of the CCS Group's operations with technological progress has enhanced and streamlined processes and controls across the Group and opened up opportunities, it has resulted in increased vulnerability for the Group from a digital standpoint. As a result, the Board places significant emphasis on ensuring that the Group's soft and hard infrastructure is designed in a manner, and adequate, to deal with and prevent potential breaches. Data protection and cyber security are regularly addressed during the Risk Management and Audit Committee meetings and periodically discussed at a Board level.

Data Protection, Information Management and Adoption

The presence of continuously evolving IT infrastructure and platforms to meet requirements of day-to-day business, continues to augur well for the CCS Group. Given the emergence of regulations such as the European Union General Data Protection Regulation (GDPR) and the Sri Lankan Personal Data Protection Act No. 9 of 2022, data security, integrity and information management has become pivotal. In addition to this, the Group's initiatives on advanced data analytics also necessitate an established governance framework to manage the flow of data. To this end, the CCS Group will continue to strengthen its data governance structure to ensure ownership and accountability of clearly articulated data governance policies and processes and Group-wide data quality standards.

Greater Employee Involvement in Governance

Whilst all necessary compliance and assurance frameworks are believed to be in place, CCS Group recognises the pivotal role played by employees in reinforcing an effective governance system across the Group. CCS Group will continue to encourage greater employee participation through:

- ongoing training and refreshers on the Code of Conduct and related governance policies, including non-discrimination, anti-corruption and anti-bribery.
- a further strengthened performance management process, which envisages continuous feedback and greater engagement via employee information systems.
- engagement and empowerment via greater delegation of authority.
- increased communication and collaboration.
- adoption of differentiated means of communication based on the demographical dynamics of employee segments.

Need for Increased Transparency

Ensuring transparency is a continually evolving journey given progressing regulations, advancements in global best practice and complex stakeholder needs. Staying abreast of internally accepted best practice and continuously challenging the status quo is vital in this journey of being transparent. Additionally, transparency and accountability in reporting foster a foundation of trust with stakeholders which improves the credibility of the organisation, whilst also strengthening an organisation's legitimacy and reputation. Openly reporting on activities and challenges builds public trust and demonstrates a commitment to ethical practices. In today's information age, such aspects will aid organisations in differentiating themselves from a stakeholder's point of view, including attracting investment so long as the information is relevant to the stakeholder and does not create information overload where the material information may lose the perspective and attention it warrants.

In an organisation's journey towards transparency, the Government and regulatory bodies also need to play a pivotal role in ensuring the required foundations and criteria for good governance are advocated and put in place. Hence, it is vital for the regulatory frameworks of the country to evolve as corporates cannot operate in isolation within the ecosystem. For instance, Transparency International, including its local counterpart, Transparency International Sri Lanka advocates for the disclosure of Ultimate Beneficial Owners (UBO) of corporates. However, collating information on ultimate beneficial owners of entities is not possible as the country's regulations do not require this to be disclosed when purchasing shares in the Colombo Stock Exchange, and a listed entity cannot compile this information in isolation.

COMPLIANCE SUMMARY

The CCS Board, through its operating structures, strived to ensure that the Company and all its subsidiaries and associates complied with the laws and regulations of the countries they operated in. Accordingly, the CCS Group complied with all applicable laws and regulations of the countries it operates in, including anti-corruption and anti-bribery laws.

The Board of Directors also took all reasonable steps in ensuring that all financial statements were prepared in accordance with the Companies Act No 7 of 2007, the Sri Lanka Accounting Standards (SLFRS/ LKAS) issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), Sri Lanka Sustainability Disclosure Standards and the requirements of the CSE and other applicable authorities. Information contained in the financial statements of the Annual Report is supplemented by a detailed Management Discussion and Analysis which explains to shareholders the strategic, operational, investment, sustainability and risk related aspects of the CCS Group , and the means by which value is created and how it is translated into the reported financial performance and is likely to influence future results.

Statement of Compliance pertaining to the Companies Act No. 7 of 2007

MANDATORY PROVISIONS - FULLY COMPLIANT

Section		Compliance Status	Reference	Pages
168 (1) (a)	The nature of the business of the Company or classes of business in which it has an interest together with any change thereto	Yes	Management Discussion and Analysis, Annual Report of the Board of Directors	62 - 104, 182
168 (1) (b)	Signed Financial Statements of the Group and the Company	Yes	Financial Statements	198 - 279
168 (1) (c)	Auditors' Report on Financial Statements	Yes	Independent Auditors' Report	194 - 197
168 (1) (d)	Accounting policies and any changes thereto	Yes	Notes to the Financial Statements	205-279
168 (1) (e)	Particulars of the entries made in the Interests Register	Yes	Annual Report of the Board of Directors	188
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company	Yes	Notes to the Financial Statements	235
168 (1) (g)	Total corporate donations made by the Company	Yes	Notes to the Financial Statements	183
168 (1) (h)	Information on the Directorate of the Company- and its subsidiaries during and at the end of the accounting period	Yes	Annual Report of Board of Directors	186 - 187
168 (1) (i)	Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered	Yes	Notes to the Financial Statements	235
168 (1) (j)	Auditors' relationship or any interest with the Company and its Subsidiaries (other than as auditor)	Yes	Report of the Audit Committee	191
168 (1) (k)	Acknowledgement of the contents of this Report and signatures on behalf of the Board	Yes	Financial Statements / Annual Report of the Board of Directors	189 / 200
168 (2)	Information specified in paragraphs (b) to (j) of subsection (1) in relation to Subsidiaries	Yes	Financial Statements / Annual Report of the Board of Directors	198 - 279 / 182 - 189

Statement of Compliance under Section 7.6 of the Listing Rules of the Colombo Stock Exchange (CSE) on Annual Report Disclosures

MANDATORY PROVISIONS - FULLY COMPLIANT

CSE Rule		Compliance Status	Reference	Pages
(i)	Names of persons who were Directors of the Company	Yes	Board of Directors	36 - 37
(ii)	Principal activities of the Company and its subsidiaries during the year, and any changes therein	Yes	Management Discussion and Analysis, Annual Report of the Board of Directors, Financial Statements and Notes to the Financial Statements	62 - 104, 182, 205
(iii)	The names and the number of shares held by the 20 largest holders of voting and non-voting shares denominated in LKR and the percentage of such shares held	Yes	Your Share in Detail	281

CSE Rule		Compliance Status	Reference	Pages
(iv)	a) The float adjusted market capitalisation, public holding percentage (%), number of public shareholders and under which option the Listed Companies complies with the Minimum Public Holding requirement in respect of voting ordinary shares	Yes	Your Share in Detail	280
	The public holding percentage in respect of non-voting Shares (where applicable)	Not Applicable		
	b) The Public holding percentage in respect of Foreign Currency denominated Shares	Not Applicable		
(v)	A statement of each Director's holding in shares of the Company at the beginning and end of each financial year	Yes	Annual Report of the Board of Directors	187
(vi)	Information pertaining to material foreseeable risk factors of the Company	Yes	Enterprise Risk Management Report	166
(vii)	Details of material issues pertaining to employees and industrial relations of the Company	Not Applicable	During the year 2024/25, there were no material issues pertaining to employees and industrial relations of the CCS Group	
(viii)	Extents, locations, valuations and the number of buildings of the Company's land holdings and investment properties	Yes	Group Real Estate Portfolio	283
(ix)	Number of shares representing the Company's stated capital	Yes	Your Share in Detail	280
(x)	A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holdings	Yes	Your Share in Detail	280
(xi)	Ratios and market price information	Yes	Your Share in Detail and Key Figures and Ratios	280, 283
(xii)	Significant changes in the Company's or its subsidiaries' fixed assets, and the market value of land, if the value differs substantially from the book value	Yes	Notes to the Financial Statements	249
(xiii)	Details of funds raised through a public issue or further issue of securities, the manner in which the funds of such issue have been utilised, details of the number of securities, class and consideration received and the reason for the issue and any material change in the use of funds	Not Applicable		
(xiv)	Information in respect of Employee Share Ownership or Share Purchase Schemes	Yes	Corporate Governance, Annual Report of the Board of Directors and Notes to the Financial Statements	264 - 266
(xv)	Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the Listing Rules	Yes		110 - 155
(xvi)	Related Party transactions exceeding 10% of the equity or 5% of the total assets of the Company as per Audited Financial Statements, whichever is lower, with requisite details	Yes		183
(xvii) to (xxii)	Disclosures pertaining to Foreign Currency denominated Securities, Sustainable Bonds, Perpetual debt Securities, Infrastructure Bonds, Compliant Debt Securities and/or High Yield Corporate Debt Securities listed on the CSE	Not Applicable	-	

CORPORATE GOVERNANCE

Statement of Compliance under Section 9 of the Listing Rules of the CSE on Corporate Governance

MANDATORY PROVISIONS - FULLY COMPLIANT

CSE Rule		Compliance Status	Reference	Pages
9.1 Corporate Governance Rules				
9.1.3	A statement confirming compliance with Corporate Governance Rules	Yes	Chairperson's Message	15
9.1 Corporate Governance Rules				
9.2.1	Specified set of policies to be maintained together with the details relating to the implementation of such policies mentioned of website	Yes	Corporate Governance	150
9.2.2	Disclosure of any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted by Company	Yes		150
9.2.3 (i) (ii)	List of policies to be disclosed along with any changes made to policies	Yes		149
9.2.4	Policies to be made available on written request to shareholders	Yes		150
9.3 Board Committees				
9.3.1 a/b/c/d	Maintenance of minimum required Board Committees	Yes	Corporate Governance	122 - 132
9.3.2	Compliance with the composition, responsibilities and disclosures required in respect of the Board Committees	Yes		122 - 132
9.3.3	Chairperson of the Board to not serve as the Chairperson of the Board Committees referred in 9.3.1	Yes		122 - 132
9.4 Meeting procedures and the conduct of all General Meetings with shareholders				
9.4.1	Maintenance of records relating to all resolutions considered at any General Meeting including requisite information. Making available copies of the same on request to the CSE and/or SEC	Yes	Corporate Governance	144 - 145
9.4.2 a-d	Communication and relations with shareholders and investors	Yes		144
9.5 Policy on matters relating to the Board of Directors				
9.5.1 a	Balanced representation between EDs and NEDs, covering Board composition, roles of the Chairperson and CEO, Board balance, and procedures for evaluating Board and CEO performance	Yes	Corporate Governance	115 - 120
9.5.1 b	Rationale for combining the roles of Chairperson and CEO, terms of reference of SID, and measures implemented to protect the interests of the SID in the event the Chairperson and CEO roles are combined	Not Applicable		
9.5.1 c	Require diversity in Board composition for Board effectiveness	Yes		115 - 116
9.5.1 d	The rationale and the maximum number of Directors	Yes		115 - 116

CSE Rule		Compliance Status	Reference	Pages
9.5.1 e	Frequency of Board meetings	Yes	Corporate Governance	118
9.5.1 f	Establish mechanisms to keep Directors informed of Listing Rules and the Company's status of compliance/non-compliance	Yes		119
9.5.1 g	Minimum number of meetings (number and percentage) that a Director must attend	Yes		118
9.5.1 h	Requirements relating to trading in securities of the Company and its listed group companies, including disclosure obligations	Yes		119
9.5.1 i	Maximum number of directorships that may be held by Directors In listed companies	Yes		121
9.5.1 j	Permit participation in Board and Committee meetings through audiovisual means, with such participation counting toward the quorum	Yes		118
9.5.2	Confirmation of compliance with policy in the annual report, with reasons for non-compliance and proposed remedial action	Yes	Annual Report of the Board of Directors	184 - 185
9.6 Chairperson and CEO				
9.6.1	Requirement for a SID if the positions of Chairperson and CEO are held by the same individual	Not Applicable		
9.6.2	Market announcement on the Chairperson being an Executive Director and/or combination of the Chairperson-CEO Roles including the rationale			
9.6.3 a-d	Requirement for a SID			
9.6.3 e	SID shall make a signed explanatory disclosure demonstrating the effectiveness of their duties			
9.6.4	Rationale for the appointment of a SID set out in the Annual Report			
9.7 Fitness of Directors and CEO				
9.7.1	Company to take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons in terms of the rules	Yes	Corporate Governance	119
9.7.2	Ensure nominees meet fit and proper criteria before shareholder approval or appointment as Director	Yes		117 / 119
9.7.3	Assessment Criteria: Honesty, Integrity and Reputation, Competence and Capability and Financial Soundness	Yes		117
9.7.4	Annually obtain declarations from Directors and the CEO confirming compliance with Fit and Proper Assessment Criteria	Yes		117
9.7.5	Disclosures in the Annual Report	Not Applicable	No non-compliances were reported during the year in this regard	
9.8 Board Composition				
9.8.1	Minimum number of Directors on the Board	Yes	Corporate Governance	115 - 116
9.8.2	At least 2 members or 1/3 of the Board, whichever is higher to be independent	Yes		115 - 116

CSE Rule		Compliance Status	Reference	Pages
9.8.3 (i) to (ix)	Criteria for determining independence	Yes	Corporate Governance	120
9.8.5 a-c	The Board to ensure that IDs annually submit declarations on independence/non-independence. Board to make an annual determination on the independence or otherwise of IDs and name the Directors who are determined to be independent Market announcement if ID independence has been impaired	Yes	Corporate Governance	119 - 120
9.9 Alternate Directors				
a-e	Appointment of Alternate Directors to be in accordance with the Rules and such requirements to be incorporated into the Articles of Association	Not Applicable	No Alternate Directors were appointed during the financial year. Additionally, an EGM was held during the year and Articles of Association was amended to incorporate changes required as per the Rules	
9.10 Disclosures relating to Directors				
9.10.1	Disclose policy on the maximum number of Directorships Board members are permitted to hold	Yes	Corporate Governance	121
9.10.2/ 9.10.3	Market announcement upon the appointment of a new Director and any changes to the Board and Board Committee composition, including necessary details	Yes	Corporate Governance	117
9.10.4a-i	Disclosure of details relating to the Board members	Yes	Board of Directors	36 - 37
9.11 Nominations and Governance Committee				
9.11.1	Establishment of a Nominations and Governance Committee (NGC)	Yes	Corporate Governance	126
9.11.2	Formal procedure for the appointment and re-election of Directors	Yes		117
9.11.3	NGC to have a written Terms of Reference	Yes		126
9.11.4 (1) a-b	The Composition of NGC	Yes		126
9.11.4 (3)	Disclosure of names of the NGC Chairperson and members	Yes		126
9.11.5 (i) – (x)	Functions of NGC	Yes		126
9.11.6 a-m	NGC Report with requisite information to be disclosed in Annual Report	Yes		127 - 128
9.12 Remuneration Committee				
9.12.2	Establishment of a Remuneration Committee (RC)	Yes	Corporate Governance	124 - 125
9.12.3	RC to establish and maintain a formal and transparent procedure for developing policy on EDs and individual Director's remuneration, ensuring that no Director is involved in fixing their own remuneration	Yes		124 - 125
9.12.4	Remuneration for NEDs shall be based on a policy of non-discriminatory pay practices to ensure their independence	Yes		122

CSE Rule		Compliance Status	Reference	Pages
9.12.5	The RC to have written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings	Yes	Corporate Governance	125
9.12.6 (1)	Composition of RC	Yes		124
9.12.6 (2)	Chairperson of RC to be an ID	Yes		124
9.12.7	Functions of the RC	Yes		125
9.12.8 a	Disclosure of names of Chairperson and members of RC	Yes		124
9.12.8 b	Disclosure of statement of Remuneration policy	Yes		122
9.12.8 c	Aggregate remuneration paid to EDs and NEDs	Yes		122
9.13 Audit Committee				
9.13.1	Audit Committee (AC) to handle Risk functions where Company does not have separate Committees for Audit and Risk	Yes	Corporate Governance / Audit Committee Report	123
9.13.2	AC to have written Terms of Reference	Yes		124
9.13.3 (1) a-b	Composition of AC	Yes		123
9.13.3 (2)	The quorum for AC meeting shall require a majority of those in attendance to be IDs	Yes		123
9.13.3 (3)	AC to meet as often as required, provided it meets compulsorily on a quarterly basis, at minimum, prior to recommending the release of financials	Yes		190
9.13.3 (4)/ (6)	ID who is a member of a recognised professional accounting body to be appointed as Chairperson of the AC	Yes		123
9.13.3 (5)	Sector Presidents and the Chief Financial Officers (CFO) to attend the Audit Committee meetings by invitation.	Yes		191
9.13.4	Functions of AC	Yes		124
9.13.5 (1)	Report of the AC	Yes		190 - 192
9.13.5 (2) a-i	Disclosures to be included in the AC report	Yes		190 - 192
9.14 Related Party Transactions Review Committee				
9.14.1	Establishment of a Related Party Transactions Review Committee (RPTRC)	Yes	Corporate Governance	129
9.14.2 (1)	Composition of RPTRC	Yes		129
9.14.3	Functions of the RPTRC	Yes		129
9.14.4 (1) – (4)	General Requirements including requirement for RPTRC to meet at least once a quarter, access to all aspects of Related Party Transactions (RPTs), RPTRC to request Board to approve RPTs reviewed by it and requirements relating to Director's material personal interest in a matter being considered at a Board Meeting in relation to a RPT	Yes		129
9.14.5	Review of RPTs by the RPTRC	Yes		130
9.14.6	Shareholder Approval for RPTs	Not Applicable	Corporate Governance During the year under review there was no requirements for Shareholder Approval.	

CSE Rule		Compliance Status	Reference	Pages
9.14.7	Immediate Disclosures	Yes	Corporate Governance	130
9.14.8 (1)	Details and disclosures pertaining to Non-Recurrent RPTs in the Annual Report	Yes	Notes to the Financial Statements.	277 - 278
9.14.8 (2)	Details and disclosures pertaining to Recurrent RPTs in the Annual Report	Yes		277 -278
9.14.8 (3)	Report of the RPTRC	Yes	Corporate Governance	130
9.14.8 (4)	Declaration by the Board of Directors as an affirmative statement of compliance with the rules pertaining to RPTs, or a negative statement otherwise	Yes	Annual Report of the Board of Directors.	183
9.14.9 (1)/ (2)	Shareholder approval for acquisition and disposal of substantial assets	Not Applicable	Corporate Governance During the year under review there was no requirements for Shareholder Approval.	
9.14.9 (4)/ (5)/(6)	TPTRC to obtain competent independent advice on acquisition and disposal of substantial asset	Not Applicable	There were no acquisition and disposal of substantial assets during the year 2024/25.	
9.17 Additional Disclosures				
(i)	Directors have disclosed all material interests in contracts and have refrained from voting when materially involved	Yes	Corporate Governance	119
(ii)	Directors have conducted a review of the internal controls and obtained reasonable assurance of their effectiveness and adherence	Yes		151
(iii)	Arrangements made for Directors to be made aware of laws, rules and regulations and any changes thereto particularly to Listing Rules and applicable capital market provisions	Yes		119
(iv)	Disclosure of material non-compliance with laws/ regulations and fines by relevant authorities where the Company operates	Yes	There were no instances of non-compliance with laws and regulations during the reporting period.	

Code of Best Practice of Corporate Governance 2023 Issued by CA Sri Lanka

VOLUNTARY PROVISIONS

The CCS Group is compliant with almost the full 2023 Code of Best Practice on Corporate Governance issued by the CA Sri Lanka to the extent of business exigency and as required by the Group..

Directors	• The CCS Group is directed, controlled and led by an effective Board that possess the skills, experience and knowledge and thus all Directors bring independent judgement on various subjects, particularly financial acumen. • Regular meetings of the Board are held and at the minimum once a quarter, with access to information, the advice of Company Secretary and independent professional advice, as required. • The Board (collectively) and Directors (individually) are aware of their obligation to act in accordance with the laws of the Country. • Board Balance is maintained as the Code stipulates. • Whilst there is a transparent procedure for Board Appointments under the oversight of the Nominations and Governance Committee, election and re-election, subject to shareholder approval, takes place at regular intervals. • Specified information regarding Directors, such as annual appraisal of the Board s shared in the Corporate Governance .

Directors' Remuneration	• The Human Resource and Compensation Committee, consisting of exclusively NEDs is responsible for determining the remuneration of EDs. • ED compensation includes performance related elements in the pay structure. • Compensation commitments in the event of early termination, determination of NED remuneration by the Board as a whole, remuneration policy and aggregate remuneration paid is disclosed under the Director Remuneration section and is in line with the Code.
Relations with Shareholders	• There is constructive use of the AGM, as per Code. Notice of Meeting, with adequate details, is circulated to shareholders as per statute. • The Group has in place multiple channels to reach shareholders as discussed under the Stakeholder Management and Effective Communication section. • Disclosure of material transactions and requisite shareholder approvals for major transactions.
Accountability and Audit	• Interim and other price sensitive and statutorily mandated reports are disclosed to Regulators. As evident from the Annual Report of the Board of Directors, the CCS Group carried out all business in accordance with regulations and applicable laws, equitably and fairly. • The CCS Group continues to be a going concern and remedial action for any material events is in place. All related party transactions are reported under the Notes to the Financial Statements. • There is an annual review of the effectiveness of the Group's risk management and internal controls which ensures the maintenance of a sound system of internal control which is reported on under the Internal Controls section. • The Internal Audit function and the Audit Committee, functions as stipulated by the Code, and are discussed under the Audit Committee section. • A Related Party Transactions Review Committee is in place and functions in line with the Code. • There were no violations of the Group Code of Conduct, the Code of Business Conduct and Ethics during the year, which is mentioned under the Chairperson's Message section. • All Corporate Governance disclosures under CSE rules have been complied with.
Institutional Investors	• The CCS Group conducts regular and structured dialogue with shareholders based on a mutual understanding of objectives. This is done via the Investor Relations team and through the AGM or other General Meetings as convened on a need basis.
Other Investors	• Individual shareholders investing directly in shares of the CCS Group are encouraged to carry out adequate analysis and seek independent advice in all investing and/or divesting decisions. They are encouraged to participate at the AGM and any General Meetings that are convened and to exercise their voting rights and seek clarity, whenever required.
Sustainability	• ESG (Environmental, Social, and Governance) is a pivotal consideration in the Group's decision making. In reporting performance, the Annual Report covers ESG disclosures through the <IR> framework, GRI standards and operations in conformity with the Principles of the United Nations Global Compact and United Nations Sustainable Development Goals. • The CCS Group has established a governance framework and structure which includes conformance, performance and sustainability/ESG factors in line with the Code.
Internet and Cybersecurity	• The Board has prioritised cybersecurity by appointing a dedicated member responsible for overseeing it within the Group. The CCS Group has implemented a group policy, conduct periodic reviews to ensure its effectiveness, discuss cybersecurity risks at the Board level, and disclose the management of risks in the Annual Report. Furthermore, measures have been taken to secure connectivity for both internal and external devices.
Special Considerations for Listed Entities	• The CCS Group maintains policies relating to its governance and matters relating to Board of Directors in line with the Listing Rules of the CSE and the Code.

ENTERPRISE RISK MANAGEMENT

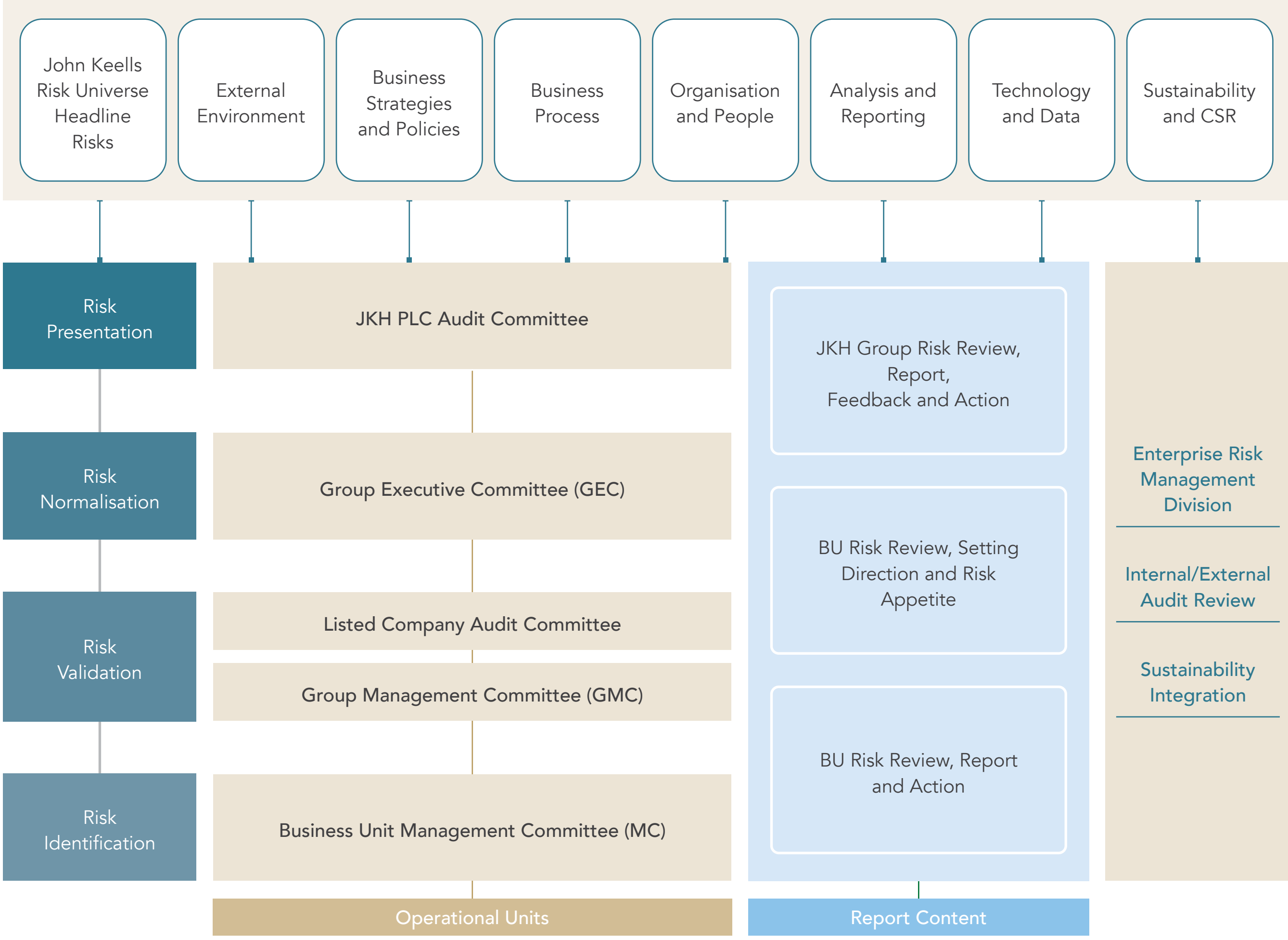
Risk Management plays a pivotal role in the strategic decision-making process of the Group. A rigorous and consistent Risk Management culture is embedded across the Group, where an Annual Risk Management cycle begins with a detailed discussion with the Group Management Committees (GMC) on the identification of impact, likelihood and velocity of risks, along with preventive, detective and corrective mitigation plans of the identified risks. The Group assesses if the risk ratings reflect the changing macro-economic and operating environments.

The entire Risk Management process is conducted through the online Enterprise Risk Management Platform which further enhances transparency and ownership of all risk-related responsibilities and ensures that Risk Management is a holistic and dynamic process.

Individual business units are the ultimate owners of their risks and are responsible for reviewing their risk assessment forms on a quarterly basis. Identified risks are then validated at the Group Management Committees (GMC) and presented to the Audit Committee.

The outcomes of the Company risk review are considered by the JKH ERM division in consolidating risks for the John Keells (JK) Group. The Risk Management cycle is concluded with the distribution of a Group Risk Report, which is compiled by the JKH ERM division, containing risk profiling and analysis, to the JK Group Audit Committee. The Risk Management process and information flow adopted by JK Group is depicted below in Table 1.

TABLE 1 - JOHN KEELLS GROUP RISK MANAGEMENT PROCESS



The ERM Framework adopted by the John Keells Group and implemented by the Company and its Subsidiaries involves the following three steps:

I. Identification of Risk

A Risk Event - Any event with a degree of uncertainty which, if it occurs, may result in the Organisation or Business Unit failing to meet its stated objectives.

The identified risks are classified as

i. Common Risks - Common Risks are those risks which commonly appear on the risk grids of several companies of the John Keells Group. These risks are incorporated in the risk grid of the Group Executive Committee of JKH and are rated based on a consolidation of the risk ratings of such risks in the RCSAs of the constituent businesses.

ii. Business Specific Risks - Business Specific Risks are defined as those risks which are applicable only to an individual line of business.

iii Core Sustainability Risks - Core Sustainability Risks are defined as those risks having a catastrophic impact to and from the Organisation but may have a very low or nil probability of occurrence. These are risks that threaten the sustainability or long-term viability of a business.

II. Establishment of Risk Grid with Likelihood of Occurrence and Severity of Impact

Based on JK Group Guidelines, risk registers are established for the Company and its Subsidiaries. Every risk is analysed in terms of likelihood of occurrence and severity of impact, assigning a number ranging from 1 (low probability/impact) to 5 (high probability/impact) to signify the probability of occurrence and the level of impact on the Organisation. Please refer Table 2 for further details.

III. Establishment of Level of Risk based on the Risk Rating Grid

Based on the values assigned for each individual risk, using the matrix given in Table 2, a level of risk is established by multiplying the likelihood of occurrence with severity of impact.

QUARTERLY REVIEW OF THE RISKS IDENTIFIED USING RISK FRAMEWORK BY THE GROUP

It is the responsibility of the President of each business unit to ensure that each risk item is tracked over the course of the year and that the mitigation actions identified during the risk review process are being carried out adequately.

This results in a dynamic risk document that is updated based on the internal and external environment.

TABLE 2 - GUIDELINE FOR RATING RISKS

Impact/Severity						
Catastrophic/ Extreme Impact	5	5	10	15	20	25
Major/Very High Impact	4	4	8	12	16	20
Moderate/ High Impact	3	3	6	9	12	15
Minor Impact	2	2	4	6	8	10
Low/ Insignificant Impact	1	1	2	3	4	5
		Rare/Remote to Occur	Unlikely to Occur	Possible to Occur	Likely to Occur	Almost Certain to Occur
		1	2	3	4	5
		Occurrence/Likelihood				

Priority Level	5	4	3	2	1
Colour Code	Ultra high	High	Medium	Low	Insignificant
Score	13-25	10-12	7-9	3-6	1-2

ENTERPRISE RISK MANAGEMENT

RISK UNIVERSE

The Group's risk universe allows categorisation of each risk identified and analysed into seven broad themes, allowing for consistency across businesses and industry groups, as defined by the JK Group. The risk universe of the CCS Group is tabulated in Table 3.

TABLE 3 - CCS RISK UNIVERSE

Headline Risk	External Environment	Business Strategies and Policies	Business Process	Organisation and People	Analysing and Reporting	Technology and Data	Sustainability and CSR
RELATED RISKS	Political	Reputation and Brand image	Internal Business Process	Leadership/ Talent Pipeline	Performance Measurement and Reporting	Technology Infrastructure/ Architecture	Sustainability Strategy
	Competitor	Governance	Operations – Planning, Production, Process	Training and Development	Budgeting/ Financial Planning	Technology Reliability and Recovery	Biodiversity and Climate Change
	Catastrophic Loss	Capital and Finance	Operations – Technology, Design, Execution, Continuity	Human Resource Policies and Procedures	Accounting/Tax	Data Relevance, Processing and Integrity	Natural/ Sustainable Resource Utilisation
	Stakeholder Expectations	Strategy and Planning	Interdependency	Ethics	Internal/External Reporting and Disclosures	Cyber Security	Community Investment and Philanthropy
	Macro-Economic	Business/Product Portfolio	Customer Satisfaction	Fraud and Abuse		Information Technology Processes	Financing and Tax
	Foreign Exchange and Interest Rates	Organisation Structure	Legal, Regulatory, Compliance and Privacy	Attrition		Cloud Computing	Oversight/ Monitoring/ Compliance
	Weather and Climate	Innovation and R&D	Property and Equipment Damage and Breakdown	Knowledge and Intellectual Capital		Data Protection and Privacy	Goal Congruence/ Dependence
		Investment, Mergers, Acquisitions and Divestment	Vendor/Partner Reliance	Employee Relations and Welfare/Health and Safety			
		Treasury, Hedging and Insurance		Performance Management and Compensation			

INTEGRATED RISK MANAGEMENT

The CCS Group's Risk Management strategy is closely interwoven with its sustainability management framework and corporate social responsibility functions, enabling a holistic approach to the management and mitigation of risk. Risk Management therefore extends beyond managing the operational and financial risks faced by the Group, and extends to environmental, community, employee, value chain and other non-financial risks related to the triple bottom-line approach of the Group, providing a foundation for productive engagements with internal and external stakeholders.

RISK MANAGEMENT DURING THE REPORTING YEAR

In the financial year 2024/25, Sri Lanka maintained macroeconomic stability, with key indicators such as inflation, interest rates, and foreign exchange rates reflecting improvement. Despite these positive developments, fiscal and regulatory changes introduced operational challenges, particularly with increased excise duties on beverages, which affected margins.

In response to these evolving challenges, the Group strengthens its risk management framework, focusing on fiscal, regulatory, and market risks. Proactive measures were taken to strengthen resilience against external shocks, ensuring adaptability in a dynamic operating environment.

All high-level risks are reviewed by the Group Management Committee headed by the President of the Industry Group as a means of validating the Risk Management process at business unit level. The Group's online Enterprise Risk Management Platform enhances transparency and provides a dynamic risk register, which facilitates a more robust risk assessment in the quarterly risk reviews conducted by the Group. The significant risk areas that impact the achievement of the strategic business objectives of both the Manufacturing and Supermarket segments which include Ceylon Cold Stores PLC (CCS), The Colombo Ice Company (Pvt) Ltd (CICL), Jaykay Marketing Services (Pvt) Ltd (JMSL) and LogiPark International (Pvt) Ltd (LPIL) and the measures taken to address these risks are discussed below;

MITIGATION STRATEGIES ADOPTED BY THE GROUP TO ADDRESS ITS RISK LANDSCAPE

The Group identified the following significant risks during the year. The risk rating for 2023/24 and 2024/25 and the mitigation strategies implemented by each Company have been provided to describe for each significant risk area identified.

Risk Item	Impact on Value Creation	Risk Mitigation Strategy	Risk Rating	
			2024/25	2023/24
1. Macro-Economic Environment, changes in Exchange Rate, Taxes and Tariffs	• The macro-economic landscape has a direct impact on the Group's cost base and business volumes, through supply chain disruptions and implications on disposable incomes and demand. • The increase in the VAT rate last financial year, along with the removal of VAT exemptions on certain goods and services, continues to weaken consumer spending. This ongoing impact has further intensified challenges in maintaining sales volume. • Effective January 11, 2025, the Excise Duty on aerated and sugar-sweetened beverages were further increased, leading to higher costs for the Beverage Category. • The Group has been compelled to pay import liabilities in advance for certain raw materials due to challenges arising from Sri Lanka's weak sovereign credit rating. This has strained cash flows and operations throughout the financial year. • Due to reliance on imported materials, there was a potential risk of exposure to exchange rate fluctuations, which could directly impact the cost of key raw materials.	• Continuous review of macro- economic developments and consumer behaviour through market surveys while maintaining ongoing dialogue with regulators, financial institutes and related parties. • Manages the risk in exchange rates with the support of Treasury division of JKH. In addition to re-establishing buffer stocks levels of imported materials, arranging forex facility for key raw materials and forward booking for foreign currency expense. • Development of alternative suppliers locally for raw materials and backward integration possibilities are under review. • Introduction of value for money products for price and quality conscious customers. • Initiatives to support distributors through economic challenges stemming from indirect tax hikes and rising costs.	Medium	High
2. Price Volatility of Key Raw Materials	• The significant price volatility in both the world and local markets, particularly concerning certain raw materials and packing materials used in the manufacturing process, directly impacts the price- sensitive Manufacturing Segment market.	• Wherever possible, sought to enter into long-term agreements for key ingredients and packaging materials, without compromising quality and availability. • Monitor world market prices of key materials, develop alternative local suppliers for raw materials to take advantage of available tariff benefits, and lobby for stable Government policies by maintaining ongoing dialogue with regulators and industry counterparts. • Maintain optimal stock levels of essential raw materials and packaging materials to buffer against market volatility, ensuring stability in pricing and uninterrupted supply chain operations.	Medium	Medium

Risk Item	Impact on Value Creation	Risk Mitigation Strategy	Risk Rating	
			2024/25	2023/24
3. Natural Disasters and Fire	• The CCS Group's manufacturing facilities and the Supermarket Sector's Distribution Centre are potentially exposed to the risk of a catastrophic fire or natural disaster, which may render them inoperable for a significant period.	• Infrastructure to detect and extinguish fires as well as carrying out periodic fire drills, registration with the fire brigade for effective response, and audits by independent experts on fire safety. • In addition to the above, both the Manufacturing and Supermarket segments have comprehensive insurance to adequately cover such risks, as well as a comprehensive Business Continuity Plan (BCP) to address extreme events and both segments have adequate infrastructure to ensure fire safety.	Medium	Medium
4. Human Resource, Labour Relations and Loss of Talent	• The Group's operations may be impacted by the potential loss of experienced employees due to skill migration trend prevalent in the country. • Approximately 96% (clerical and manual) of employees at CCS Ranala's manufacturing plant are members of trade unions. For CCS, weakened labour relations could lead to a significant rise in labour costs, operational disruptions, increased production downtime and could impact the image of the Company.	• The Group maintains good industrial relations with the unions by identifying and promptly addressing concerns of employees. • Invest in developing the skills and expertise of the staff via regular training programmes. • Aligning Compensation and Benefits (C&B) structures and organisational culture to suit contemporary trends while strengthening emotional connections with regular employee engagement activities. • Succession planning is in place for critical roles. • The extension of paternity leave to 100 days to support employees in meeting their early childcare responsibilities.	Medium	High
5. Health and Safety	• Ensuring a safe working environment for employees remains a top priority to ensure safety, improve motivation and productivity among staff while reducing accidents in the workplace. A rise in workplace accidents could elevate the risk of injury, employee turnover, financial penalties, legal repercussions or litigation, and reputational damage.	• The CCS Ranala and CICL Avissawella manufacturing plants have obtained the ISO 45001:2018 OHSMS certification, streamlined manufacturing and other processes, and continuously improve processes to ensure safe working conditions for employees. Compliance with established procedures is monitored through regular audits. • Health and safety policies and procedures are in place and are steered by a Health and Safety committee and managed by a Health and Safety Officer of the Supermarket Sector.	Medium	Medium
6. Ad hoc amendments to the regulatory framework governing the Food Act	• Changes to the regulatory framework of the Sri Lanka Food Act, particularly in labelling and advertising, directly impact operational efficiency and market competitiveness by influencing product processes, labelling requirements, and compliance cost management.	• Actively engaging in lobbying and advocacy efforts to navigate regulatory changes and ensure compliance with evolving standards. • Regularly assessing internal standards, particularly material specifications, to ensure alignment with updated regulatory requirements. • Maintain optimal stock levels of labelling materials to facilitate timely adaptations to compliance mandates.	Medium	Medium

<table>
<thead>
<tr><th rowspan="2">Risk Item</th><th rowspan="2">Impact on Value Creation</th><th rowspan="2">Risk Mitigation Strategy</th><th colspan="2">Risk Rating</th></tr>
<tr><th>2024/25</th><th>2023/24</th></tr>
</thead>
<tbody>
<tr><td>7. Product Liability Risk</td><td>• The key risk in the Manufacturing Sector is product liability arising due to a fault in the product, whereas for the Supermarket Sector the core risk is the erosion of brand value due to food poisoning and selling expired items.</td><td>• Adhering to the certified manufacturing processes as per ISO 9001 (2015) and ISO 22000 (2018), comprehensive quality assurance process, regular internal and external audits, adherence to Good Manufacturing Practices (GMP), and stringent Food Safety Standards, in addition to rules and regulations enacted by the Government.
• Traceability of product recalls, communication and PR strategy, Digital Crisis Management Plan in place.
• All Companies within the Group are equipped with hotlines with trained call centre agents and social media platforms for customers and other stakeholders to engage in case of complaints/ suggestions. An internal mechanism is in place to promptly address such communications.
• The Group has put in place a comprehensive quality assurance system powered by qualified specialists using international benchmarks, which consider all product and process innovations to avoid any regulatory, health and nutrition related concerns.
• At the Supermarket Sector, a near-expiry product tracking process is in place. Temperature is monitored to ensure the consistency refrigeration unit performance, with corrective actions taken whenever deviations are identified. Strict quality controls are enforced at the point of receiving meat and fish, where the temperature of each consignment is checked prior to acceptance.</td><td>Medium</td><td>Medium</td></tr>
<tr><td>8. Credit Risk</td><td>• Credit facilities are offered to the Manufacturing Sector customers and distributors. Hence, the Group is exposed to the risk of defaulting payments and increase in cost of operations due to bad debts.</td><td>• Continuous evaluation of creditworthiness to set credit limits.
• Maintain bank guarantees and periodically increase guarantee requirements to align with business growth and minimise exposure.
• Grant approval for additional credit facilities while adequately safeguarding exposures with sufficient asset-backed securities.
• Weekly monitor debtors and ensure the outstanding are settled on time.</td><td>Medium</td><td>High</td></tr>
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ENTERPRISE RISK MANAGEMENT

Risk Item	Impact on Value Creation	Risk Mitigation Strategy	Risk Rating	
			2024/25	2023/24
9. Vulnerabilities from IT Related Risks (Cyber Risk)	• As the Group increasingly relies on IT and digital services, it is inevitably exposed to risks stemming from data privacy, cyber-crime, and other IT risks. • With the digitisation and increased connectivity to company networks, potential risks related to network security, information leakage, and device stability have escalated. • Reliance on cloud infrastructure and data increase the risk of unauthorised access, potential downtime that may disrupt Group operations and non-compliance with the regulations. • Risks arising from the rapid adoption of generative artificial intelligence in data governance and protection practices. • The Group is exposed to compliance risks related to domestic and international data protection laws, such as the Personal Data Protection Act No. 9 of 2022 and the European Union's General Data Protection Regulation (2016). These risks can influence stakeholder confidence, affect digital transformation initiatives, and pose potential legal and regulatory challenges.	• Install stringent access controls, firewalls, security software and dedicated user IDs. • Comprehensive disaster recovery plan to ensure continuity of business operations. • Obtain daily, weekly, and monthly "on-site" and "off-site" data backups, cloud storage for all users. • Maintain up to date virus definition files and firewalls. • Continuous training for employees on information security, data protection, and governance is complemented by targeted initiatives to enhance user awareness and sensitivity to these risks through engagement with relevant stakeholders. • The Group will continue to strengthen its data governance framework by reinforcing accountability mechanisms, refining data classification and retention policies and implementing privacy by design principles.	Medium	Low
10. Reputation Risk	• The Group recognises that reputational risk encompasses the potential harm to its image and positioning in the eyes of stakeholders, including customers, investors, employees, and the public. This risk arises from adverse events, actions, or perceptions that tarnish the Group's reputation.	• Ensure compliance with John Keells Group policies and applicable laws, adhere to corporate governance, ethical behaviour, and maintain positive customer relationships to foster trust and goodwill among stakeholders and the community.	Low	Low
11. Supply Chain Risks: Supplier Stability, Dependency, and Capability Challenges	• In the Manufacturing Sector, supplier instability, regulatory noncompliance, internal inefficiencies, and operational disruptions pose significant threats to a company's supply chain continuity and value generation. These supplier-related weaknesses can lead to production stoppages, delivery delays, financial setbacks, and diminished customer satisfaction. Additionally, reliance on a single supplier increases quality-related risks, potentially compromising brand integrity and long-term sustainability. • A supplier's inability to support expansion efforts in the Supermarket Sector may hinder overall progress and execution.	• Periodic audits are conducted to assess supplier adherence to labour, health, safety, and environmental standards, ensuring regulatory compliance and ethical business practices. • Consistent communication and collaboration with suppliers to enhance transparency, support proactive risk mitigation, and strengthen long-term partnerships. • Multiple vendors are engaged to reduce reliance on a single supplier, ensuring continuity in the supply chain and mitigating the risk of disruptions. • Adequate stock levels and buffer inventory are maintained to prevent shortages and safeguard operational stability. • Investment in local supplier networks, such as farmer communities for critical raw materials, reduces dependency on international markets and fosters regional supply chain resilience.	Medium	Medium

Risk Item	Impact on Value Creation	Risk Mitigation Strategy	Risk Rating	
			2024/25	2023/24
12. Impact of climate change	• Given the CCS Group's exposure to climate-related disasters and vulnerability to climate risks, the Group recognises the importance of assessing how climate change may impact its operations.	• The Group is mindful of the impact its business operations may have on climate change and is proactively working to minimise such effects. • Business units currently recognise the impact of climate change as a risk factor and incorporate its effects into other relevant risk assessments. • The John Keells Group is in the process of developing a Climate Change Mitigation policy with the assistance of external subject experts. Furthermore, the John Keells Group will be carrying out a climate scenario analysis on all its business operations to assess its physical risks due to climate change which the CCS Group will adopt subsequently.	Low	Low
13. Environmental implications arising from effluent water discharge and ammonia leaks	• In the Manufacturing Sector, environmental impacts include water discharge and the disposal of waste into the surrounding environment. These factors can affect the Company's reputation and may lead to prolonged adverse effects on its operations.	• Comprehensive environmental management framework aligned with the parent entity, including targets for reducing energy, water, and carbon intensity. • Continuous monitoring of influent and effluent parameters, with upgraded Effluent Treatment Plant (ETP) and Sewage Treatment Plant (STP) facilities. • Implementation of the ISO 14000 Environmental Management System. • Wastewater quality checks conducted through accredited laboratories to ensure treated water conforms to Chemical Oxygen Demand (COD) and Biochemical Oxygen Demand (BOD) levels stipulated under the Environmental Protection License (EPL). • An automatic detection system and an automatic water curtain have been installed to prevent gas dispersion. Self-contained breathing apparatuses are available for emergencies, with employees trained in their use. Additionally, all workers undergo comprehensive ammonia safety training and regular drills to ensure preparedness.	Low	Low

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT

Shape the future
with confidence

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TO THE BOARD OF DIRECTORS OF CEYLON COLD STORES PLC

Report on the Sustainability reporting criteria presented in the Integrated Annual Report FY 2024/25

Scope

We have been engaged by Ceylon Cold Stores PLC to perform a 'limited assurance engagement,' as defined by Sri Lanka Standard on Assurance Engagements, here after referred to as the engagement, to report on Ceylon Cold Stores PLC's Economic, Environment, Social and Governance (EESG) indicators (the "Subject Matter") contained Ceylon Cold Stores PLC's (the "Entity's") Integrated Annual Report for the year ended 31 March 2025 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Ceylon Cold Stores PLC

In preparing the Subject Matter, **Ceylon Cold Stores PLC** applied the following criteria ("Criteria"):

- The Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines, publicly available at https://www.globalreporting.org

Such Criteria were specifically designed for the purpose of assisting you in determining whether Entity's Economic, Environment, Social and Governance (EESG) indicators contained in the Entity's Report is presented in accordance with the relevant criteria; As a result, the subject matter information may not be suitable for another purpose.

Ceylon Cold Stores PLC's responsibilities

Ceylon Cold Stores PLC management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

Ernst & Young's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the Sri Lanka Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (SLSAE 3000 (Revised), and the terms of reference for this engagement as agreed with the Ceylon Cold Stores PLC on 4 March 2025. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and have the required competencies and experience to conduct this assurance engagement.

EY also applies quality management standards, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the subject matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Validated the information presented and checked the calculations performed by the organization through recalculation.
- Performed a comparison of the content given in the Report against the criteria given in the selected sustainability standards/frameworks.
- Conducted interviews with relevant organization's personnel to understand the process for collection, analysis, aggregation and presentation of data. Interviews included selected key management personnel and relevant staff.
- Read the content presented in the Report for consistency with our overall knowledge obtained during the course of our assurance engagement and requested changes wherever required.
- Provided guidance, recommendations and feedback on the improvement of the sustainability reporting indicators to improve the presentation standard.

We also performed such other procedures as we considered necessary in the circumstances.

Emphasis of matter

Economic, Environment, Social management data/information are subject to inherent limitations given their nature and the methods used for determining, calculating and estimating such data. Such inherent limitations are common in Sri Lanka.

We also do not provide any assurance on the assumptions and achievability of prospective information presented in the Entity's Report.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the information on the Economic, Environment, Social and Governance (EESG) contained in the Integrated Annual Report of Ceylon Cold Stores PLC for the year ended 31 March 2025, in order for it to be in accordance with the Criteria.

Ernst + Young

26th May 2025
Colombo

Partners: D K Hulangamuwa FCA FCMA LLB (London), A P A Gunasekera FCA FCMA, Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA FCCA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, N M Sulaiman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), B Vasanthan ACA ACMA, W D P L Perera ACA

Principals: T P M Ruberu FCMA FCCA MBA (USJ-SL), G B Goudian ACMA, D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakthivel B.Com (Sp)

A member firm of Ernst & Young Global Limited

GRI INDEX

Statement of use	Ceylon Cold Stores PLC has reported in accordance with the GRI Standards for the period 1st April 2024 to 31st March 2025
GRI 1 used	GRI 1: Foundation 2021

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
General Disclosures					
GRI 2: General Disclosures 2021	2-1 Organizational details	6, IBC	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.		
	2-2 Entities included in the organization's sustainability reporting	6			
	2-3 Reporting period, frequency and contact point	6, 7			
	2-4 Restatements of information	7			
	2-5 External assurance	7, 172, 173			
	2-6 Activities, value chain and other business relationships	7, 18-21, 86, 94			
	2-7 Employees	75			
	2-8 Workers who are not employees	75			
	2-9 Governance structure and composition	113-116			
	2-10 Nomination and selection of the highest governance body	117			
	2-11 Chair of the highest governance body	116			
	2-12 Role of the highest governance body in overseeing the management of impacts	117			
	2-13 Delegation of responsibility for managing impacts	132-133			
	2-14 Role of the highest governance body in sustainability reporting	145-148, 154			
	2-15 Conflicts of interest	119-120			
	2-16 Communication of critical concerns	117-118			
	2-17 Collective knowledge of the highest governance body	116, 117			
	2-18 Evaluation of the performance of the highest governance body	125			
	2-19 Remuneration policies	125, 187			
	2-20 Process to determine remuneration	187			
	2-21 Annual total compensation ratio		2-21	Confidentiality constraints	Industry does not disclose this information due to confidentiality constraints.
	2-22 Statement on sustainable development strategy	12-16			
	2-23 Policy commitments	110-111			
	2-24 Embedding policy commitments	110-111			
	2-25 Processes to remediate negative impacts	154			
	2-26 Mechanisms for seeking advice and raising concerns	22-23, 142			
	2-27 Compliance with laws and regulations	15, 56			
	2-28 Membership associations	96			
	2-29 Approach to stakeholder engagement	22-23			
	2-30 Collective bargaining agreements	75, 78			

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
Material Topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	46			
	3-2 List of material topics	47			
Economic performance					
GRI 3: Material Topics 2021	3-3 Management of material topics	19, 23, 55, 100, 268-271			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	19			
	201-2 Financial implications and other risks and opportunities due to climate change	55, 100			
	201-3 Defined benefit plan obligations and other retirement plans	268-271			
	201-4 Financial assistance received from government	23			
Market presence					
GRI 3: Material Topics 2021	3-3 Management of material topics	75			
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage		202-1	Confidentiality constraints	CCS Group does not disclose this information due to confidentiality constraints.
	202-2 Proportion of senior management hired from the local community	75			
Indirect economic impacts					
GRI 3: Material Topics 2021	3-3 Management of material topics	66-70, 88-97			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	67-68			
	203-2 Significant indirect economic impacts	93-97			
Procurement practices					
GRI 3: Material Topics 2021	3-3 Management of material topics	88-97			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	57, 95			
Anti-corruption					
GRI 3: Material Topics 2021	3-3 Management of material topics	47, 110-163			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	154			
	205-2 Communication and training about anti-corruption policies and procedures	117, 155			
	205-3 Confirmed incidents of corruption and actions taken	154			
Anti-competitive behaviour					
GRI 3: Material Topics 2021	3-3 Management of material topics	148			
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	148			

GRI INDEX

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
Tax					
GRI 3: Material Topics 2021	3-3 Management of material topics	65, 140-141, 237-243			
GRI 207: Tax 2019	207-1 Approach to tax	65, 140-141, 237-243			
	207-2 Tax governance, control, and risk management	65, 140-141, 237-243			
	207-3 Stakeholder engagement and management of concerns related to tax	65, 140-141, 237-243			
	207-4 Country-by-country reporting		207-4	Not applicable	The Group operates only in Sri Lanka.
Materials					
GRI 3: Material Topics 2021	3-3 Management of material topics	102			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	102			
	301-2 Recycled input materials used	102			
	301-3 Reclaimed products and their packaging materials		301-3	Information unavailable/ incomplete	Information unavailable/ Incomplete
Energy					
GRI 3: Material Topics 2021	3-3 Management of material topics	100-101			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	101			
	302-2 Energy consumption outside of the organization		302-2	Information unavailable/ incomplete	Information unavailable/ Incomplete
	302-3 Energy intensity	101			
	302-4 Reduction of energy consumption	101			
	302-5 Reductions in energy requirements of products and services		302-5	Information unavailable/ incomplete	Information unavailable/ Incomplete
Water and effluents					
GRI 3: Material Topics 2021	3-3 Management of material topics	102			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	102			
	303-2 Management of water discharge-related impacts	102			
	303-3 Water withdrawal	102			
	303-4 Water discharge	102			
	303-5 Water consumption	102			
Emissions					
GRI 3: Material Topics 2021	3-3 Management of material topics	101			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	101			
	305-2 Energy indirect (Scope 2) GHG emissions	101			
	305-3 Other indirect (Scope 3) GHG emissions	101			
	305-4 GHG emissions intensity	101			
	305-5 Reduction of GHG emissions	101			
	305-6 Emissions of ozone-depleting substances (ODS)	101			

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	101			
Waste					
GRI 3: Material Topics 2021	3-3 Management of material topics	103-104			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	103-104			
	306-2 Management of significant waste-related impacts	103-104			
	306-3 Waste generated	103			
	306-4 Waste diverted from disposal	103			
	306-5 Waste directed to disposal	103			
Supplier environmental assessment					
GRI 3: Material Topics 2021	3-3 Management of material topics	95			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	95			
	308-2 Negative environmental impacts in the supply chain and actions taken	95			
Employment					
GRI 3: Material Topics 2021	3-3 Management of material topics	76, 78-79			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	76			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	78			
	401-3 Parental leave	79			
Labour/management relations					
GRI 3: Material Topics 2021	3-3 Management of material topics	78			
GRI 402: Labour/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	78			
Occupational health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	77			

GRI INDEX

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	77			
	403-2 Hazard identification, risk assessment, and incident investigation	77			
	403-3 Occupational health services	77			
	403-4 Worker participation, consultation, and communication on occupational health and safety	77			
	403-5 Worker training on occupational health and safety	77			
	403-6 Promotion of worker health	77			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	77			
	403-8 Workers covered by an occupational health and safety management system	77			
	403-9 Work-related injuries	77			
	403-10 Work-related ill health	77			
Training and education					
GRI 3: Material Topics 2021	3-3 Management of material topics	77-78			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	78			
	404-2 Programs for upgrading employee skills and transition assistance programmes	77-78			
	404-3 Percentage of employees receiving regular performance and career development reviews	78			
Diversity and equal opportunity					
GRI 3: Material Topics 2021	3-3 Management of material topics	75,116			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	75,116			
	405-2 Ratio of basic salary and remuneration of women to men		405-2	Confidentiality constraints	CCS Group does not disclose this information due to confidentiality constraints.
Non-discrimination					
GRI 3: Material Topics 2021	3-3 Management of material topics	74			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	74			
Freedom of association and collective bargaining					
GRI 3: Material Topics 2021	3-3 Management of material topics	78			
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	78			

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
Child labour					
GRI 3: Material Topics 2021	3-3 Management of material topics	74			
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	74			
Forced or compulsory labour					
GRI 3: Material Topics 2021	3-3 Management of material topics	74			
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	74			
Local communities					
GRI 3: Material Topics 2021	3-3 Management of material topics	96-97			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	96-97			
	413-2 Operations with significant actual and potential negative impacts on local communities	97			
Supplier social assessment					
GRI 3: Material Topics 2021	3-3 Management of material topics	94-95			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	95			
	414-2 Negative social impacts in the supply chain and actions taken	95			
Public policy					
GRI 3: Material Topics 2021	3-3 Management of material topics	23			
GRI 415: Public Policy 2016	415-1 Political contributions	23			
Customer health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	92			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	92			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	92			
Marketing and labelling					
GRI 3: Material Topics 2021	3-3 Management of material topics	92			
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	92			
	417-2 Incidents of non-compliance concerning product and service information and labelling	92			
	417-3 Incidents of non-compliance concerning marketing communications	92			
Customer privacy					
GRI 3: Material Topics 2021	3-3 Management of material topics	70			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	70			


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FINANCIAL REPORTS

FINANCIAL CALENDAR

1st Quarter Released on	29th July 2024
2nd Quarter Released on	4th November 2024
3rd Quarter Released on	3rd February 2025
4th Quarter Released on	26th May 2025
Annual Report Released on	26th May 2025
128th Annual General Meeting on	20th June 2025

ANNUAL REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of Ceylon Cold Stores PLC has pleasure in presenting their Annual Report which covers the Audited Financial Statements, Chairperson's Message, Corporate Governance, Management Discussion and Analysis, Enterprise Risk Management and all other relevant information for the year ended 31st March 2025.

The CCS Group delivered a strong performance with a 74% increase in Profit After Tax (PAT) attributed to the focused strategies backed by stable macro economic conditions. The management has formed judgment that the Group has adequate resources to continue in operational existence for the foreseeable future driven by the continuous application of risk mitigation initiatives and monitoring of business continuity and response plans by the operations backed by the financial strength of the Group.

This report has also considered the requirements of the Companies Act No. 07 of 2007 (Companies Act), the relevant Listing Rules of the Colombo Stock Exchange (CSE) and recommended best reporting practices, such as the rules on Corporate Governance (2023) issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and are also guided by recommended best accounting practices.

The Company was incorporated as a Limited Liability Company in 1866 as Colombo Ice Company Limited and in 1941 the Company changed its name to Ceylon Cold Stores Limited. The Company was listed on the CSE in January 1970 as Ceylon Cold Stores PLC. Pursuant to the requirements of the Companies Act, the Company was re-registered and obtained a new Company number, PQ 4, on 15th June 2007.

CORPORATE CONDUCT AND THE VISION OF THE COMPANY

The business activities of the Company and its Subsidiaries (CCS Group) are conducted in accordance with the highest level of ethical standards to achieve the vision. The Company's vision is given on page 3 of this Annual Report.

PRINCIPAL ACTIVITIES

Company

The principal activities of the Company are manufacturing, marketing and distribution of Beverages and Confectionery products and have remained unchanged since its incorporation.

SUBSIDIARIES

Jaykay Marketing Services (Pvt) Ltd

The principal activity of Jaykay Marketing Services (Pvt) Ltd (JMSL) which is 100% owned by the Company, remained unchanged as that of owning and operating a chain of supermarkets, under the brand "Keells". JMSL also operates and manages the Nexus loyalty programme.

LogiPark International (Pvt) Ltd

LogiPark International (Pvt) Ltd (LPI) is a 100% owned Subsidiary of JMSL. LPI was incorporated on 06th July 2018 to construct and operate a 260,000 sq ft. logistics center on a 9-acre leasehold land in Kerawalapitiya. The Company has also qualified under Section 17 of the Board of Investment (BOI) Act to execute the project.

The Colombo Ice Company (Pvt) Ltd

The Colombo Ice Company (Pvt) Ltd (CICL) is a BOI registered Company, 100% owned by the Company, and was incorporated in May 2016. The principal activities of CICL are to manufacture, market and distribute Confectionery products.

ULTIMATE PARENT

The Company's Ultimate Parent and controlling entity is John Keells Holdings PLC (JKH), a Company incorporated in Sri Lanka.

REVIEW OF OPERATIONS

A review of the operations of the Company and the CCS Group during the financial year 2024/25 and results of their operations are contained in the Chairperson's Message (pages 12 to 16) and Management Discussion and Analysis section (pages 46 to 107) of this Annual Report. These Reports form an integral part of the Annual Report of the Board of Directors and together with the Audited Financial Statements reflect the state of the affairs of the Company and the CCS Group as at 31st March 2025.

FINANCIAL STATEMENTS AND AUDITOR'S REPORT

The Financial Statements of the Company and the CCS Group duly signed by the Directors are provided on pages 198 to 279 and the Auditor's Report on the Financial Statements is provided on pages 194 to 197 of this Annual Report. These Reports form an integral part of the Annual Report of the Board of Directors and together with the Audited Financial Statements provide a fair review of the performance of the Company and the CCS Group during the financial year ended 31st March 2025.

GOING CONCERN

The management has formed judgment that the Company and its Subsidiaries have adequate resources to continue in operational existence for the foreseeable future driven by the continuous operationalisation of risk mitigation initiatives and monitoring of business continuity and response plans at each business unit level along with the financial strength of the Group. The Group's outlook has been presented in the Chairperson's Message on page 15.

FINANCIAL RESULTS AND APPROPRIATIONS

Accounting Policies

The accounting policies based on the Accounting Standards (SLFRS/ LKAS) issued by CA Sri Lanka are provided in detail in the notes to the Financial Statements on pages 205 to 279 of the Annual Report.

Revenue

The Net Revenue generated during the year under review by the Company amounted to Rs. 24,508 million (2023/24 - Rs. 21,504 million), whilst the Consolidated Net Revenue of the CCS Group amounted to Rs. 157,934 million (2023/24 - Rs. 139,625 million). An analysis of revenue is given in Notes 06 and 12 to the Financial Statements.

Financial Results

The Company recorded a Profit After Tax of Rs. 4,325 million for the year (2023/24 - Rs. 2,662 million) whilst the Consolidated Profit After Tax was Rs. 5,958 million (2023/24 Rs. 3,427 million).

A synopsis of the CCS Group's performance is presented as follows;

For the year ended 31st March	2025 Rs.'000	2024 Rs.'000
Results from operating activities	11,313,796	8,155,396
Finance cost	(2,424,913)	(3,354,385)
Finance income	89,779	108,010
	8,978,662	4,909,021
Change in fair value of investment property	23,385	21,869
Profit before tax	9,002,047	4,930,890
Provision for taxation including deferred tax	(3,044,381)	(1,504,038)
Profit after tax	5,957,666	3,426,852
Unappropriated profit brought forward from the previous year	16,066,477	14,531,921
Amount available for appropriation	22,024,143	17,958,773
Final dividend paid for the previous year	(845, 856)	(421,231)
Interim dividend paid for the current year	(3,236,112)	(1,355,270)
	17,942,175	16,182,272
Adjustments	109,151	(115,795)
Unappropriated profit carried forward	18,051,326	16,066,477

PROVISION FOR TAXATION

Provision for taxation has been computed at the rates given in Note 19.8 to the Financial Statements.

SEGMENT REPORTING

A segmental analysis of the activities of the CCS Group is given in Note 06 to the Financial Statements.

RELATED PARTY TRANSACTIONS

The Company's transactions with Related Parties are given in Note 40 to the Financial Statements and have complied with the CSE Listing Rules Section 9.14 and Code of Best Practices on Related Party Transactions issued by the SEC under the Securities and Exchange Commission of Sri Lanka Act No. 36 of 1987.

There were no non-recurrent related party transactions entered into by the Company which exceeds the lower of 10% of equity or 5% of the total assets of the Company as per the latest Audited Financial Statements for the year ended 31st March 2024.

There were no recurrent related party transactions, where the aggregate value of the transaction exceeded 10% of the consolidated revenue of the CCS Group as per the latest audited Financial Statements for the year ended 31st March 2024.

The Directors confirm that transactions with related parties in terms of the Sri Lanka Accounting Standard LKAS 24 - Related Party Disclosure have been detailed in Note 40 to the Financial Statements as well as that the requirements as per the listing rules of the CSE have been complied with.

CORPORATE DONATIONS

During the year the CCS Group made donations (including CSR related campaigns) amounting to Rs. 46 million (2023/24 - Rs. 42 million). The CCS Group made no political donations.

DIVIDENDS

A final dividend of Rs. 0.89 per share for the financial year 2023/24 (2022/23 Rs. 0.44 per share) was paid on the 11th of June 2024. A total of three interim dividends amounting to Rs. 3.41 per share for the financial year 2024/25 (2023/24 interim Rs. 1.43 per share) were paid during the year.

The Board of Directors has now approved a final dividend of Rs. 1.99 per share for the financial year 2024/25 to be paid on or before 11th June 2025 to those shareholders on the register as of the 23rd May 2025 (Record Date). In accordance with the Sri Lanka Accounting Standard 10, events after the reporting period, the declared dividend has not been recognised as a liability as at 31st March 2025.

As required by section 56 (2) of the Companies Act, the Board of Directors has confirmed that the Company satisfies the solvency test in accordance with section 57 of the Companies Act, and a certificate has been obtained from the Auditors, prior to declaring all dividends.

PROPERTY, PLANT AND EQUIPMENT

The value of property plant and equipment as at the reporting date amounted to Rs. 6,569 million (2023/24 Rs. 5,668 million) for the Company and Rs. 29,967 million (2023/24 Rs. 27,746 million) for the CCS Group. The details of property, plant and equipment of the Company and the Subsidiaries are shown in Note 20 to the Financial Statements.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

CAPITAL EXPENDITURE

The total capital expenditure on acquisition of property, plant and equipment of the Company and the CCS Group amounted to Rs.1,522 million and Rs. 4,455 million (2023/24 Rs. 325 million and Rs. 2,151 million) respectively, details of which are given in the Statement of Cash Flows. Capital expenditure approved but not provided in the Financial Statements, are given in Note 42 to the Financial Statements. Additions of intangible assets of the Company and the CCS Group during the year amounted to Rs. 67 million and Rs. 794 million (2023/24 Rs. 511 million and Rs. 1,198 million) respectively, details of which are given in the Statement of Cash Flows.

VALUATION OF LAND, BUILDINGS AND INVESTMENT PROPERTIES

The land and buildings owned by the Group and the Company were revalued by Messrs. P B Kalugalagedara & Associates - Chartered Valuation Surveyors, G H A P K Fernando & Upali Silva & Lochana Silva – Chartered Valuers (Pvt) Ltd as at 31st December 2024. The Directors are of the opinion that the revalued amounts are not in excess of the current market values of such properties.

The investment property in Trincomalee was revalued as at 31st December 2024 by Upali Silva & Lochana Silva - Chartered Valuers (Pvt) Ltd. The land was valued at open market value. The details of the revaluation and relevant accounting policies are provided in Notes 20 and 22 to the Financial Statements respectively.

Details of the Group's real estate as at 31st March 2025, are disclosed in the Group Real Estate Portfolio page 283 of the Annual Report.

INVESTMENTS

Details of investments held by the Company are disclosed in Note 24 to the Financial Statements.

STATED CAPITAL AND REVENUE RESERVES

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 issue of shares and calls on shares.

The total Stated Capital of the Company as at 31st March 2025 was Rs. 918 million (31st March 2024 - Rs. 918 million), as given in Note 30 to the Financial Statements.

Revenue Reserve as at 31st March 2025 for the Company and the Group amounted to Rs. 11,980 million (31st March 2024 - Rs. 11,672 million) and Rs. 18,051 million (31st March 2024 - Rs. 16,066 million) respectively. The movement and the composition of the reserve is disclosed in the Statement of Changes in Equity.

UNQUOTED INVESTMENT IN WATERFRONT PROPERTIES (PVT) LTD

As at the reporting date, the Company's holding in Waterfront Properties (Pvt) Ltd (WPL) was diluted to 2.71% (as at 31st March 2024- 3.14%) as a result of the direct equity infusion in WPL, by its Parent Company, JKH, as envisaged at the outset of the project. Details of the investment are given in Note 25 to the Financial Statements.

EVENTS AFTER THE REPORTING PERIOD

Events occurring after the reporting period are given in Note 43 to the Financial Statements.

CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

There were no material contingent liabilities or capital commitments as at 31st March 2025 except as disclosed in Notes 41 and 42 to the Financial Statements.

OUTSTANDING LITIGATIONS

In the opinion of the Directors and in consultation with the company lawyers, litigations currently pending against the Company and CCS Group will not have a material impact on the reported financial results and future operations of the Company and the CCS Group.

HUMAN RESOURCES

The CCS Group employed 8,526 persons as at 31st March 2025 (31st March 2024 – 7,357). The CCS Group is committed to pursuing various Human Resources initiatives that ensure the individual development of the team as well as facilitating the creation of value for themselves, the CCS Group and all other stakeholders. There were no material issues pertaining to employees and industrial relations during the year under review.

SYSTEM OF INTERNAL CONTROLS

The Directors acknowledge their responsibility for the system of internal controls of the Company and its Subsidiaries and having conducted a review of internal controls covering financial, operational, compliance and risk management, have obtained reasonable assurance of their effectiveness and successful adherence for the period up to the date of signing the Financial Statements.

CORPORATE GOVERNANCE

Corporate Governance practices and principles with respect to the management and operations of the CCS Group is set out on pages 110 to 163 of the Annual Report. The Directors confirm that the CCS Group complies with the Listing Rules of the CSE on Corporate Governance.

The Directors declare that to the best of the knowledge;

a. The Company and its Subsidiaries have not engaged in any activities, which contravene laws and regulations.

b. The Directors have declared all material interests in contracts involving the Company and its Subsidiaries and refrained from voting on matters in which they were materially interested.

c. The Company has made all endeavours to ensure the equitable treatment of all shareholders.

d. A review of internal controls covering financial, operational and compliance and risk management has been conducted, and the Directors have obtained a reasonable assurance of their effectiveness and successful adherence therewith.

e. The Board of Directors are committed to maintaining an effective Corporate Governance structure and process. A detailed report on Corporate Governance is found on pages 110 to 163.

f. The business is a going concern.

g. The Company, being listed on the Colombo Stock Exchange (CSE), is fully compliant with the rules on corporate governance under the Listing Rules of the CSE.

h. The Company is in compliance with the Code of Best Practice on Corporate Governance (2023) issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) to the extent of business exigency and as required by the John Keells Group.

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

j. The Company has implemented a formal policy governing matters relating to the Board of Directors as required by the Listing Rules of the CSE and confirms compliance with such policy.

k. The Directors of the Company satisfy the Fit and Proper Assessment Criteria stipulated in the Listing Rules of the Colombo Stock Exchange.

l. The Independent Directors meet the independent criteria set out in the Listing Rules consequent to the annual determination.

m. There are no waivers from compliance with the Policy on Internal Code of Business Conduct and Ethics.

n. In compliance with the formal policy governing matters relating to the Board of Directors, Directors of the Company do not hold more than fifteen (15) Directorships in listed companies.

RISK MANAGEMENT

The Board and the Management of the Company and its Subsidiaries have put in place a comprehensive risk identification, measurement and mitigation process. The risk management process is an integral part of the annual strategic planning cycle. A detailed overview of the process is outlined in the Enterprise Risk Management Report on pages 164 to 171.

BOARD SUB-COMMITTEES

Audit Committee

The following four Non-Executive Independent Directors and one Non-Executive Non-Independent Director of the Board served as members of the Audit Committee during the year.

Non-Executive Independent Directors

Ms. S T Ratwatte - Chairperson

Mr. S Kanag-Isvaran (Appointed w.e.f 19.06.2024)

Ms. R N K Fernando (Appointed w.e.f 19.06.2024)

Mr. H A J De Silva Wijeyeratne (Appointed w.e.f 01.01.2025)

Mr. M Hamza (Retired w.e.f 19.06.2024)

Non-Executive Non-Independent Director

Dr. (Ms.) R S W Wijeratnam

Dr. (Ms.) R S W Wijeratnam, a member of the Audit Committee, continued to serve as a Non-Executive Independent Director of the Company until 28th February 2025. With effect from 1st March 2025, she was re-designated as a Non-Independent Non-Executive Director in accordance with CSE Circular No. 12/2024 dated 31st December 2024, pursuant to the effective date of the independence criteria set out in Rule 9.8.3 (ix) of the Listing Rules, which applies to Directors who are 70 years of age or above as of 1st March 2025.

The report of the Audit Committee is given on pages 190 to 192 of this Annual Report. The Audit Committee has reviewed the other services provided by the External Auditor to the CCS Group to ensure that their independence as an Auditor has not been compromised.

HUMAN RESOURCES AND COMPENSATION COMMITTEE

In accordance with the Listing Rules of the Colombo Stock Exchange (CSE), the Human Resources and Compensation Committee of John Keells Holdings PLC (JKH), the Parent Company of Ceylon Cold Stores PLC (CCS), served as the Human Resources and Compensation Committee of CCS until 30th September 2024. Pursuant to Listing Rule 9.3, CCS established its own Human Resources and Compensation Committee with effect from 1st October 2024.

The Human Resources and Compensation Committee of JKH, the Parent Company, comprises of the following Independent Non-Executive Directors:

Mr. D V R S Fernando - Chairperson (Appointed w.e.f. 01.07.2024)

Mr. D A Cabraal

Dr. (Mr.) S S H Wijayasuriya

The Human Resources and Compensation Committee of CCS, comprises following Non-Executive Directors:

Ms. R N K Fernando – Chairperson

Mr. S Kanag-Isvaran

Mr. J G A Cooray

The Human Resources and Compensation Committee policy is detailed in the Corporate Governance Commentary of the Annual Report.

NOMINATIONS AND GOVERNANCE COMMITTEE

In accordance with the Listing Rules of the Colombo Stock Exchange (CSE), the Nominations & Governance Committee of John Keells Holdings PLC (JKH), the Parent Company of Ceylon Cold Stores PLC (CCS), served as the Nominations & Governance Committee of CCS until 30th September 2024. Pursuant to Listing Rule 9.3, CCS established its own Nominations & Governance Committee with effect from 1st October 2024.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

The Nominations & Governance Committee members of the Parent Company are as follows:

Dr. (Ms.) S A Coorey - Chairperson

Mr. D A Cabraal

Dr. (Mr.) S S H Wijayasuriya

Mr. K N J Balendra (Resigned w.e.f. 01.10.2024)

The Nominations & Governance Committee of CCS, comprises of the following Non- Executive Directors:

Ms R N K Fernando - Chairperson

Mr S Kanag-Isvaran

Mr K N J Balendra

The Nomination & Governance Committee policy is detailed in the Corporate Governance of this Annual Report.

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

In accordance with the Listing Rules of the Colombo Stock Exchange (CSE), the Related Party Transactions Review Committee of John Keells Holdings PLC (JKH), the Parent Company of Ceylon Cold Stores PLC (CCS), served as the Related Party Transactions Review Committee of CCS until 30th September 2024. Pursuant to Listing Rule 9.3, CCS established its own Related Party Transactions Review Committee with effect from 1st October 2024.

The Related Party Transactions Review Committee members of the Parent Company JKH are as follows:

Mr. H M A Jayesinghe - Chairperson (Appointed w.e.f. 01.07.2024)

Mr. D A Cabraal

Mr. D V R S Fernando

Mr. A N Fonseka (Retired w.e.f. 01.07.2024)

The Related Party Transactions Review Committee members of the Company are as follows:

Ms. S T Ratwatte – Chairperson

Dr. (Ms.) R S W Wijerathnam

Ms. R N K Fernando

Mr. S Kanag-Isvaran

Mr. H A J De Silva Wijeyeratne (Appointed w.e.f 01.01.2025)

The Related Party Transactions Review Committee policy is detailed in the Corporate Governance of this Annual Report.

PROJECT RISK ASSESSMENT COMMITTEE

Project Risk Assessment Committee of JKH, the Parent Company, functions as the Project Risk Assessment Committee of the Company and its Subsidiaries.

The Project Risk Assessment committee members of the Parent Company are as follows;

Dr. (Mr.) S S H Wijayasuriya - Chairperson

Mr. K N J Balendra

Mr. J G A Cooray

Mr. A Cabraal (Appointed w.e.f. 01.10.2024)

The Project Risk Assessment Committee policy is detailed in the Corporate Governance of this Annual Report.

SHARE INFORMATION

An Ordinary Share of the Company was quoted on the CSE at Rs. 82.00 as at 31st March 2025 (Rs. 53.90 as at 31st March 2024). Market price per share is based on the number of shares in issue at the end of each reporting period. Information relating to earnings, dividends, net assets and market value per share is given in the Key Figures and Ratios section on page 283. Information on share trading is given on page 281 of this Annual Report.

SHAREHOLDINGS

There were 4,028 registered shareholders, holding ordinary voting shares as at 31st March 2025 (3,504 registered shareholders as at 31st March 2024). The distribution of shareholdings including the percentage held by the public is given on page 280 of this Annual Report.

FLOAT ADJUSTED MARKET CAPITALISATION

As at 31st March 2025, Company had a float adjusted market capitalization of Rs. 14.5 billion and 4,022 public shareholders (18.55% public shareholdings). Therefore, the Company is compliant under option 1 of the minimum threshold requirements for the Main Board of the CSE as per section 7.13 of the Listing Rules of the CSE.

EQUITABLE TREATMENT TO ALL SHAREHOLDERS

The Company has made every endeavour to ensure the equitable treatment of all shareholders and has adopted adequate measures to prevent information asymmetry.

SUBSTANTIAL SHAREHOLDINGS

The list of the top twenty shareholders is given on page 281 of this Annual Report.

INFORMATION TO SHAREHOLDERS

The Board strives to be transparent and provide accurate information to shareholders in all published material. The quarterly financial information during the year has been sent to the CSE in a timely manner.

DIRECTORATE

The Board of Directors of the Company who served during the year and as at the end of the Financial Year are given below and their brief profiles are given on pages 36 and 37 of this Annual Report.

No other Director held office during the year under review.

Mr. K N J Balendra (Non-Executive, Non-Independent)

Mr. J G A Cooray (Non-Executive, Non-Independent)

Mr. D P Gamlath (Executive)

Mr. K C Subasinghe (Non-Executive, Non-Independent)

Ms. P N Fernando (Executive)

Ms. S T Ratwatte (Non-Executive, Independent)

Dr. (Ms.) R S W Wijeratnam (Non-Executive, Non-Independent)

Mr. S Kanag-Isvaran (Non-Executive, Independent) - Appointed w.e.f 19.06.2024

Ms. R N K Fernando (Non-Executive, Independent) - Appointed w.e.f 19.06.2024

Mr. H A J De Silva Wijeyeratne (Non-Executive, Independent) - Appointed w.e.f 01.01.2025

Mr. M Hamza (Non-Executive, Independent) – Retired w.e.f 19.06.2024

Dr. (Ms.) R. S. W. Wijeratnam served as a Non-Executive Independent Director of the Company until 28th February 2025. With effect from 1st March 2025, she was re-designated as a Non-Independent Non-Executive Director in accordance with CSE Circular No. 12/2024 dated 31st December 2024. This re-designation was made pursuant to the independence criteria set out in Rule 9.8.3 (ix) of the Listing Rules, which became effective on 1st March 2025 and apply to directors who are 70 years of age or above as of that date.

Ms. S T Ratwatte, Independent Non-Executive Director and Dr. R S W Wijeratnam, Non- Independent Non-Executive Director, will retire from the Board of Directors of the Company effective from and upon the conclusion of the Annual General Meeting of the Company to be held on 20th June 2025, having completed 9 years on the Board.

The Board of Directors of JMSL who served during the year and as at the end of the Financial Year are given below;

No other Director held office during the period under review.

Mr. J G A Cooray

Mr. K C Subasinghe

Mr. W A D A Wanniarachchi

Ms. N W Tambiah

The Board of Directors of LPI who served during the year and as at the end of the Financial Year are given below;

No other Director held office during the period under review.

Mr. K C Subasinghe

Mr. A Z Hashim

Mr. W A D A Wanniarachchi

The Board of Directors of CICL who served during the year and as at the end of the Financial Year are given below;

No other Director held office during the period under review.

Mr. D P Gamlath

Ms. P N Fernando

RESPONSIBILITY OF THE BOARD

Details of the responsibilities of the Board and the manner in which those responsibilities were discharged during the year are disclosed in the Corporate Governance section of the Annual Report.

RETIREMENT AND RE-ELECTION OF DIRECTORS

Retirement and Re-election of Directors of the Company are given in the Notice of Meeting and Proxy Form.

DIRECTORS' INTERESTS IN SHARES

The Directors' (including their spouses) individual shareholdings in the Company as at 31st March 2025 and 31st March 2024 were as follows;

For the year ended 31st March	2025 No. of Shares	2024 No. of Shares
Mr. K N J Balendra	819,040	819,040
Mr. J G A Cooray	-	-
Mr. D P Gamlath	-	-
Mr. K C Subasinghe	45,000	45,000
Ms. P N Fernando	-	-
Dr. (Ms.) R S W Wijeratnam	-	-
Ms. S T Ratwatte	40,000	26,780
Mr. S Kanag-Isvaran*	-	N/A
Ms. R N K Fernando*	-	N/A
Mr. H A J De Silva Wijeyeratne**	-	N/A

*Appointed w.e.f 19.06.2024

**Appointed w.e.f 01.01.2025

REMUNERATION TO DIRECTORS

Executive Directors' remuneration is established within a framework approved by the Human Resources and Compensation Committee. The Directors are of the opinion that the framework assures appropriateness of remuneration and fairness for the Company. The remuneration of the Non-Executive Directors are determined according to scales of payment decided upon by the Board previously. Details of Directors' fees and emoluments paid during the year are disclosed in the Note 16 to the Financial Statements.

DIRECTORS' MEETINGS

Details of Directors' meetings are presented on page 118 of this Annual Report.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

INTERESTS REGISTER

The Company has maintained an Interests Register. In compliance with the requirements of the Companies Act, this Annual Report contains particulars of entries made in the Interests Register. As the Subsidiaries are Private Limited Companies, which have dispensed with the need to maintain an Interests Register, this Annual Report does not contain the particulars of entries made in the Interests Register of the Subsidiaries.

Interests Register is available at the Registered office of the Company in keeping with the requirement of the section 119 (1) (d) of the Companies Act.

Particulars of entries in the Interests Register for the Financial Year 2024/25:

a) Interests in Contracts - The Directors have all made a General Disclosure to the Board of Directors as permitted by Section 192 (2) of the Companies Act, and no additional interests have been disclosed by any Director.

b) Share Dealings by Directors - There were no share dealings by the Directors during the financial year 2024/25, except for transactions by Ms. S. T. Ratwatte, who purchased 13,220 ordinary shares as detailed below;

Date of Purchase	Number of Shares	Price Per Share Rs.
14th February 2025	10,000	88.00
	125	88.20
	100	88.30
	325	88.40
	2,670	88.50

c) Indemnities and Remuneration

(i) The Board approved the payment of remuneration to the Executive Directors of the Company, namely, Mr. D P Gamlath and Ms. P N Fernando, comprising of

- A fixed element;
- A variable element in the form of a short-term Incentive which is based on the individual performance, organization performance and role responsibility based on the results of the financial year 2023/2024; and
- A long-term Incentive in the form of Employee Share Options at John Keells Holdings PLC

As recommended by the Human Resources and Compensation Committee of John Keells Holdings PLC, the holding company of Ceylon Cold Stores PLC, in keeping with the John Keells Group remuneration policy.

(ii) Mr. S Kanag-Isvaran and Ms. R N K Fernando were appointed as Independent Non-Executive Directors to the Board with effect from 19th June 2024, and Mr. H A J De Silva Wijeyeratne was appointed as an Independent Non-Executive Director to the Board with effect from 1st January 2025 at the standard Non-Executive Director fees approved by the Board for Non-Executive Directors, which fees are commensurate with the market complexities of the Company.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors are responsible for the preparation of the Financial Statements of the Company and the Group to reflect a true and fair view of the state of its affairs. The Directors are of the view that these Financial Statements have been prepared in conformity with the requirements of the Sri Lanka Accounting Standards, the Companies Act. and the Listing Rules of the CSE.

EMPLOYEE SHARE OPTION SCHEME (ESOP)

The Company does not offer its shares under an ESOP Scheme. The ESOP Scheme made available to the Senior Executives of the Company is from the Parent Company, JKH. The Company has not directly or indirectly provided funds to its employees to purchase shares under the ESOP Scheme.

COMPLIANCE WITH LAWS AND REGULATIONS

The Company and the CCS Group has complied with all applicable laws and regulations. A compliance checklist is signed on a quarterly basis by responsible officers and any violations are reported to the Audit Committee and Board of Directors.

RESEARCH AND DEVELOPMENT

The Group has an active approach to research and development and recognises the contribution that it can make to Group's intellectual property and operations. Significant expenditure has taken place over the years and substantial efforts will continue to be made to introduce intellectual property rights, develop new products and processes and to improve the existing products.

SUPPLIER POLICY

The CCS Group endeavours to transact business with reputed organizations capable of offering quality goods and services at competitive prices with a view to build mutually beneficial business relationships.

STATUTORY PAYMENTS

The Directors confirm to the best of their knowledge all taxes, duties and levies payable by the CCS Group and all contributions, levies and taxes payable on behalf of and in respect of the employees of the CCS Group and all other known statutory dues as were due and payable by the CCS Group as at the end of the reporting period have been paid or where relevant provided for.

ENVIRONMENT PROTECTION

The CCS Group is conscious of the impact, direct and indirect, on the environment due to its business activities. Every endeavour is made to minimize the adverse effects on the environment to ensure sustainable continuity of our resources.

INDEPENDENT AUDITOR'S APPOINTMENT

The Financial Statements for the year have been audited by Messrs. Ernst & Young Chartered Accountants. The retiring Auditor, Messrs. Ernst & Young have intimated their willingness to continue in office and a resolution to reappoint them as Auditor and authorising the Directors to determine their remuneration will be proposed at the upcoming Annual General Meeting.

The Audit Committee reviews the reappointment of the Auditors, their effectiveness, independence and their relationship with the CCS Group, including the level of audit and non-audit fees paid to the Auditors. The details of fees paid to the Auditors for the Company and its Subsidiaries are set out in Note 16 to the Financial Statements. As far as the Directors are aware, the Auditors have no other relationship with the Company and its Subsidiaries.

INDEPENDENT AUDITOR'S REPORT

The Auditor's Report is found on pages 194 to 197 of the Annual Report.

APPROVAL OF THE FINANCIAL STATEMENTS

The Audited Financial Statements were approved by the Board of Directors on 26th May 2025. The appropriate number of copies of this report will be submitted to the Colombo Stock Exchange and to the Sri Lanka Accounting and Auditing Standards Monitoring Board.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held as a virtual meeting on the 20th June 2025. The notice of meeting related to the 128th Annual General Meeting is given on pages 289 and 290.

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

D P Gamlath
Director

J G A Cooray
Director

Keells Consultants (Private) Limited
Secretaries

26th May 2025

AUDIT COMMITTEE REPORT

The Audit Committee is tasked with assisting the Board in fulfilling its oversight responsibility to the shareholders, potential shareholders, the investment community and other stakeholders in relation to the integrity of Financial Statements of the Group, that a good financial reporting system is in place and is well managed in order to give accurate, appropriate and timely information, that it is in accordance with the Companies Act and other legislative reporting requirements and that adequate disclosures are made in the Financial Statements in accordance with the Sri Lanka Accounting Standards.

The powers and responsibilities of the Audit Committee are governed by the Audit Committee Charter, which is approved and adopted by the Board. The terms of reference comply with the requirements of the Corporate Governance Rules as per section 7.10 of the Listing Rules of Colombo Stock Exchange (CSE). The Audit Committee's functions and scope are in compliance with the requirements of the Code of Best Practice on Audit Committee and conducted its affairs in compliance with the requirements of the Code of Best Practice on Audit Committee.

The Audit Committee ensures that the internal controls and the risk management process are effective and adequate to meet the requirements of the Sri Lanka Auditing Standards and that the Group is in compliance with legal, regulatory and ethical requirements.

The Audit Committee assesses the Group's ability to continue as a going concern for the foreseeable future.

The Committee evaluates the performance and the independence of the Internal Auditor and External Auditor. The Committee is also tasked with the responsibility of recommending to the Board the re-appointment or change of the External Auditor and to recommend their remuneration and terms of engagement.

In fulfilling its purpose, the Audit Committee maintains a free and open communication with the independent External Auditor, the outsourced Internal Auditor and the management of the Company and the Subsidiaries to ensure that all parties are aware of their responsibilities.

The Audit Committee is empowered to carry out any investigations it deems necessary and review all internal control systems and procedures, compliance reports, risk management reports etc. to achieve the objectives as stated above.

The Committee has reviewed and discussed with the management and the External Auditor the audited Financial Statements for the year ended 31st March 2025 as well as matters relating to the Group's internal control over financial reporting, key judgement and estimates in the preparation of Financial Statements and the processes that support certification of the Financial Statements by the Directors and the Chief Financial Officer (CFO).

The committee also reviews and approves the quarterly unaudited Financial Statements.

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee is a sub-committee of the Board of Directors appointed by and responsible to the Board of Directors.

The Audit Committee consists of four Independent, Non-Executive Directors and one Non-Independent Non-Executive Director, who are;

Independent, Non-Executive Directors

1. Ms. S T Ratwatte – Chairperson
2. Mr. M Hamza (Retired w.e.f 19.06.2024)
3. Ms. R Fernando (Appointed w.e.f. 19.06..2024)
4. Mr. S Kanag-Isvaran (Appointed w.e.f. 19.06.2024)
5. Mr. H A J De Silva Wijeyeratne (Appointed w.e.f. 01.01.2025)

Non-Independent Non-Executive Director

1. Dr. (Ms.) R S W Wijeratnam

The Committee composition complies with the requirement of rule 9.11.6 of the Listing rules of Colombo Stock Exchange.

The Audit Committee comprises of individuals with extensive experience and expertise in the fields of Finance, Corporate Management, Economics, Food Technology and Marketing. The Chairperson of the Audit Committee is a Chartered Management Accountant. A brief profile of each member of the Audit Committee is given on pages 36 and 37 of this report under the section Board of Directors.

MEETINGS OF AUDIT COMMITTEE

The Audit Committee meets as often as may be deemed necessary or appropriate in its judgment, and at least quarterly each year. During the year under review, there were five (5) meetings attended by the Committee members and they are given below;

Name	03rd May 2024	23rd July 2024	28th October 2024	24th January 2025	28th March 2025	Total Attendance
Ms. S T Ratwatte	✓	✓	✓	✓	✓	5/5
Dr. R S W Wijeratnam	✓	✓	✓	✓	Excused	4/5
Mr. M Hamza*	✓	N/A	N/A	N/A	N/A	1/1
Ms. R Fernando**	N/A	✓	✓	✓	✓	4/4
Mr. Shivaan Kanag-Isvaran**	N/A	✓	✓	✓	✓	4/4
Mr. H A J D S Wijeyeratne***	N/A	N/A	N/A	✓	✓	2/2

** Retired w.e.f. 19.06.2024   **Appointed w.e.f 19.06.2024   ***Appointed w.e.f 01.01.2025*

AUDIT COMMITTEE ATTENDANCE

The Presidents, the Chief Financial Officers, the Head of JKH Group Business Process Review and the Heads of the Business Categories attended such meetings by invitation and briefed the Committee on specific issues. The External Auditor and Internal Auditor were also invited to attend meetings when necessary. The Chairperson of the Audit Committee reports the proceedings of the Audit Committee to the Board of Directors.

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

Oversight of Company and Consolidated Financial Statements

The Committee reviewed with the Independent External Auditor who is responsible for expressing an opinion on the truth and fairness of the audited Financial Statements and their conformity with the Sri Lanka Financial Reporting Standards (SLFRS) and Sri Lanka Accounting Standards (LKAS).

The Committee also reviewed the accounting policies of the Company and the Group and such other matters as are required to be discussed with the independent External Auditor in compliance with Sri Lanka Auditing Standard 260 – Communication of Audit Matters with those charged with governance. The quarterly Financial Statements were also reviewed by the Committee and recommended their adoption to the Board.

The Committee also reviewed the process to assess the effectiveness of the internal financial controls that have been designed to provide reasonable assurance to the Directors that the financial reporting system can be relied upon in preparation and presentation of the Financial Statements of the Company and the Group.

INTERNAL AUDIT

The Committee monitors the effectiveness of the Internal Audit function and is responsible for approving their appointment or removal and to ensure they have adequate access to information required to conduct their audits.

The Internal Audit function of the Company is outsourced to Messrs. Deloitte Advisory Services (Pvt) Ltd, a firm of Chartered Accountants and that of Subsidiary, Jaykay Marketing Services (Pvt) Ltd is outsourced to BDO Partners – Chartered Accountants and the Subsidiary, The Colombo Ice Company (Pvt) Ltd is outsourced to Messrs. Deloitte Advisory Services (Pvt) Ltd.

The Audit Committee has agreed with the Internal Auditors as to the frequency of audits to be carried out, the scope of the audit and the fee to be paid for their services.

During the year under review, the Audit Committee has met the Internal Auditors to consider their reports, management responses and matters requiring follow up on the effectiveness of internal controls and audit recommendations.

The internal audit frequency depends on the risk profile of each area, higher risk areas being on a shorter audit cycle. The Audit Committee is of the opinion that the above approach provides an optimal balance between the need to manage risk and the costs thereof.

RISK AND CONTROL REVIEW

The Audit Committee has reviewed the business risk management process and procedures adopted by the Group to manage and mitigate the effects of such risks and observe that the risk analysis exercise had been conducted within the Group. The key risks that could impact operations had been identified and appropriate actions have been taken to mitigate their impact to the minimum extent.

EXTERNAL AUDIT

The External Auditor of the Company and of the Subsidiaries, Messrs. Ernst & Young, Chartered Accountants, submitted a detailed audit plan for the financial year 2024/25, which specified, inter alia, the areas of operations to be covered in respect of the Company and the Subsidiaries.

The audit plan specified 'areas of special emphasis' which had been identified from the last audit and from a review of current operations. The Audit Committee had meetings with the External Auditor to review the scope, timelines of the audit plan and approach for the audits.

The areas of special emphasis had been selected due to the probability of error and the material impact it can have on the Financial Statements. At the conclusion of the audit, the External Auditor met with the Audit Committee to discuss and agree on the treatment of any matters of concern discovered in the course of the audit and also to discuss the Audit Management Letters. Actions taken by the management in response to the issues raised were discussed with the Sector President. There were no issues of significance during the year under review.

The Audit Committee also reviewed the audit fees of the External Auditor of the Company and of the Subsidiaries and recommended its adoption by the Board. It also reviewed the other services provided by the Auditors in ensuring that their independence as an Auditor was not compromised.

The Audit Committee has received a declaration from Messrs. Ernst & Young as required by the Companies Act, No. 07 of 2007, confirming that they do not have any relationship or interest in the Company, which may have a bearing on their independence within the meaning of the Code of Conduct and Ethics of the Institute of Chartered Accountants of Sri Lanka.

The Audit Committee has proposed to the Board of Directors that Messrs. Ernst & Young, Chartered Accountants, be recommended for reappointment as Auditor for the year ending 31st March 2026, at the next Annual General Meeting.

COMPLIANCE WITH FINANCIAL REPORTING AND STATUTORY REQUIREMENTS

The Audit Committee receives a quarterly declaration from the President, Head of the Business Categories, Head of Supply Chain and the Chief Financial Officer, listing any departures from financial reporting, statutory requirements and Group policies. Reported exceptions, if any, are followed up to ensure that appropriate corrective action has been taken.

AUDIT COMMITTEE REPORT

With a view of ensuring uniformity of reporting, the Group has adopted the standardised format of Annual Financial Statements developed by the Parent Company.

SUPPORT TO THE COMMITTEE

The Committee received the necessary support and information from the management of the Company and the Subsidiaries during the year to enable them to carry out their duties and responsibilities effectively.

CONCLUSION

The Audit Committee is satisfied that the effectiveness of the organisational structure of the Company and the Subsidiaries in the implementation of the accounting policies and operational controls provide reasonable assurance that the affairs of the Company and the Subsidiaries are managed in accordance with accepted policies and that assets are properly accounted for and adequately safeguarded. The Committee is also satisfied that the Group's Internal and External Auditors have been effective and independent throughout the period under review.

S T Ratwatte
Chairperson, Audit Committee

26th May 2025

STATEMENT OF DIRECTORS' RESPONSIBILITY

The responsibility of the Directors, in relation to the Financial Statements, is set out in the following statement. The responsibility of the Auditor in relation to the Financial Statements prepared in accordance with the provisions of the Companies Act, No. 07 of 2007, is set out in the Independent Auditors' Report on pages 194 to 197 of the Annual Report.

As per the provisions of the Companies Act, No. 07 of 2007 the Directors are required to prepare, for each financial year and place before a General Meeting, Financial Statements which comprise of;

- An Income Statement, which presents a true and fair view of the profit or loss of the Company for the financial year; and
- A Statement of Other Comprehensive Income; and
- A Statement of Financial Position,

which presents a true and fair view of the state of affairs of the Company as at the end of the financial year.

The Directors have ensured that, these Financial Statements have been prepared;

- Using appropriate accounting policies, which have been selected and applied in a consistent manner, and material departures, if any have been disclosed and explained; and
- All applicable Accounting Standards (SLFRS/LKAS) as relevant have been applied; and
- Reasonable and prudent judgments and estimates have been made so that the form and substance of transactions are properly reflected; and
- Provided the information required by and otherwise comply with the Companies Act, No. 07 of 2007 and the listing rules of the Colombo Stock Exchange.

The Directors are also required to ensure that the Company and its Subsidiaries have adequate resources to continue in operation, to justify applying the going concern basis in preparing these Financial Statements.

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

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Company and of the CCS Group, and in this regard to give a proper consideration to the establishment of appropriate internal control systems with a view to preventing and detecting fraud and other irregularities.

The Directors are required to prepare the Financial Statements and to provide the Auditor with every opportunity to take whatever steps and undertake whatever inspections they may consider being appropriate to enable them to give their audit opinion.

The Directors are of the view that they have discharged their responsibilities as set out in this statement.

COMPLIANCE REPORT

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company and its Subsidiaries, all contributions, levies and taxes payable on behalf of the employees of the Company and its Subsidiaries, and all other known statutory dues as were due and payable by the Company and its Subsidiaries as at the end of the reporting period have been paid or, where relevant provided for except as specified in Note 41 to the Financial Statements covering contingent liabilities.

By Order of the Board

Keells Consultants (Private) Limited

Secretaries

26th May 2025

INDEPENDENT AUDITOR'S REPORT

Ernst & Young
Chartered Accountants
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Shape the future with confidence

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Ceylon Cold Stores PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Ceylon Cold Stores PLC (''the Company"), and the consolidated financial statements of the Company and its subsidiaries (''the Group"), which comprise the statement of financial position as at 31 March 2025, and the income statement 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 material accounting policy information.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 March 2025, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matter	How our audit addressed the key audit matter
Existence and carrying value of inventory As at 31 March 2025, the carrying value of inventory amounted to Rs. 14,895 million net of provision for slow moving inventories of Rs. 202 million as disclosed in note 27 to the financial statements. Existence and carrying value of inventory was a key audit matter due to: • the materiality of the reported inventory balance which represented 18% of the Group's total assets as of the reporting date; and • judgements applied by the management on the condition of inventory due to wastage, spoilages, shelf life of products, slow-moving and seasonal products and other compliance requirements as disclosed in note 27 to the financial statements.	Our audit procedures included the following key procedures: • observed physical inventory counts and reconciled the count results to the inventory listings compiled by management to support amounts reported. • tested whether inventory was stated at the lower of cost and net realizable value, by comparing cost with subsequent selling prices. • assessed the reasonableness of management judgements applied in determining that the provision is based on the condition of inventory in relation to wastages, spoilages, shelf life of products, slow moving and seasonal products and due to other compliance requirements. We also evaluated the adequacy of the disclosures in Note 27 to the financial statements.
Assessment of fair value of the equity investment classified as Fair Value through Other Comprehensive Income (FVOCI) Non-current financial assets of the Group consist of an unquoted equity investment in Waterfront Properties (Pvt) Ltd in accordance with the accounting policy disclosed in note 11 to the financial statements. The fair value is determined by management based on the discounted cash flow approach, which is derived based on the projected cash flows of Waterfront Properties (Pvt) Ltd. This was a Key Audit Matter due to: • the materiality of the reported unquoted equity investment balance which amounted to Rs. 7,038 million and represented 9% of the Group's total assets as of the reporting date; and • the degree of assumptions, judgements and estimates associated in deriving the Discounted Cash Flows used in the unquoted equity investment valuation. Key areas of significant management judgements, estimates and assumptions used in the valuation of unquoted equity investment include cash flow projections and unobservable inputs including revenue growth rate, EBITDA margins, discount rate, etc. as further disclosed in note 25.3 to the financial statements.	Our audit procedures focused on the valuation of the investment performed by the management, and included the following key procedures: • assessed the appropriateness of the valuation technique and reasonableness of the cash flow forecast including significant assumptions, judgements and estimates such as revenue growth rate and EBITDA margins, discount rate, etc. used by the management to ascertain the fair value of the unquoted equity investments. Our evaluation involved the use of comparable market data considering the impacts of the economic conditions prevailing in the country. • evaluated the appropriateness and completeness of the information included in the cashflow forecast and checked the calculations of discounted cash flows. Further, we evaluated the adequacy of the related disclosures in note 25.3 to the financial statements.

Other information included in the Group's 2024/2025 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company and the Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditors' report is 2097.

26th May 2025

Colombo

INCOME STATEMENT

For the year ended 31st March	Notes	GROUP 2025 Rs.'000	GROUP 2024 Rs.'000	COMPANY 2025 Rs.'000	COMPANY 2024 Rs.'000
Continuing operations					
Goods transferred at a point in time	12.2	157,934,367	139,624,941	24,508,115	21,504,015
Total revenue from contracts with customers		157,934,367	139,624,941	24,508,115	21,504,015
Cost of sales		(135,192,868)	(122,127,480)	(16,041,455)	(14,660,516)
Gross profit		22,741,499	17,497,461	8,466,660	6,843,499
Dividend income	13	-	-	2,346,694	1,119,787
Other operating income	14.1	3,416,788	2,953,720	1,021,018	813,411
Selling and distribution expenses		(6,279,531)	(4,965,306)	(4,094,466)	(3,264,629)
Administrative expenses		(5,870,440)	(4,879,953)	(1,648,608)	(1,260,595)
Other operating expenses	14.2	(2,694,520)	(2,450,526)	(753,631)	(708,847)
Results from operating activities		11,313,796	8,155,396	5,337,667	3,542,626
Finance cost	15	(2,424,913)	(3,354,385)	(248,435)	(431,735)
Finance income	15	89,779	108,010	35,990	46,113
Net finance cost		(2,335,134)	(3,246,375)	(212,445)	(385,622)
Change in fair value of investment property	22.1	23,385	21,869	18,751	16,955
Profit before tax	16	9,002,047	4,930,890	5,143,973	3,173,959
Tax expense	19.1	(3,044,381)	(1,504,038)	(819,295)	(512,076)
Profit for the year		5,957,666	3,426,852	4,324,678	2,661,883
Attributable to:					
Equity holders of the parent		5,957,666	3,426,852		
		Rs.	Rs.		
Earnings per share					
Basic / Diluted	17	6.27	3.61		
Dividend per share	18	4.30	1.87		

Figures in brackets indicate deductions.

The accounting policies and notes as set out on pages 205 to 279 form an integral part of these Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March	Notes	GROUP 2025 Rs.'000	GROUP 2024 Rs.'000	COMPANY 2025 Rs.'000	COMPANY 2024 Rs.'000
Profit for the year		5,957,666	3,426,852	4,324,678	2,661,883
Other comprehensive income					
Other comprehensive income not to be reclassified to income statement in subsequent periods					
Re-measurement gain / (loss) on defined benefit plans	35.3	152,918	(163,698)	93,864	(104,841)
Revaluation of land and buildings	20.1	549,286	436,393	116,343	122,674
Gain / (loss) on equity instruments at fair value through other comprehensive income	25.3	1,303,184	(542,599)	1,303,184	(542,599)
Net other comprehensive income not to be reclassified to income statement in subsequent periods		2,005,388	(269,904)	1,513,391	(524,766)
Tax charge on other comprehensive income		(457,849)	(83,014)	(333,157)	(5,350)
Tax charge on other comprehensive income	19.2	(457,849)	(83,014)	(333,157)	(5,350)
Other comprehensive income for the year, net of tax		1,547,539	(352,918)	1,180,234	(530,116)
Total comprehensive income for the year, net of tax		7,505,205	3,073,934	5,504,912	2,131,767
Attributable to:					
Equity holders of the parent		7,505,205	3,073,934	5,504,912	2,131,767

Figures in brackets indicate deductions.

The accounting policies and notes as set out on pages 205 to 279 form an integral part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION

For the year ended 31st March	Notes	GROUP 2025 Rs.'000	GROUP 2024 Rs.'000	COMPANY 2025 Rs.'000	COMPANY 2024 Rs.'000
ASSETS					
Non-current assets					
Property, plant and equipment	20.1	29,967,041	27,745,731	6,569,368	5,668,027
Right-of-use assets	21.1.1	10,540,072	10,016,369	483,823	44,198
Investment property	22.1	691,126	667,741	377,104	358,353
Intangible assets	23.1	4,597,450	4,484,659	1,452,648	1,542,106
Investment in subsidiaries	24.1	-	-	2,968,410	2,968,410
Non-current financial assets	25.1	7,522,358	6,270,914	7,295,016	6,035,916
Other non-current assets	26	1,222,463	1,129,605	51,701	39,714
		54,540,510	50,315,019	19,198,070	16,656,724
Current assets					
Inventories	27	14,895,225	12,559,344	2,958,077	2,714,839
Trade and other receivables	28	9,183,715	7,224,371	4,137,139	3,251,448
Amounts due from related parties	40.1	57,173	160,215	329,053	257,672
Income tax recoverable	19.4.1	124,928	123,304	-	-
Other current assets	29	1,369,605	1,200,329	449,443	486,732
Cash in hand and at bank		1,713,754	2,161,159	479,847	555,177
		27,344,400	23,428,722	8,353,559	7,265,868
Total assets		81,884,910	73,743,741	27,551,629	23,922,592
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Stated capital	30	918,200	918,200	918,200	918,200
Revenue reserves	31	18,051,326	16,066,477	11,980,129	11,671,714
Other components of equity	32	4,995,022	3,466,020	3,534,656	2,378,181
Total equity		23,964,548	20,450,697	16,432,985	14,968,095
Non-current liabilities					
Interest-bearing loans and borrowings	34.2	3,150,023	3,163,570	624,316	746,614
Lease liabilities	21.1.2	11,383,724	10,689,948	430,095	2,375
Deferred tax liabilities	19.3	3,932,054	2,826,606	1,453,601	1,151,330
Employee benefit liabilities	35.1	1,068,555	1,087,876	525,643	575,183
Other non-current liabilities	36	125,689	111,259	125,689	111,259
		19,660,045	17,879,259	3,159,344	2,586,761
Current liabilities					
Trade and other payables	37	20,856,959	17,451,342	2,791,823	2,272,030
Amounts due to related parties	40.2	993,970	1,323,624	316,665	450,220
Income tax liabilities	19.4	698,866	256,327	255,233	197,886
Short-term borrowings	39	1,318,487	900,000	-	500,000
Interest-bearing loans and borrowings	34.2	2,506,050	4,503,050	381,050	243,050
Lease liabilities	21.1.2	715,835	690,721	16,878	40
Other current liabilities	38	2,141,842	2,019,824	813,484	665,895
Bank overdraft		9,028,308	8,268,897	3,384,167	2,038,615
		38,260,317	35,413,785	7,959,300	6,367,736
Total equity and liabilities		81,884,910	73,743,741	27,551,629	23,922,592

I certify that the financial statements comply with the requirements of the Companies Act, No. 07 of 2007.

P N Fernando
Chief Financial Officer / Director

The Board of directors is responsible for these financial statements.

D P Gamlath
Director

J G A Cooray
Director

The accounting policies and notes as set out on pages 205 to 279 form an integral part of these Financial Statements.

26th May 2025
Colombo

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March	Stated capital Rs.'000	Revaluation reserve Rs.'000	Other capital reserves Rs.'000	Fair value reserve of financial assets at FVOCI* Rs.'000	Revenue reserve Rs.'000	Total equity Rs.'000
	Attributable to equity holders of the Parent					
GROUP						
As at 1 April 2023	918,200	1,842,124	636,807	1,148,411	14,531,921	19,077,463
Profit for the year	-	-	-	-	3,426,852	3,426,852
Other comprehensive income	-	305,476	-	(542,599)	(115,795)	(352,918)
Total comprehensive income	-	305,476	-	(542,599)	3,311,057	3,073,934
Share based payment transactions	-	-	75,801	-	-	75,801
Preference share dividend paid - 2022/23	-	-	-	-	(14)	(14)
Final dividend paid - 2022/23	-	-	-	-	(421,217)	(421,217)
Interim dividend paid - 2023/24	-	-	-	-	(1,355,270)	(1,355,270)
As at 31 March 2024	918,200	2,147,600	712,608	605,812	16,066,477	20,450,697
As at 1 April 2024	918,200	2,147,600	712,608	605,812	16,066,477	20,450,697
Profit for the year	-	-	-	-	5,957,666	5,957,666
Other comprehensive income	-	405,299	-	1,033,089	109,151	1,547,539
Total comprehensive income	-	405,299	-	1,033,089	6,066,817	7,505,205
Share based payment transactions	-	-	90,614	-	-	90,614
Final dividend paid - 2023/24	-	-	-	-	(845,842)	(845,842)
Preference share dividend paid - 2023/24	-	-	-	-	(14)	(14)
Interim dividend paid - 2024/25	-	-	-	-	(3,236,112)	(3,236,112)
As at 31 March 2025	918,200	2,552,899	803,222	1,638,901	18,051,326	23,964,548
COMPANY						
As at 1 April 2023	918,200	1,277,656	373,966	1,148,411	10,859,721	14,577,954
Profit for the year	-	-	-	-	2,661,883	2,661,883
Other comprehensive income	-	85,872	-	(542,599)	(73,389)	(530,116)
Total comprehensive income	-	85,872	-	(542,599)	2,588,494	2,131,767
Share based payment transactions	-	-	34,875	-	-	34,875
Final dividend paid - 2022/23	-	-	-	-	(421,217)	(421,217)
Preference share dividend paid - 2022/23	-	-	-	-	(14)	(14)
Interim dividend paid - 2023/24	-	-	-	-	(1,355,270)	(1,355,270)
As at 31 March 2024	918,200	1,363,528	408,841	605,812	11,671,714	14,968,095
As at 1 April 2024	918,200	1,363,528	408,841	605,812	11,671,714	14,968,095
Profit for the year	-	-	-	-	4,324,678	4,324,678
Other comprehensive income	-	81,440	-	1,033,089	65,705	1,180,234
Total comprehensive income	-	81,440	-	1,033,089	4,390,383	5,504,912
Share based payment transactions	-	-	41,946	-	-	41,946
Final dividend paid - 2023/24	-	-	-	-	(845,842)	(845,842)
Preference share dividend paid - 2023/24	-	-	-	-	(14)	(14)
Interim dividend paid - 2024/25	-	-	-	-	(3,236,112)	(3,236,112)
As at 31 March 2025	918,200	1,444,968	450,787	1,638,901	11,980,129	16,432,985

*Fair value through other comprehensive income

Figures in brackets indicate deductions.

The accounting policies and notes as set out on pages 205 to 279 form an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS

For the year ended 31st March	Notes	GROUP 2025 Rs.'000	GROUP 2024 Rs.'000	COMPANY 2025 Rs.'000	COMPANY 2024 Rs.'000
OPERATING ACTIVITIES					
Profit before working capital changes	A	16,118,260	12,859,885	3,955,932	3,408,451
(Increase) / decrease in inventories		(2,237,308)	1,872,946	(183,464)	450,411
(Increase) / decrease in trade and other receivables		(2,074,145)	(2,363,835)	(836,339)	(830,281)
(Increase) / decrease in amounts due from related parties		103,042	(132,167)	(71,381)	(13,787)
(Increase) / decrease in other current assets		(169,276)	7,269	37,289	(366,701)
Increase / (decrease) in trade and other payables		3,405,617	3,125,039	519,793	191,157
Increase / (decrease) in amounts due to related parties		(329,654)	313,286	(133,555)	(1,421)
Increase / (decrease) in other current liabilities		122,018	728,241	147,589	315,489
Increase / (decrease) in other non-current liabilities		14,430	7,224	14,430	7,224
Cash generated from operations		14,952,984	16,417,888	3,450,294	3,160,542
Finance income received		68,991	77,679	16,105	16,685
Finance expenses paid		(1,076,296)	(2,177,765)	(234,410)	(431,597)
Tax paid	19.1 & 19.4	(1,955,867)	(271,772)	(792,834)	(74,163)
Employee benefit (gratuity) paid	35.3	(92,917)	(82,380)	(55,534)	(41,075)
Net cash flow from operating activities		11,896,895	13,963,650	2,383,621	2,630,392
INVESTING ACTIVITIES					
Purchase and construction of property, plant and equipment	20.1	(4,455,486)	(2,151,033)	(1,521,625)	(324,906)
Purchase of intangible assets	23.1	(793,749)	(1,198,359)	(67,354)	(511,160)
Proceeds from sale of property plant and equipment		25,652	38,012	23,387	7,078
Acquisition of a PET bottling and can manufacturing facility	8.1	-	(749,044)	-	(749,044)
Dividend income received	13	-	-	2,346,694	1,119,787
Net cash flow from/(used in) investing activities		(5,223,583)	(4,060,424)	781,102	(458,245)
FINANCING ACTIVITIES					
Dividend paid to equity holders of parent	18	(4,081,954)	(1,776,487)	(4,081,954)	(1,776,487)
Dividend paid to preference shareholders	17.1	(14)	(14)	(14)	(14)
Proceeds from interest bearing loans and borrowings	34.1	2,562,103	758,212	232,102	758,212
Repayment of interest bearing loans and borrowings	34.1	(4,572,650)	(2,112,098)	(216,400)	(97,750)
Repayment of lease liabilities	21.1.2	(2,206,100)	(1,781,783)	(19,339)	(176)
Proceeds from/(repayment of) short term borrowings (net)	39	418,487	(285,340)	(500,000)	262,822
Net cash flow used in financing activities		(7,880,128)	(5,197,510)	(4,585,605)	(853,393)

For the year ended 31st March	Notes	GROUP 2025 Rs.'000	GROUP 2024 Rs.'000	COMPANY 2025 Rs.'000	COMPANY 2024 Rs.'000
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(1,206,816)	4,705,716	(1,420,882)	1,318,754
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		(6,107,738)	(10,813,454)	(1,483,438)	(2,802,192)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		(7,314,554)	(6,107,738)	(2,904,320)	(1,483,438)
ANALYSIS OF CASH AND CASH EQUIVALENTS					
Favourable balances					
Cash in hand and at bank		1,713,754	2,161,159	479,847	555,177
Unfavourable balances					
Bank overdrafts		(9,028,308)	(8,268,897)	(3,384,167)	(2,038,615)
Total cash and cash equivalents		(7,314,554)	(6,107,738)	(2,904,320)	(1,483,438)
Note A					
Profit before working capital changes					
Profit before tax		9,002,047	4,930,890	5,143,973	3,173,959
Adjustments for:					
Finance income	15	(89,779)	(108,010)	(35,990)	(46,113)
Finance cost	15	2,424,913	3,354,385	248,435	431,735
Dividend income	13	-	-	(2,346,694)	(1,119,787)
Change in fair value of investment property	22.1	(23,385)	(21,869)	(18,751)	(16,955)
Depreciation of property, plant and equipment	20.1	2,739,927	2,551,453	727,692	644,641
Amortisation of right-of-use assets	21.1.1	1,244,321	1,192,456	17,360	1,602
Foreign exchange gain on lease liability	21.1.2	(2,269)	(14,542)	-	-
Amortisation of intangible assets	23.1	680,939	550,451	156,812	122,910
(Gain) / loss on sale of property, plant and equipment and ROU assets	14	(75,403)	16,699	(14,452)	(854)
Share based payment expense	33	90,614	75,801	41,946	34,875
Employee benefit provisions and related costs	35.2	226,514	252,010	99,858	112,007
Provision for / (reversal of) slow moving inventory	27.1	(98,573)	58,090	(59,774)	71,290
Provision for / (reversal of) impairment of trade and other receivables	28	(1,606)	22,071	(4,483)	(859)
		16,118,260	12,859,885	3,955,932	3,408,451

Cash and cash equivalents in the statement of financial position comprise of cash at banks and in hand. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash as defined above, net of outstanding bank overdrafts.

Figures in brackets indicate deductions.
The accounting policies and notes as set out on pages 205 to 279 form an integral part of these Financial Statements.

INDEX TO NOTES

NOTES TO THE FINANCIAL STATEMENTS

CORPORATE AND GROUP INFORMATION

1. CORPORATE INFORMATION

Reporting entity

Ceylon Cold Stores PLC is a public limited liability Company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The registered office of the Company is located at 117, Sir Chittampalam A. Gardiner Mawatha, Colombo 02. Principal place of business of the Company is located at Level 20, The Offices at Cinnamon Life, No. 05, Justice Akbar Mawatha, Colombo 02. The manufacturing facilities for the production of Beverages and Confectionery are located at Ranala, Ittapana and Kotagala.

Ordinary shares of the Company are listed on the Colombo Stock Exchange.

Consolidated Financial Statements

The Consolidated Financial Statements for the year ended 31st March 2025, comprise "the Company" referring to Ceylon Cold Stores PLC (CCS) as the holding Company and "the Group" referring to the companies whose accounts have been consolidated therein.

Approval of Consolidated Financial Statements

The Consolidated Financial Statements of the Group for the year ended 31st March 2025 were authorised for issue by the Directors on 26th May 2025.

Principal Activities and Nature of Operations

Company

The principal activity of the Company is the manufacture, marketing and sales of Beverages and Confectionery.

Subsidiaries

Jaykay Marketing Services (Pvt) Ltd

The principal activity of the wholly-owned subsidiary, Jaykay Marketing Services (Pvt) Ltd (JMSL) is owning and operating a chain of supermarkets and "Nexus Mobile" loyalty programme .The registered office of the Company is located at 117, Sir Chittampalam A. Gardiner Mawatha, Colombo 02. The principal place of business of the Company is located at 148, Vauxhall Street, Colombo 02.

LogiPark International (Pvt) Ltd

LogiPark International (Pvt) Ltd (LPI) is a wholly owned subsidiary of JMSL. LPI was incorporated on 06th July 2018 to construct and operate a 260,000 sq. ft. mega logistics center on a 9-acre land in Kerawalapitiya. The Company has also qualified for Section 17 of the Board of Investment (BOI) Act to execute the project.

The Colombo Ice Company (Pvt) Ltd

The principal activity of the Company is the manufacture, marketing and sales of Confectionery. The registered office of the Company is located at 117, Sir Chittampalam A. Gardiner Mawatha, Colombo 02. Principal place of business of the Company is located at Level 20, The Offices at Cinnamon Life, No. 05, Justice Akbar Mawatha, Colombo 02. The manufacturing facility of the Company is located at Seethawaka Industrial Zone, Avissawella.

There was no significant change in the nature of the principal activities of the Group during the financial year under review other than mentioned above.

Parent Enterprise and Ultimate Parent Enterprise

The Company's Parent undertaking is John Keells Holdings PLC.

The Directors are of the opinion that the Company's Ultimate Parent undertaking and controlling party is John Keells Holdings PLC which is incorporated in Sri Lanka.

Responsibility for Financial Statements

The responsibility of the Board of Directors in relation to the Financial Statements is set out in the Statement of Directors' Responsibility on page 193 in the Annual Report.

Statement of Compliance

The Financial Statements which comprise the Statement of Financial Position, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows, together with the accounting policies and notes (the "Financial Statements") have been prepared in accordance with Sri Lanka Accounting Standards (SLFRSs/LKASs) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the requirement of the Companies Act, No. 07 of 2007.

BASIS OF PREPARATION AND OTHER SIGNIFICANT ACCOUNTING POLICIES

2. BASIS OF PREPARATION

The Consolidated Financial Statements have been prepared on an accrual basis and under the historical cost convention except for the land, buildings, investment properties and financial assets at fair value through other comprehensive income.

Going Concern

The Group has prepared the Financial Statements for the year ended 31st March 2025 on the basis that it will continue to operate as a going concern. Based on available information, the management has assessed prevailing macroeconomic conditions and its effect on the CCS Group companies in determining the going concern basis for preparation of Financial Statements.

The management has formed judgment that the Company and its subsidiaries have adequate resources to continue in operational existence for the foreseeable future driven by the continuous operationalisation of risk mitigation initiatives and monitoring of business continuity and response plans at each business unit level along with the financial strength of the Group.

Presentation and Functional Currency

The Consolidated Financial Statements are presented in Sri Lankan Rupees (Rs.), the Group's functional and presentation currency, which is the primary economic environment in which the Holding Company operates. Each entity in the Group uses the currency of the primary economic environment in which they operate as their functional currency.

Each material class of similar items is presented cumulatively in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard-LKAS 1 on 'Presentation of Financial Statements'.

All values are rounded to the nearest Rupees thousand (Rs. '000) except when otherwise indicated.

The significant accounting policies are discussed with relevant individual notes.

Comparative information

The presentation and classification of the Financial Statements of the previous years have been amended, where relevant for better presentation and to be comparable with those of the current year.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Summary of material accounting policies have been disclosed along with the relevant individual notes in the subsequent pages.

Those accounting policies presented with each note have been applied consistently by the Group.

Other material accounting policies not covered with individual notes.

Following accounting policies which have been applied consistently by the Group, are considered to be material but are not covered in any other sections.

Current versus non-current classification

The Group presents assets and liabilities in the Statement of Financial Position based on current/non-current classification. An 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 considered as current when:

- it is expected to be settled in normal operating cycle
- it is held primarily for the purpose of trading
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

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

Foreign Currency translation, foreign currency transactions and balances

The Consolidated Financial Statements are presented in Sri Lanka Rupees (Rs.), which is the Company's functional and presentation currency. The functional currency is the currency of the primary economic environment in which the entities of the Group operate. All foreign exchange transactions are converted to functional currency, at the rates of exchange prevailing at the time the transactions are effected. Monetary assets and liabilities denominated in foreign currency are retranslated to functional currency equivalents at the spot exchange rate prevailing at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. The gain or loss arising on translation of non-monetary items is treated in line with the recognition of gain or loss on changing fair value of the item.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Financial Statements of the Group require 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.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Group's accounting policies, management has made various judgements. Those which management has assessed to have the most significant effect on the amounts recognised in the Consolidated Financial Statements have been discussed in the individual notes of the related Financial Statement line items.

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

The line items which have most significant effect on accounting, judgements, estimates and assumptions are as follows;

a) Valuation of property, plant and equipment and investment property (Note 20 and Note 22)

b) Impairment of intangible assets (Note 23)

c) Share based payments (Note 33)

d) Taxes (Note 19)

e) Employee benefit liability (Note 35)

f) Provision for expected credit losses of trade receivables (Note 28)

g) Right-of-use assets and lease liabilities (Note 21)

h) Valuation of unquoted equity investments (Note 25.3)

i) Going concern basis (Note 02)

5. CHANGES IN ACCOUNTING STANDARDS AND STANDARDS ISSUED BUT NOT YET EFFECTIVE

Changes in accounting standards

The following amendments and improvements do not expect to have a significant impact on the Group's Financial Statements.

- Amendments to LKAS 1: Classification of Liabilities as Current or Noncurrent and Noncurrent Liabilities with Covenants
- Amendments to SLFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to LKAS 7 and SLFRS 7 : Supplier Finance Arrangements
- Amendments to LKAS 12 : International Tax Reform - Pillar Two Model Rules

Standards issued but not yet effective

The following amendments and improvements are not expected to have a significant impact on the Group's Financial Statements.

- Amendments to SLFRS 21: Lack of Exchangeability

6 OPERATING SEGMENT INFORMATION

Accounting Policy

The Group's internal organisation and management is structured based on individual products and services which are similar in nature and process and where the risks and returns are similar. The operating segments represent this business structure.

In addition, segments are determined based on the Group's geographical spread of operations as well. The geographical analysis of turnover and profits are based on location of customers and assets respectively.

As such for management purposes, the Group is organized into business units based on their products and services and has two operating business segments as manufacturing and supermarkets.

The measurement policies the Group uses for segment reporting under SLFRS 8 are the same as those used in its Financial Statements.

The manufacturing business is mainly carried out by the Company and fully owned subsidiary, The Colombo Ice Company (Pvt) Limited. Supermarkets are carried out by the fully-owned Subsidiary, Jaykay Marketing Services (Pvt) Limited and its fully owned Subsidiary, LogiPark International (Pvt) Limited.

Each of these operating segments are managed by Presidents acting as segment managers namely;

- Manufacturing segment – President, Consumer Foods Sector
- Supermarkets segment – President, Supermarket Sector

These operating segments are monitored and strategic decisions are made on the basis of segment operating results.

Segment information

Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the Consolidated Financial Statements of the Group. All Inter-Segment transfers are carried out at arm's length prices.

The following tables present revenue and profit information regarding the Group's operating segments.

6.1 Business segments

For the year ended 31st March	Manufacturing		Supermarkets		Total	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Goods transferred at a point in time						
- External Revenue	33,516,560	28,591,336	124,417,807	111,033,605	157,934,367	139,624,941
- Inter segment revenue	1,433,496	1,529,975	1,878,236	2,030,222	3,311,732	3,560,197
Total segment revenue from contracts with customers	34,950,056	30,121,311	126,296,043	113,063,827	161,246,099	143,185,138
Elimination					(3,311,732)	(3,560,197)
Net segment revenue from contracts with customers	34,950,056	30,121,311	126,296,043	113,063,827	157,934,367	139,624,941
Segment operating profit	7,385,332	4,879,884	6,287,260	4,384,140	13,672,592	9,264,024
Finance costs	(290,409)	(588,060)	(2,134,504)	(2,766,325)	(2,424,913)	(3,354,385)
Finance income	37,695	47,839	52,084	60,171	89,779	108,010
Change in fair value of investment property	18,751	16,955	4,634	4,914	23,385	21,869
Eliminations / adjustments					(2,358,796)	(1,108,628)
Profit before tax	7,151,369	4,356,618	4,209,474	1,682,900	9,002,047	4,930,890
Tax expense**	(1,418,666)	(871,800)	(1,625,715)	(632,238)	(3,044,381)	(1,504,038)
Profit for the year	5,732,703	3,484,818	2,583,759	1,050,662	5,957,666	3,426,852
Purchase and construction of property, plant and equipment*	1,933,646	514,652	2,521,840	1,636,381	4,455,486	2,151,033
Addition to intangible assets*	67,354	511,160	726,395	687,199	793,749	1,198,359
Depreciation of property, plant and equipment	997,925	879,861	1,742,002	1,671,592	2,739,927	2,551,453
Amortization of intangible assets	159,865	126,385	521,074	424,066	680,939	550,451
Amortisation of right-of-use assets	22,651	6,893	1,221,670	1,185,563	1,244,321	1,192,456
Employee benefit provisions and related costs	104,104	116,101	122,410	135,909	226,514	252,010

* Excludes the acquisition of a PET Bottling and Can Manufacturing Facility in 2023/24

** Manufacturing and Supermarkets segment tax expense includes tax on consolidation adjustments

In addition to segment results, information such as finance cost and finance income, tax expenses and tax credits have been allocated to segments for better presentation.

6.2 Disaggregation of revenue- Geographical segment analysis (by location of customers)

For the year ended 31st March	GROUP		COMPANY	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Sri Lanka	157,079,381	138,599,446	23,779,780	20,660,048
Outside Sri Lanka	854,986	1,025,495	728,335	843,967
Total revenue from contracts with customer	157,934,367	139,624,941	24,508,115	21,504,015

6.3 Following is a reconciliation of the amounts in the Statement of Financial Position for the reportable segments

As at 31st March	Manufacturing 2025 Rs.'000	Manufacturing 2024 Rs.'000	Supermarkets 2025 Rs.'000	Supermarkets 2024 Rs.'000	Total 2025 Rs.'000	Total 2024 Rs.'000
ASSETS						
Non-current assets						
Property, plant and equipment	10,549,957	9,426,418	19,424,347	18,326,575	29,974,304	27,752,993
Right- of - use assets	689,702	255,368	9,850,370	9,761,001	10,540,072	10,016,369
Investment property	377,104	358,353	314,022	309,388	691,126	667,741
Intangible assets	1,461,662	1,554,173	3,020,781	2,815,480	4,482,443	4,369,653
Non-current financial assets	7,309,075	6,059,659	213,283	211,255	7,522,358	6,270,914
Other non-current assets	58,564	48,314	1,163,899	1,081,291	1,222,463	1,129,605
Segment non-current assets	20,446,064	17,702,285	33,986,702	32,504,990	54,432,766	50,207,275
Goodwill					115,006	115,006
Eliminations / adjustments					(7,262)	(7,262)
Total non-current assets	20,446,064	17,702,285	33,986,702	32,504,990	54,540,510	50,315,019
Current assets						
Inventories	4,554,454	3,832,572	10,381,376	8,755,273	14,935,830	12,587,845
Trade and other receivables	5,655,867	4,393,407	3,527,848	2,894,718	9,183,715	7,288,125
Amounts due from related parties	377,781	257,672	108,700	291,424	486,481	549,096
Other current assets	757,337	599,133	612,268	601,196	1,369,605	1,200,329
Income Tax recoverable	120,658	120,658	4,270	2,646	124,928	123,304
Cash in hand and at bank	551,368	660,251	1,162,386	1,498,725	1,713,754	2,158,976
Eliminations / adjustments	-	-	-	-	(469,913)	(478,953)
Total segment current assets	12,017,465	9,863,693	15,796,848	14,043,982	27,344,400	23,428,722
Total assets	32,463,529	27,565,978	49,783,550	46,548,972	81,884,910	73,743,741
LIABILITIES						
Non-current liabilities						
Interest bearing loans and borrowings	624,316	746,614	2,525,707	2,416,956	3,150,023	3,163,570
Lease liabilities	559,727	135,357	10,823,997	10,554,591	11,383,724	10,689,948
Deferred tax liabilities	2,181,992	1,255,556	1,750,062	1,571,050	3,932,054	2,826,606
Employee benefit liabilities	543,702	591,654	524,853	496,222	1,068,555	1,087,876
Other non-current liabilities	125,689	111,259	-	-	125,689	111,259
Total segment non-current liabilities	4,035,426	2,840,440	15,624,619	15,038,819	19,660,045	17,879,259
Current liabilities						
Trade and other payables	3,794,343	3,037,869	17,062,616	14,549,438	20,856,959	17,587,307
Amounts due to related parties	465,308	567,076	957,969	1,071,031	1,423,277	1,638,107
Income tax liabilities	255,233	197,886	443,633	58,441	698,866	256,327
Short- term borrowings	-	500,000	1,318,487	400,000	1,318,487	900,000
Interest bearing loans and borrowings	381,050	243,050	2,125,000	4,260,000	2,506,050	4,503,050
Lease liabilities	18,305	3,141	697,530	687,580	715,835	690,721
Other current liabilities	949,909	822,164	1,191,933	1,197,660	2,141,842	2,019,824
Bank overdrafts	4,241,501	2,673,687	4,786,807	5,595,210	9,028,308	8,268,897
Eliminations / adjustments					(429,307)	(450,448)
Total segment current liabilities	10,105,649	8,044,873	28,583,975	27,819,360	38,260,317	35,413,785
Total liabilities	14,141,075	10,885,313	44,208,594	42,858,179	57,920,362	53,293,044

6.4 Following is a summary of cash flows from/(used in) operating segments.

For the Year ended 31st March	Manufacturing		Supermarkets		Total	
	2025	2024	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Net cash flow from operating activities	3,480,607	4,067,562	8,416,288	9,896,088	11,896,895	13,963,650
Net cash flow used in investing activities	(2,026,748)	(1,816,806)	(3,196,835)	(2,243,618)	(5,223,583)	(4,060,424)
Net cash flow used in financing activities	(3,132,742)	(268,628)	(4,747,386)	(4,928,882)	(7,880,128)	(5,197,510)
Net increase/(decrease) in cash and cash equivalents	(1,678,883)	1,982,128	472,067	2,723,588	(1,206,816)	4,705,716

7 BASIS OF CONSOLIDATION

Accounting Policy

Basis of Consolidation

The Consolidated Financial Statements comprise the Financial Statements of the Company and its Subsidiaries as at 31st March 2025. The Financial Statements of the Subsidiaries are prepared in compliance with the Group's accounting policies unless otherwise stated.

Control over an investee

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

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

The following Companies have been consolidated based on above criteria.

Name of the Company	Effective holding
Jaykay Marketing Services (Pvt) Ltd.	100%
The Colombo Ice Company (Pvt) Ltd.	100%
LogiPark International (Pvt) Ltd.	100%

Subsidiaries

Subsidiaries are fully consolidated from the date of acquisition or incorporation, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The Financial Statements of the Subsidiaries are prepared for the same reporting period as the Company, which is 12 months ending 31st March, using consistent accounting policies.

The total profits and losses for the year of the Company and of its Subsidiaries included in consolidation are shown in the Consolidated Income Statement and Consolidated Statement of Comprehensive Income and all assets and liabilities of the Company and of its Subsidiaries included in consolidation are shown in the Consolidated Statement of Financial Position.

The Consolidated Statements of Cash Flows includes the cash flows of the Company and its Subsidiaries.

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

7 BASIS OF CONSOLIDATION (CONTD.)

Transactions Eliminated on Consolidation

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Loss of Control

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

Non-controlling Interest

Non-controlling interest which represents the portion of profit or loss and net assets not held by the Group, are shown as a component of profit for the year in the Consolidated Income Statement and Statement of Comprehensive Income and as a Component of Equity in the Consolidated Statement of Financial Position, separately from the equity attributable to the shareholders of the parent. The Group does not have non-controlling interest as the Group consist of fully owned Subsidiaries.

8 BUSINESS COMBINATIONS AND GOODWILL

Accounting Policy

Business combinations are accounted for using the acquisition method of accounting. The Group measures goodwill at the acquisition date as the fair value of the consideration transferred including the recognised amount of any non-controlling interests in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

When the fair value of the consideration transferred including the recognised amount of any non-controlling interests in the acquiree is lower than the fair value of net assets acquired, a gain is recognised immediately in the Income Statement. The Group elects on a transaction-by-transaction basis whether to measure non-controlling interests at fair value, or at their proportionate share of the recognised amount of the identifiable net assets, at the acquisition date. Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances, and pertinent conditions as at the acquisition date. If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SLFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the Income Statement, in accordance with SLFRS 9. Other contingent consideration that is not within the scope of SLFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

8 BUSINESS COMBINATIONS AND GOODWILL

Accounting Policy

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than the carrying amount, an impairment loss is recognised. The impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets pro-rata to the carrying amount of each asset in the unit.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation, goodwill disposed in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained.

Common Control Business Combinations

SLFRS 3 – Business Combination scopes out common control business combinations. LKAS 8 – Accounting policies, Changes in Accounting estimates and errors – requires that in the absence of specific guidance in SLFRS, management should use its judgment in developing and applying an accounting policy that is relevant and reliable. Accordingly, The Group selected pooling of interest method as the most appropriate method for accounting the business combinations involving business under common control.

The concept underlying the use of pooling of interest method to account for a business combination is that no acquisition has occurred and there has been a continuation of the risks and benefits to the controlling party (or parties) that existed prior to the business combination.

Under the pooling of interest method, the net assets of the combining entities are consolidated using the existing book values from the controlling parties' perspective. The assets and liabilities of the acquired entity are recorded at the book values as stated in the Financial Statements of the controlling party.

No amount is recognised as consideration for goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination.

Impairment of Goodwill

Goodwill is tested for impairment annually (as at 31st March) and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than their carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

8.1 Acquisition of a PET Bottling and Can Manufacturing Facility

On 3rd October 2023, the Company purchased a PET bottling and can manufacturing facility from Bestie Beverages (Pvt) Ltd for a consideration of Rs. 750 million using a new term loan facility obtained from a commercial bank.

Fair value of the net assets acquired in the plant is as follows;

	GROUP & COMPANY	
For the year ended 31st March	2025 Rs.'000	2024 Rs.'000
ASSETS		
Property, plant and equipment	-	514,293
LIABILITIES		
Employee benefit liabilities	-	(435)
Other current liabilities	-	(521)
Total identifiable net assets at fair value	-	513,337
Goodwill on acquisition	-	235,707
Net cash outflow on acquisition of a PET bottling and can manufacturing facility*	-	749,044

*The consideration was paid net of the liabilities obtained.

9 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial assets held by the Group, principally comprise of cash, loans to executives, trade and other receivables and financial assets at fair value through other comprehensive income. The main purpose of these financial instruments is to manage the operating, investing and financing activities of the Group.

The Group's principal financial liabilities, comprise of loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations.

The financial risk governance framework provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured, and managed in accordance with the Group's policies and risk objectives. The Group is exposed to market risk, credit risk and liquidity risk.

9.1 Credit risk

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

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

With respect to credit risk arising from the other financial assets of the Group, such as cash and cash equivalents, financial assets at fair value through other comprehensive income and loans to executive, the Group's exposure to credit risk arises from default of the counterparty. The Group manages its operations to avoid any excessive concentration of counterparty risk and the Group takes all reasonable steps to ensure the counterparties fulfil their obligations.

9.1.1 Credit risk exposure

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

GROUP

As at 31st March	Notes	2025					
		Non-current financial assets Rs.'000	Cash in hand and at bank Rs.'000	Trade and other receivables Rs.'000	Amounts due from related parties Rs.'000	Total Rs.'000	% of allocation
Loans to executives	9.1.2	484,094	-	128,071	-	612,165	5%
Trade and other receivables	9.1.3	-	-	9,055,644	-	9,055,644	80%
Amounts due from related parties	9.1.4	-	-	-	57,173	57,173	0%
Cash in hand and at bank	9.1.5	-	1,713,754	-	-	1,713,754	15%
Total credit risk exposure		484,094	1,713,754	9,183,715	57,173	11,438,736	100%
Financial Assets at fair value through OCI	9.1.6	7,038,264	-	-	-		
Total equity risk exposure		7,038,264	-	-	-		
Total		7,522,358	1,713,754	9,183,715	57,173		

As at 31st March	Notes	2024					
		Non-current financial assets Rs.'000	Cash in hand and at bank Rs.'000	Trade and other receivables Rs.'000	Amounts due from related parties Rs.'000	Total Rs.'000	% of allocation
Loans to executives	9.1.2	535,834	-	120,819	-	656,653	7%
Trade and other receivables	9.1.3	-	-	7,103,552	-	7,103,552	70%
Amounts due from related parties	9.1.4	-	-	-	160,215	160,215	2%
Cash in hand and at bank	9.1.5	-	2,161,159	-	-	2,161,159	21%
Total credit risk exposure		535,834	2,161,159	7,224,371	160,215	10,081,579	100%
Financial Assets at fair value through OCI	9.1.6	5,735,080	-	-	-		
Total equity risk exposure		5,735,080	-	-	-		
Total		6,270,914	2,161,159	7,224,371	160,215		

9.1.1 Credit risk exposure (Contd.)

COMPANY

As at 31st March	Notes	2025 Non-current financial assets Rs.'000	Cash in hand and at bank Rs.'000	Trade and other receivables Rs.'000	Short-term investments Rs.'000	Amounts due from related parties Rs.'000	Total Rs.'000	% of allocation
Loans to executives	9.1.2	256,752	-	76,576	-	-	333,328	6%
Trade and other receivables	9.1.3	-	-	4,060,563	-	-	4,060,563	79%
Amounts due from related parties	9.1.4	-	-	-	-	329,053	329,053	6%
Cash in hand and at bank	9.1.5	-	479,847	-	-	-	479,847	9%
Total credit risk exposure		256,752	479,847	4,137,139	-	329,053	5,202,791	100%
Financial Assets at fair value through OCI	9.1.6	7,038,264	-	-	-	-		
Total equity risk exposure		7,038,264	-	-	-	-		
Total		7,295,016	479,847	4,137,139	-	329,053		

As at 31st March	Notes	2024 Non-current financial assets Rs.'000	Cash in hand and at bank Rs.'000	Trade and other receivables Rs.'000	Short-term investments Rs.'000	Amounts due from related parties Rs.'000	Total Rs.'000	% of allocation
Loans to executives	9.1.2	300,836	-	79,014	-	-	379,850	8%
Trade and other receivables	9.1.3	-	-	3,172,434	-	-	3,172,434	73%
Amounts due from related parties	9.1.4	-	-	-	-	257,672	257,672	6%
Cash in hand and at bank	9.1.5	-	555,177	-	-	-	555,177	13%
Total credit risk exposure		300,836	555,177	3,251,448	-	257,672	4,365,133	100%
Financial Assets at fair value through OCI	9.1.6	5,735,080	-	-	-	-		
Total equity risk exposure		5,735,080	-	-	-	-		
Total		6,035,916	555,177	3,251,448	-	257,672		

9.1.2 Loans to executives

Loans to executive portfolio is largely made up of vehicle loans which are given to staff at assistant manager level and above. The respective business units have obtained the necessary Power of Attorney/promissory notes as collateral for the loans granted.

9.1.3 Trade and other receivables

For the year ended 31st March	GROUP 2025 Rs.'000	GROUP 2024 Rs.'000	COMPANY 2025 Rs.'000	COMPANY 2024 Rs.'000
Neither past due nor impaired				
days				
<30	7,888,751	6,278,083	3,483,186	2,661,579
30–60	831,441	625,859	411,472	358,841
61–90	275,085	121,259	111,216	97,396
Past due but not impaired				
91–120	10,321	18,116	10,078	6,519
121–180	6,461	14,745	1,026	2,609
> 181	43,585	45,490	43,585	45,490
Allowance for expected credit losses	99,913	101,519	63,977	68,460
Gross carrying value	9,155,557	7,205,071	4,124,540	3,240,894
Allowance for expected credit losses	(99,913)	(101,519)	(63,977)	(68,460)
Total	9,055,644	7,103,552	4,060,563	3,172,434

The Group has obtained bank guarantees from customers by reviewing their past performance and credit worthiness, as collateral. The requirement for an impairment is analysed at each reporting date on an individual basis for major customers and uses a provision matrix to calculate Expected Credit Loss (ECL) for the balance. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix was initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The Group considers a financial asset including trade and receivable as indicating impairment when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to provide impairment indications when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

9.1.4 Amounts due from related parties

The Group's amount due from related parties mainly consists of the balances from affiliate companies and Parent.

9.1.5 Credit risk relating to cash and cash equivalents

In order to mitigate the concentration, settlement and operational risks related to cash and cash equivalents, the Group consciously manages the exposure to a single counterparty taking into consideration, where relevant, the rating or financial standing of the counterparty, where the position is reviewed as and when required, the duration of the exposure in managing such exposures and the nature of the transaction and agreement governing the exposure. The Group held a negative balance of cash and cash equivalents of Rs. 7,315 million at 31st March 2025 (2024 - Rs. 6,108 million).

9.1.6 Financial Assets at fair value through OCI

The unquoted equity investment in Waterfront Properties (Pvt) Ltd is classified as a financial asset at fair value through OCI. The Company shareholding as at the reporting date was 2.71% (2024 - 3.14%).

All unquoted equity investments are made after obtaining the Board of Directors approval.

9.2 Liquidity Risk

The Group's policy is to hold cash and undrawn committed facilities at a level sufficient to ensure that the Group has available funds to meet its medium term capital and funding obligations, including organic growth and acquisition activities, and to meet any unforeseen obligations and opportunities. The Group holds cash and undrawn committed facilities to enable the Group to manage its liquidity risk.

The Group monitors its risk to a shortage of funds using a daily cash management process. This process considers the maturity of both the Group's financial investments and financial assets (e.g. accounts receivable, other financial assets) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of multiple sources of funding including bank loans, overdrafts over a broad spread of maturities.

9.2.1 Net (debt)/cash

As at 31st March	GROUP		COMPANY	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Cash in hand and at bank	1,713,754	2,161,159	479,847	555,177
Total liquid Assets	1,713,754	2,161,159	479,847	555,177
Interest-bearing loans and borrowings (Non-current)	3,150,023	3,163,570	624,316	746,614
Short-term borrowings	1,318,487	900,000	-	500,000
Interest-bearing loans and borrowings (Current)	2,506,050	4,503,050	381,050	243,050
Bank overdrafts	9,028,308	8,268,897	3,384,167	2,038,615
Total liquid liabilities	16,002,868	16,835,517	4,389,533	3,528,279
Net debt	(14,289,114)	(14,674,358)	(3,909,686)	(2,973,102)

9.2.2 Liquidity risk management

Group has implemented a mixed approach that combines elements of the cash flow matching approach and the liquid assets approach. The business units attempt to match cash outflows in each time bucket against the combination of contractual cash inflows plus other inflows that can be generated through the sale of assets, repurchase agreement, or other secured borrowings.

The Group continued to place emphasis on ensuring that cash and undrawn committed facilities are sufficient to meet the short, medium and long-term funding requirements, unforeseen obligations as well as unanticipated opportunities. Constant dialogue between Group companies and banks regarding financing requirements, ensures that availability within each single borrower limit is optimised by efficiently reallocating under-utilised facilities within the Group.

The daily cash management processes at the business units include active cash flow forecasts and matching the duration and profiles of assets and liabilities, thereby ensuring a prudent balance between liquidity and earnings.

Maturity analysis - Group

The table below summarises the maturity profile of the Group's financial liabilities at 31st March 2025 based on contractual undiscounted (principal plus interest) payments.

As at 31st March	2025						
	Within 1 year Rs.'000	Between 1-2 years Rs.'000	Between 2-3 years Rs.'000	Between 3-4 years Rs.'000	Between 4-5 years Rs.'000	More than 5 years Rs.'000	Total Rs.'000
Interest-bearing loans and borrowings	2,961,909	1,112,609	2,464,313	163,673	-	-	6,708,504
Lease liabilities	2,130,374	2,140,487	2,137,618	2,162,937	2,190,234	11,222,496	21,984,146
Trade and other payables	20,856,959	-	-	-	-	-	20,856,959
Amounts due to related parties	993,970	-	-	-	-	-	993,970
Short-term borrowings	1,318,487	-	-	-	-	-	1,318,487
Bank overdrafts	9,028,308	-	-	-	-	-	9,028,308
	37,296,007	3,253,096	4,601,931	2,326,610	2,190,234	11,222,496	60,890,374

The table below summarises the maturity profile of the Group's financial liabilities at 31st March 2024 based on contractual undiscounted (principal plus interest) payments

As at 31st March	2024						
	Within 1 year Rs.'000	Between 1-2 years Rs.'000	Between 2-3 years Rs.'000	Between 3-4 years Rs.'000	Between 4-5 years Rs.'000	More than 5 years Rs.'000	Total Rs.'000
Interest-bearing loans and borrowings	4,808,615	2,489,354	819,965	305,768	138,016	-	8,561,718
Lease liabilities	1,912,844	1,649,101	1,652,966	1,626,281	1,649,726	10,669,501	19,160,419
Trade and other payables	17,451,342	-	-	-	-	-	17,451,342
Amounts due to related parties	1,323,624	-	-	-	-	-	1,323,624
Short-term borrowings	900,000	-	-	-	-	-	900,000
Bank overdrafts	8,268,897	-	-	-	-	-	8,268,897
	34,665,322	4,138,455	2,472,931	1,932,049	1,787,742	10,669,501	55,666,000

9.2.2 Liquidity risk management (Contd.)

Maturity analysis - Company

The table below summarises the maturity profile of the Company's financial liabilities at 31st March 2025 based on contractual undiscounted (principal plus interest) payments.

As at 31st March	2025						
	Within 1 year Rs.'000	Between 1-2 years Rs.'000	Between 2-3 years Rs.'000	Between 3-4 years Rs.'000	Between 4-5 years Rs.'000	More than 5 years Rs.'000	Total Rs.'000
Interest-bearing loans and borrowings	481,505	371,364	314,313	163,673	-	-	1,330,855
Lease liabilities	57,667	62,266	64,566	69,717	72,293	370,198	696,707
Trade and other payables	2,791,823	-	-	-	-	-	2,791,823
Amounts due to related parties	316,665	-	-	-	-	-	316,665
Bank overdrafts	3,384,167	-	-	-	-	-	3,384,167
	7,031,827	433,630	378,879	233,390	72,293	370,198	8,520,217

The table below summarises the maturity profile of the Company's financial liabilities as at 31st March 2024 based on contractual undiscounted (principal plus interest) payments.

As at 31st March	2024						
	Within 1 year Rs.'000	Between 1-2 years Rs.'000	Between 2-3 years Rs.'000	Between 3-4 years Rs.'000	Between 4-5 years Rs.'000	More than 5 years Rs.'000	Total Rs.'000
Interest-bearing loans and borrowings	383,115	483,854	363,009	305,768	138,016	-	1,673,762
Lease liabilities	176	176	176	176	176	3,867	4,747
Trade and other payables	2,272,030	-	-	-	-	-	2,272,030
Amounts due to related parties	450,220	-	-	-	-	-	450,220
Short-term borrowings	500,000	-	-	-	-	-	500,000
Bank overdrafts	2,038,615	-	-	-	-	-	2,038,615
	5,644,156	484,030	363,185	305,944	138,192	3,867	6,939,374

9.3 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market prices comprise four types of risk:

- Interest rate risk
- Foreign currency risk
- Commodity price risk
- Equity price risk

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group and the Company do not have a direct impact from the Commodity price risk.

The sensitivity analysis in the following sections relate to the position as at 31 March 2025 and 2024.

The analysis excludes the impact of movements in market variables on the carrying values of other post-retirement obligations provisions and the non-financial assets and liabilities.

The following assumptions have been made in calculating the sensitivity analysis:

- The sensitivity of the Statement of Financial Position item mainly relates to derivatives and debt instruments.
- The sensitivity of the relevant Income Statement item is the effect of the assumed changes in respective market risks.
- This is based on the financial assets and financial liabilities held at 31 March 2025 and 2024.

9.3.1 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 Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

Most lenders grant loans under floating interest rates. To manage this, the Group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed upon notional principal amount.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings).

		GROUP	COMPANY
For the year ended 31st March	Increase/(decrease) in basis points	Effect on profit before tax Rs. '000	Effect on profit before tax Rs. '000
2025	+ 225 basis points	181,675	22,621
	- 225 basis points	(181,675)	(22,621)
2024	+ 1036 basis points	997,909	102,529
	- 1036 basis points	(997,909)	(102,529)

The assumed spread of basis points for the interest rate sensitivity analysis is based on the currently observable market environment changes to base floating interest rates.

9.3.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has exposure to foreign currency risk where it has cash flows in overseas operations and foreign currency transactions which are affected by foreign exchange movements. JKH Group treasury analyses the market condition of foreign exchange and provides market updates to the GEC, with the use of external consultants' advice. Based on the suggestions made by Group treasury the GEC takes decisions on whether to hold, sell, or make forward bookings of foreign currency as per decision rights given by the Board of Directors.

Exchange rate	Increase/ (decrease) in exchange rate	GROUP Effect on profit before tax Rs. '000	GROUP Effect on equity Rs. '000	COMPANY Effect on profit before tax Rs. '000	COMPANY Effect on equity Rs. '000
2025					
USD	+/- 1.48%	(2,697)	(2,697)	(2,167)	(2,167)
Euro	+/- 1.72%	72	72	7	7
GBP	+/- 0.73%	148	148	124	124
2024					
USD	.+/-7.50%	(47,991)	(47,991)	(35,518)	(35,518)
Euro	.+/- 8.07%	(275)	(275)	(210)	(210)
GBP	.+/- 5.69%	(2,477)	(2,477)	(2,045)	(2,045)

Assumptions

The assumed movement, in the spread of the exchange rate sensitivity analysis, is based on the current observable market environment.

9.3.3 Equity price risk

The Group's unquoted equity instruments are susceptible to market price risk arising from uncertainties about future values of the investment instruments.

9.4 Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong financial position and healthy capital ratios in order to support its business and maximise shareholder value.

The Group 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 Group may issue new shares, have a rights issue or buy back of shares.

	GROUP		COMPANY	
As at 31st March	2025	2024	2025	2024
Debt / Equity	66.78%	82.32%	26.71%	23.57%

10 FAIR VALUE MEASUREMENT AND RELATED FAIR VALUE DISCLOSURES

Fair value measurement

Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are only, disclosed are reflected in this note. Beside this note, additional fair value related disclosures, including the valuation methods, significant estimates and assumptions are also provided in:

- Investment in unquoted equity shares (Note 25.3)
- Property, plant and equipment under revaluation model (Note 20)
- Investment properties (Note 22)
- Financial Instruments (including those carried at amortised cost) (Note 11)

Accounting Policy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non- financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

10 FAIR VALUE MEASUREMENT AND RELATED FAIR VALUE DISCLOSURES (CONTD.)

Accounting Policy

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

The Group determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted equity instruments, and for non-recurring measurement, such as assets held for sale in discontinued operations.

The services of external valuers are obtained for valuation of significant assets, such as lands and buildings and investment properties. Selection criteria for external valuers include market knowledge, reputation, independence and whether professional standards are maintained.

The Group decides, after discussions with the external valuers, which valuation techniques and inputs to use for individual assets.

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

10.1 Fair value measurement hierarchy - Group

The Company held the following financial and non-financial assets carried at fair value in the Statement of Financial Position:

Financial assets

As at 31 March	Notes	Level 1		Level 2		Level 3	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Unquoted equity investments	25.3	-	-	-	-	7,038,264	5,735,080
		-	-	-	-	7,038,264	5,735,080
Non-financial assets							
Land and buildings	20.1	-	-	-	-	2,745,248	2,294,387
Buildings on lease hold land	20.1	-	-	-	-	10,230,631	7,966,842
Investment property	22.1	-	-	-	-	691,126	667,741
		-	-	-	-	13,667,005	10,928,970

10.2 Fair value measurement hierarchy - Company

The Company held the following financial and non-financial assets carried at fair value in the Statement of Financial Position:

Financial assets

As at 31 March	Notes	Level 1		Level 2		Level 3	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Unquoted equity investments	25.3	-	-	-	-	7,038,264	5,735,080
		-	-	-	-	7,038,264	5,735,080
Non-financial assets							
Land and buildings	20.1	-	-	-	-	2,745,248	2,294,387
Buildings on lease hold land	20.1	-	-	-	-	67,591	65,233
Investment property	22.1	-	-	-	-	377,104	358,353
		-	-	-	-	3,189,943	2,717,973

In determining the fair value of non-financial assets of the Company and the Group, highest and best use of the property has been considered including the current condition of the properties, future usability and associated redevelopment requirements have been considered. Also, the valuers have made reference to market evidence of the transaction prices for similar properties, with appropriate adjustments for the size and location. The appraised fair values are rounded within the range of values.

10.3 Reconciliation of fair value measurements of level 3 financial instruments

The Group and the Company carries unquoted equity shares as equity instruments designated at fair value through OCI classified as Level 3 within the fair value hierarchy. A reconciliation of the beginning and closing balances including movements is summarised below;

As at 31 March	Group and Company Rs.'000
As at 1st April 2024	5,735,080
Remeasurement gain recognised in OCI	1,303,184
As at 31st March 2025	7,038,264

Fair valuation done as at 31st March 2025 for all unquoted equity shares are classified as Level 3 within the fair value hierarchy using fair valuation methodology. Fair value would not significantly vary if one or more of the inputs were changed.

11 FINANCIAL INSTRUMENTS AND RELATED POLICIES

Accounting Policy

Financial Instruments - Initial recognition and subsequent measurement

Financial Assets

Initial recognition and measurement

Financial assets within the scope of SLFRS 9 are classified as amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. This assessment is referred to as the SPPI test and is performed at an instrument level. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

The Group's financial assets include cash and short-term deposits, trade and other receivables, unquoted financial instruments.

Subsequent measurement

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

- Financial assets at amortised cost
- Financial assets at fair value through OCI with recycling of cumulative gains and losses
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition
- Financial assets at fair value through profit or loss

Debt instruments

Financial assets at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

  And

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the Effective Interest Rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost includes trade and other receivables, amounts due from related parties, short term investments, loans and receivables and cash in hand and at bank.

Accounting Policy

Financial assets at fair value through OCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling

  And

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the Income Statement.

The Group and the Company have no debt instruments that are carried at fair value through OCI as at the reporting date.

Equity Instruments

Financial assets designated at fair value through OCI

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

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

The Group elected to classify irrevocably its non-listed equity investments under this category.

The Group's and the Company's financial assets at fair value through OCI includes unquoted equity investment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the Income Statement.

The Group and the Company have no equity instruments that is carried at fair value through profit or loss as at the reporting date.

Financial assets - derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

11 FINANCIAL INSTRUMENTS AND RELATED POLICIES (CONTD.)

Accounting Policy

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the Group's effective interest rate.

For trade receivables, the Group applies the simplified approach permitted by SLFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, lease liabilities and amount due to related parties.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by SLFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Income Statement.

Loans and borrowings

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

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

Accounting Policy

Derecognition

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

Offsetting of financial instruments

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

FINANCIAL ASSETS AND LIABILITIES BY CATEGORIES

Financial assets and liabilities in the tables below are split into categories in accordance with SLFRS 9.

11.1 Financial assets by categories

	GROUP				COMPANY			
	Financial assets at amortised cost		Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition		Financial assets at amortised cost		Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition	
As at 31 March	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Financial instruments in non-current assets								
Non-current financial assets	484,094	535,834	7,038,264	5,735,080	256,752	300,836	7,038,264	5,735,080
Financial instruments in current assets								
Trade and other receivables	9,183,715	7,224,371	-	-	4,137,139	3,251,448	-	-
Amounts due from related parties	57,173	160,215	-	-	329,053	257,672	-	-
Cash in hand and at bank	1,713,754	2,161,159	-	-	479,847	555,177	-	-
Total	11,438,736	10,081,579	7,038,264	5,735,080	5,202,791	4,365,133	7,038,264	5,735,080

11.2 Financial liabilities by categories

	GROUP		COMPANY	
	Financial liabilities measured at amortised cost		Financial liabilities measured at amortised cost	
As at 31 March	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Financial instruments in non-current liabilities				
Interest-bearing loans and borrowings	3,150,023	3,163,570	624,316	746,614
Lease liabilities	11,383,724	10,689,948	430,095	2,375
Financial instruments in current liabilities				
Trade and other payables	20,856,959	17,451,342	2,791,823	2,272,030
Amounts due to related parties	993,970	1,323,624	316,665	450,220
Short-term borrowings	1,318,487	900,000	-	500,000
Interest-bearing loans and borrowings	2,506,050	4,503,050	381,050	243,050
Lease liabilities	715,835	690,721	16,878	40
Bank overdrafts	9,028,308	8,268,897	3,384,167	2,038,615
Total	49,953,356	46,991,152	7,944,994	6,252,944

The management assessed that cash and short-term deposits, trade and other receivables, trade payables, bank overdrafts, and other current financial liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

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 following methods and assumptions were used to estimate the fair values:

The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under leases, as well as non-current financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Fair value of the unquoted ordinary shares has been estimated using a Discounted Cash Flow (DCF) model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in the management's estimate of fair value for these unquoted equity investments.

Accounting judgements, estimates and assumptions

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible.

Where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

12 REVENUE

Accounting Policy

12.1 Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Goods transferred at a point in time

Under SLFRS 15, revenue is recognised upon satisfaction of performance obligation. The revenue recognition occurs at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

12.2 Disaggregation of revenue

The Group presented disaggregated revenue with Group's reportable segments based on the timing of revenue recognition stated below. Further disaggregation of revenue according to geographical segments have been disclosed in the operating segment information section in Note 6.

For the year ended 31st March	GROUP		COMPANY	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Goods transferred at a point in time				
Manufacturing	33,516,560	28,591,336	24,508,115	21,504,015
Supermarkets	124,417,807	111,033,605	-	-
Total revenue from contracts with customers	157,934,367	139,624,941	24,508,115	21,504,015

Inter-segment revenue has been eliminated for the Group.

12.3 Reconciliation of revenue

Reconciliation between Revenue from contracts with customers and revenue information that is disclosed for each reportable segment has been provided in the operating segment information section in note 6.

12.4 Contract balances

Contract assets

Contract assets are the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer, with rights that are conditioned on some criteria other than the passage of time. Upon satisfaction of the conditions, the amounts recognised as contract assets are reclassified to trade receivables. As at 31 March 2025 the Company and the Group have no contract assets.

Contract liabilities

Contract liabilities are the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or the amount is due) from the customer. Contract liabilities include long-term advances received to deliver goods and services, short-term advances received to render certain services as well as transaction price allocated to unexpired service warranties, and loyalty points not yet redeemed. Contract liabilities of the Group have been disclosed in other current liabilities in note 38.

12 REVENUE (CONTD.)

Accounting Policy

12.5 Performance obligations and significant judgements

The Group's performance obligations and significant judgements are summarised below:

Manufacturing

Manufacturing segment which includes Ceylon Cold Stores PLC and The Colombo Ice Company (Pvt) Ltd focuses on the manufacturing of Beverages and Confectionery products. Revenue is recognised at the point in time when the control of the asset is transferred to the customer, which is generally upon delivery of the goods. Revenue is measured based on actual sales, and therefore the output method is used for revenue recognition.

Supermarkets

The Supermarkets sector which includes Jaykay Marketing Services (Pvt) Ltd and LogiPark International (Pvt) Ltd focuses on modern organised retailing through a chain of supermarkets.

Revenue is recognised upon satisfaction of performance obligation. The revenue recognition occurs at a point in time when control of the asset is transferred to the customer, which is generally upon delivery of the goods. The output method will provide a faithful depiction in recognising revenue.

Customers who purchase from outlets may enter the entity's customer loyalty programme and earn points that are redeemable against future purchases of the entity's products. The entity will allocate a portion of the transaction price to the loyalty programme based on relative stand-alone selling price.

13 DIVIDEND INCOME

Accounting Policy

Dividend income is recognised when the Group's right to receive the payment is established.

For the year ended 31st March	COMPANY 2025 Rs.'000	2024 Rs.'000
Dividend income from investment in Subsidiaries	2,346,694	1,119,787

14 OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

Accounting Policy

Other income and expenses

Other income and expenses are recognised on an accrual basis.

Gains and losses

Net gains and losses of a revenue nature arising from the disposal of property, plant and equipment and other non-current assets, including investments, are accounted for in the Income Statement, after deducting from the proceeds on disposal, the carrying amount of such assets and the related selling expenses.

Gains and losses arising from activities incidental to the main revenue generating activities and those arising from a group of similar transactions, which are not material are aggregated, reported and presented on a net basis.

	GROUP		COMPANY	
For the year ended 31st March	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
14.1 Other Operating Income				
Exchange gain	9,079	94	-	-
Promotional income	2,585,741	2,269,365	-	-
Scrap sales	19,304	24,566	11,217	17,577
Rental income	137,786	147,098	705	617
Franchise income	59,511	57,083	13,538	17,934
Royalty income	28,709	33,658	446,387	378,345
Shared service fee	70,506	44,137	429,228	308,251
Gain on disposal of property, plant and equipment and ROU assets	107,757	20,424	14,452	854
Utility collection commission	165,982	137,948	-	-
Write back of expired gift vouchers	125,804	117,051	-	-
Sundry income	106,609	102,296	105,491	89,833
	3,416,788	2,953,720	1,021,018	813,411
14.2 Other Operating Expenses				
Exchange loss	24,151	58,052	24,151	39,603
Write off of dealer deposits	7,589	1,833	7,589	1,833
Spoilage and wastage	184,880	202,157	173,752	182,744
Bank charges	45,477	45,068	25,074	34,073
Cash collection charges	47,027	31,001	-	-
Loss on disposal of property plant & equipment	32,354	37,123	-	-
Other expenses	2,353,042	2,075,292	523,065	450,594
	2,694,520	2,450,526	753,631	708,847

15 FINANCE INCOME AND FINANCE COSTS

Accounting Policy

Finance income

Finance income comprises interest income on funds invested and interest income on financial guarantees that are recognized in the Income Statement.

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

Finance costs

Finance costs comprise interest expense on borrowings that are recognised in the Income Statement.

Interest expense is recorded as it accrues using the Effective Interest Rate (EIR), which is the rate that discounts the estimated future cash payments through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial liability.

	GROUP		COMPANY	
For the year ended 31st March	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Finance Income and Finance Costs				
Finance income				
Interest income - staff loans	83,237	93,893	34,842	44,983
Interest income - short term investments	6,542	14,117	1,148	1,130
Total finance income	89,779	108,010	35,990	46,113
Finance costs				
Interest expense on lease liabilities	(1,348,617)	(1,196,185)	(14,025)	(138)
Interest expense on borrowings - long-term	(634,768)	(960,304)	(93,869)	(67,520)
Interest expense on borrowings - short-term	(441,528)	(1,197,896)	(140,541)	(364,077)
Total finance cost	(2,424,913)	(3,354,385)	(248,435)	(431,735)
Net finance cost	(2,335,134)	(3,246,375)	(212,445)	(385,622)

16 PROFIT BEFORE TAX

Accounting Policy

Expenditure recognition

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

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

Profit before tax is stated after charging all expenses including the following;

For the year ended 31st March	Notes	GROUP 2025 Rs.'000	GROUP 2024 Rs.'000	COMPANY 2025 Rs.'000	COMPANY 2024 Rs.'000
Remuneration to Executive Directors		280,349	203,625	133,707	97,657
Remuneration to Non-Executive Directors		13,577	11,036	12,468	9,980
Auditors' remuneration					
Audit		4,872	4,576	2,180	2,107
Non-audit		1,098	977	864	757
Costs of defined employee benefits					
Defined benefit plan cost	35.3	226,514	252,010	99,858	112,007
Defined contribution plan cost - EPF and ETF		674,817	579,453	222,277	181,198
Staff expenses		11,013,807	9,146,284	3,901,638	3,105,394
Excise Duty		1,126,227	879,861	1,126,227	879,861
Share based payment expenses	33	90,614	75,801	41,946	34,875
Depreciation of property, plant and equipment	20.1	2,739,927	2,551,453	727,692	644,641
Amortisation of intangible assets	23.1	680,939	550,451	156,812	122,910
Amortisation of Right of Use Assets	21.1.1	1,244,321	1,192,456	17,360	1,602
Net (gain)/ loss on disposal of property, plant and equipment	14	(75,403)	16,699	(14,452)	(854)
Donations including CSR related expenses		45,763	41,955	27,259	18,477

17 EARNINGS PER SHARE (EPS)

Accounting Policy

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the Parent (after adjusting for outstanding share options) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

			GROUP	
For the year ended 31st March	Notes		2025	2024
17.1 Basic earnings per share				
Profit for the year		Rs. '000	5,957,666	3,426,852
Dividend on preference shares		Rs. '000	(14)	(14)
Profit attributable to equity holders of the parent		Rs. '000	5,957,652	3,426,838
Weighted average number of ordinary shares	17.3	No. '000	950,400	950,400
Basic earnings per share		Rs.	6.27	3.61
17.2 Diluted earnings per share				
Profit attributable to equity holders of the parent		Rs. '000	5,957,652	3,426,838
Adjusted weighted average number of ordinary shares	17.3	No. '000	950,400	950,400
Diluted earnings per share		Rs.	6.27	3.61
17.3 Amount used as denominator				
Ordinary shares at the beginning of the year		No. '000	950,400	950,400
Adjusted weighted average number of ordinary shares		No. '000	950,400	950,400

18 DIVIDEND PER SHARE (DPS)

Equity dividend on ordinary shares

	GROUP			
For the year ended 31st March	2025		2024	
	Rs.	Rs.'000	Rs.	Rs.'000
Declared and paid during the year				
Final dividend*	0.89	845,842	0.44	421,217
Interim dividend	3.41	3,236,112	1.43	1,355,270
Total dividend	4.30	4,081,954	1.87	1,776,487

**2023/24 final dividend was paid in 2024/25*

19 TAXES

Accounting Policy

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. the tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and for items recognised in other comprehensive income shall be recognised in Other Comprehensive Income and not in the Income Statement. 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.

Management has used its judgment on the application of tax laws including transfer pricing regulations involving identification of Associated undertakings, estimation of the respective arm's length prices and selection of appropriate pricing mechanism.

The Group has confirmed with the arm's length principles relating to Transfer Pricing, as prescribed in the Inland Revenue Act.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arising from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in Subsidiaries and Associates where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- Where the deferred income tax assets relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deducible temporary differences associated with investments in Subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the year when the asset is realised or liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted as at the reporting date.

Deferred tax relating to items recognised outside the Income Statement is recognised outside the Income Statement. Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity and the same taxation authority.

19 TAXES (CONTD.)

Accounting Policy

Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except ;

- Where the sales tax incurred on the purchase of an asset or service is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Where receivables and payables are stated with the amount of sales tax included. The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

For the year ended 31st March	Notes	GROUP 2025 Rs.'000	GROUP 2024 Rs.'000	COMPANY 2025 Rs.'000	COMPANY 2024 Rs.'000
19.1 Tax Expense					
Current income tax					
Tax charge for the year	19.5	1,995,997	330,490	852,324	272,049
15% Advanced Income Tax payment on intercompany dividends		414,123	197,609	-	-
Over provision of current tax of previous years	19.5	(13,338)	(110,964)	(2,143)	(105,582)
Deferred tax					
Relating to origination and reversal of temporary differences	19.2	647,599	1,086,903	(30,886)	345,609
		3,044,381	1,504,038	819,295	512,076

For the year ended 31st March	Notes	GROUP 2025 Rs.'000	GROUP 2024 Rs.'000	COMPANY 2025 Rs.'000	COMPANY 2024 Rs.'000
19.2 Deferred Tax Expense					
Income statement					
Deferred tax expense arising from;					
Accelerated depreciation for tax purposes		(25,358)	128,006	(23,350)	88,990
Employee benefit liabilities		(37,619)	(48,479)	(13,298)	(21,410)
Revaluation of investment property to fair value		7,015	6,561	5,625	5,087
Benefit arising from tax losses		692,488	1,037,917	-	272,538
Exchange gain		710	5,748	137	404
Others		10,363	(42,850)	-	-
Deferred tax charged/(credited) directly to Income Statement		647,599	1,086,903	(30,886)	345,609
Deferred tax charged/(credited) directly to Income Statement					
Deferred tax liabilities	19.3	647,599	1,086,903	(30,886)	345,609
		647,599	1,086,903	(30,886)	345,609
Other comprehensive income					
Deferred tax expense arising from;					
Actuarial gain/(loss) on employee benefit liabilities		43,767	(47,904)	28,159	(31,452)
Revaluation of buildings		123,424	117,407	14,340	23,291
Revaluation of land		20,563	13,511	20,563	13,511
Gain on financial assets valued at fair value through OCI		270,095	-	270,095	-
Deferred tax charged directly to Other Comprehensive Income		457,849	83,014	333,157	5,350
Total deferred tax charged		1,105,448	1,169,917	302,271	350,959

For the year ended 31st March	Notes	GROUP 2025 Rs.'000	GROUP 2024 Rs.'000	COMPANY 2025 Rs.'000	COMPANY 2024 Rs.'000
19.3 Deferred Tax Liabilities					
At the beginning of the year		2,826,606	1,929,186	1,151,330	800,371
Charge / (reversal)	19.2	647,599	1,086,903	(30,886)	345,609
Tax on Other Comprehensive Income	19.2	457,849	83,014	333,157	5,350
Transfer from deferred tax asset		-	(272,497)	-	-
At the end of the year		3,932,054	2,826,606	1,453,601	1,151,330
19.3.1 Deferred Tax Assets					
At the beginning of the year		-	272,497	-	-
Transfer to deferred tax liabilities		-	(272,497)	-	-
At the end of the year		-	-	-	-
The closing deferred tax liability balances relate to the following;					
Accelerated depreciation for tax purposes		3,160,269	3,185,627	940,430	963,780
Employee benefit liabilities		(309,688)	(315,836)	(157,694)	(172,555)
Losses available for offset against future taxable income		(9,878)	(702,366)	-	-
Tax effect on capital gain from investment property		46,490	39,475	44,551	38,926
Tax effect on capital gain from land		413,353	392,790	413,353	392,790
Tax effect on revaluation of buildings		651,036	527,612	205,920	191,580
Tax effect on gain on financial assets valued at fair value through OCI		6,500	(263,595)	6,500	(263,595)
Others		(26,028)	(37,101)	541	404
At the end of the year		3,932,054	2,826,606	1,453,601	1,151,330

For the year ended 31st March	GROUP		COMPANY	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
19.4 Income Tax Liabilities				
At the beginning of the year	256,327	105,582	197,886	105,582
Provision for the year	2,396,782	417,135	850,181	166,467
Transfer to income tax recoverable	-	5,382	-	-
Tax paid	(1,892,886)	(262,534)	(738,661)	(64,925)
Tax credits	(61,357)	(9,238)	(54,173)	(9,238)
At the end of the year	698,866	256,327	255,233	197,886

For the year ended 31st March	GROUP		COMPANY	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
19.4.1 Income Tax Recoverable				
At the beginning of the year	123,304	117,922	-	-
Transfer from income tax liability	-	5,382	-	-
Tax credits	1,624	-	-	-
At the end of the year	124,928	123,304	-	-

19.4 Income Tax Liabilities (Contd.)

Accounting judgements, estimates and assumptions

The Group is subject to income tax and other taxes including VAT. Significant judgment was required to determine the total provision for current, deferred and other taxes due to uncertainties that exist with respect to the interpretation of the applicability of tax laws, at the time of the preparation of these Financial Statements.

Uncertainties also exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. Where the final tax outcome of such matters is different from the amounts that were initially recorded, such differences will impact the income and deferred tax amounts in the period in which the determination is made.

The Group has contingent liabilities amounting to Rs. 36.5 million (2024 – Rs. 36.5 million) in relation to income tax assessments relating to years of assessments 2011/12, 2012/13 and 2013/14. These have been arrived at after discussing with independent and legal tax experts and based on information available. All assumptions are revisited at the reporting date. Further details on contingent liabilities are disclosed in note 41 in the Financial Statements.

For the year ended 31st March	Notes	GROUP 2025 Rs.'000	GROUP 2024 Rs.'000	COMPANY 2025 Rs.'000	COMPANY 2024 Rs.'000
19.5 Reconciliation between current tax charge and the accounting profit					
Profit before tax*		9,002,047	4,930,890	2,797,279	2,054,172
Dividend income from Group companies		-	-	2,346,694	1,119,787
Consolidation adjustments		2,358,796	1,108,628	-	-
Profit after adjustment		11,360,843	6,039,518	5,143,973	3,173,959
Exempt profits		(71,316)	(100,778)	(70,596)	(99,150)
Income not liable for income tax		(2,346,694)	(1,119,787)	(2,346,694)	(1,119,787)
Adjusted accounting profit chargeable to income taxes		8,942,833	4,818,953	2,726,683	1,955,022
Disallowable expenses		6,865,508	6,419,755	1,616,957	1,442,980
Allowable expenses		(7,024,717)	(6,756,024)	(1,502,559)	(1,582,714)
Utilisation of tax losses	19.7	(2,130,299)	(3,381,053)	-	(908,460)
Taxable income		6,653,325	1,101,631	2,841,081	906,828
Income tax charged at					
Standard rate - 30%		1,995,997	330,490	852,324	272,049
Tax charge for the period		1,995,997	330,490	852,324	272,049
Over provision for previous years		(13,338)	(110,964)	(2,143)	(105,582)
15% Advanced Income Tax on intercompany dividends		414,123	197,609	-	-
Current tax charge		2,396,782	417,135	850,181	166,467

**Profit before tax excluding dividend income from Group companies*

For the year ended 31st March	GROUP		COMPANY	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
19.6 Reconciliation between tax expense and the product of accounting profit				
Adjusted accounting profit chargeable to income taxes	8,942,833	4,818,953	2,726,683	1,955,022
Tax effect on chargeable profits	3,022,153	1,575,082	818,005	586,507
Tax effect on non-deductible expenses	211,385	203,452	176,576	166,381
Gratuity Transfers	(1,691)	(2,544)	(496)	(1,817)
Tax effect on deductions claimed	(174,128)	(160,988)	(172,647)	(133,412)
Over provision for previous years	(13,338)	(110,964)	(2,143)	(105,583)
Tax expense	3,044,381	1,504,038	819,295	512,076

For the year ended 31st March	GROUP		COMPANY	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
19.7 Tax losses carried forward				
Tax losses brought forward	5,135,911	8,818,262	-	901,483
Adjustments on finalisation of liability	(4,353)	(301,298)	-	6,977
Utilisation of tax losses	(2,130,299)	(3,381,053)	-	(908,460)
At the end of the year	3,001,259	5,135,911	-	-

Deferred tax asset of LogiPark International (Pvt) Ltd has not been recognised for the unused tax losses amounting to Rs. 2,983 million (2024 - Rs. 3,072 million) in the Statement of Financial Position as at 31st March 2025. These tax losses are to be expired in the years of assessment commencing from 2024/25 to 2031/32.

The Colombo Ice Company (Pvt) Ltd can offset its unused tax losses, totalling Rs. 29 million (2024 - Rs. 2,074 million), against taxable profits over the next five years.

19.8 Applicable rates of income tax and deferred tax

Income tax and Deferred tax have been provided as per the rates legislated per the Inland Revenue (Amendment) Act No 45 of 2022.

20 PROPERTY, PLANT AND EQUIPMENT

Accounting Policy

Basis of recognition

Property, plant and equipment are recognised if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be reliably measured.

Basis of measurement

Property, plant and equipment except for land and buildings are stated at cost less accumulated depreciation and any accumulated impairment loss. Such cost includes the cost of replacing component parts of the plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group derecognises the replaced part, and recognises the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Income Statement as incurred.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment charged subsequent to the date of the revaluation.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the Income Statement, in which case the increase is recognised in the Income Statement. A revaluation deficit is recognised in the Income Statement, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve related to the particular asset being sold is transferred to retained earnings. Where land and buildings are subsequently revalued, the entire class of such assets is revalued at fair value on the date of revaluation. The Group has adopted a policy of revaluing land and building at least once every 5 years.

The subsidiaries Jaykay Marketing Services (Pvt) Limited and LogiPark International (Pvt) Limited have adopted a policy of revaluing its buildings on leasehold land by a professional valuer after the asset completes 3 years of their useful life as the management believes that within the first 3 years, the initial recognition amount represents the assets' fair value.

Capital work-in-progress is stated at cost including borrowing cost capitalised where applicable.

Derecognition

An item of property, plant and equipment is derecognised upon replacement, disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset is included in the Income Statement in the year the asset is derecognised.

Depreciation

Depreciation is calculated by using a straight-line method on the cost or valuation of all property, plant and equipment, other than freehold land, in order to write-off such amounts over the estimated useful economic life of such assets.

Accounting Policy

The estimated useful life of assets is as follows:

Assets	Years
Buildings	20 - 50
Building on leasehold land	25 or over the period of lease
Plant and machinery	3 - 30
Equipment, furniture and fittings	5 - 15
Motor vehicles	3 - 15
Other assets	3 - 20
Returnable containers	4 - 10

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year end.

Borrowing costs

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

Impairment of property plant and equipment

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognised in the Income Statement, except that, impairment losses in respect of property, plant and equipment previously revalued are recognised against the revaluation reserve through the Statement of Other Comprehensive Income to the extent that it reverses a previous revaluation surplus.

An assessment is made at each reporting date 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 recoverable amount is estimated. 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 Income Statement unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

20 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

20.1

As at 31 March	Land and buildings Rs.'000	Buildings on leasehold land Rs.'000	Plant and machinery Rs.'000	Equipment, furniture and fittings Rs.'000	Motor vehicles Rs.'000	Returnable containers Rs.'000	Other assets Rs.'000	Capital work in progress Rs.'000	Total 2025 Rs.'000	Total 2024 Rs.'000
Group										
Cost or valuation										
At the beginning of the year	2,617,286	13,857,710	12,924,667	5,522,302	409,616	966,577	4,879,090	263,926	41,441,174	39,017,739
Additions	187,879	1,130,469	1,038,226	800,271	29,610	75,149	876,720	317,162	4,455,486	2,151,033
Acquisition of a PET bottling and can manufacturing facility	-	-	-	-	-	-	-	-	-	514,293
Disposal	-	(19,550)	(304,447)	(99,900)	-	(72)	(178,410)	(4,755)	(607,134)	(254,130)
Revaluations	111,674	437,612	-	-	-	-	-	-	549,286	436,393
Transfers*	20,971	86,274	51,326	17,938	-	-	9,422	(185,912)	19	-
Transfers (from revaluation adjustment)	(71,381)	(747,931)	-	-	-	-	-	-	(819,312)	(424,154)
At the end of the year	2,866,429	14,744,584	13,709,772	6,240,611	439,226	1,041,654	5,586,822	390,421	45,019,519	41,441,174
Accumulated depreciation and impairment										
At the beginning of the year	(18,160)	(915,113)	(6,044,906)	(2,690,386)	(376,472)	(748,476)	(2,901,930)	-	(13,695,443)	(11,767,563)
Charge for the year	(72,780)	(693,394)	(881,119)	(594,118)	(9,744)	(67,143)	(421,629)	-	(2,739,927)	(2,551,453)
Disposal	-	8,505	291,916	88,205	-	72	174,882	-	563,580	199,419
Transfers (from revaluation adjustment)	71,381	747,931	-	-	-	-	-	-	819,312	424,154
At the end of the year	(19,559)	(852,071)	(6,634,109)	(3,196,299)	(386,216)	(815,547)	(3,148,677)	-	(15,052,478)	(13,695,443)
Carrying value:										
As at 31 March 2025										
At valuation	2,745,248	10,230,631	-	-	-	-	-	-	12,975,879	
At cost	101,622	3,661,882	7,075,663	3,044,312	53,010	226,107	2,438,145	390,421	16,991,162	
	2,846,870	13,892,513	7,075,663	3,044,312	53,010	226,107	2,438,145	390,421	29,967,041	
As at 31 March 2024										
At Cost	2,294,387	7,966,842	-	-	-	-	-	-		10,261,229
At Cost	304,739	4,975,755	6,879,761	2,831,916	33,144	218,101	1,977,160	263,926		17,484,502
	2,599,126	12,942,597	6,879,761	2,831,916	33,144	218,101	1,977,160	263,926		27,745,731

*Transfers include, transfer from capital work in progress, intangible assets and between classes of assets

20 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

As at 31 March	Land and buildings	Buildings on leasehold land	Plant and machinery	Equipment, furniture and fittings	Motor vehicles	Returnable containers	Other assets	Capital work in progress	Total 2025	Total 2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
20.1 (Contd.)										
Company										
Cost or valuation										
At the beginning of the year	2,617,286	65,800	4,100,664	297,922	177,862	952,733	3,532,249	45,139	11,789,655	11,030,998
Additions	187,879	-	544,693	199,821	29,610	75,149	480,996	3,477	1,521,625	324,906
Acquisition of a PET bottling and can manufacturing facility	-	-	-	-	-	-	-	-	-	514,293
Disposal	-	-	(252,233)	(16,104)		(72)	(152,503)		(420,912)	(145,222)
Revaluations	111,674	4,669	-	-	-	-	-	-	116,343	122,674
Transfers*	20,971	-	24,168	-	-	-	-	(45,139)	-	-
Transfers (from revaluation adjustment)	(71,381)	(2,269)	-	-	-	-	-	-	(73,650)	(57,994)
At the end of the year	2,866,429	68,200	4,417,292	481,639	207,472	1,027,810	3,860,742	3,477	12,933,061	11,789,655
Accumulated depreciation and impairment										
At the beginning of the year	(18,160)	(567)	(2,931,735)	(128,961)	(147,180)	(748,475)	(2,146,550)	-	(6,121,628)	(5,673,979)
Charge for the year	(72,780)	(2,311)	(280,559)	(38,044)	(9,744)	(67,143)	(257,111)	-	(727,692)	(644,641)
Disposal	-	-	245,725	16,066		72	150,114	-	411,977	138,998
Transfers (from revaluation adjustment)	71,381	2,269	-	-	-	-	-	-	73,650	57,994
At the end of the year	(19,559)	(609)	(2,966,569)	(150,939)	(156,924)	(815,546)	(2,253,547)	-	(6,363,693)	(6,121,628)
Carrying value:										
As at 31 March 2025										
At valuation	2,745,248	67,591	-	-	-	-	-	-	2,812,839	
At Cost	101,622	-	1,450,723	330,700	50,548	212,264	1,607,195	3,477	3,756,529	
	2,846,870	67,591	1,450,723	330,700	50,548	212,264	1,607,195	3,477	6,569,368	
Carrying value:										
As at 31 March 2024										
At valuation	2,294,387	65,233	-	-	-	-	-	-		2,359,620
At Cost	304,739	-	1,168,929	168,961	30,682	204,258	1,385,699	45,139		3,308,407
	2,599,126	65,233	1,168,929	168,961	30,682	204,258	1,385,699	45,139		5,668,027

*Transfers include, transfer from capital work in progress and between classes of assets

20.2 Revaluation of land and buildings

Accounting judgements, estimates and assumptions

The Group uses the revaluation model of measurement of land and buildings. The Group engaged Upali Silva & Lochana Silva - Chartered Valuers (Pvt) Ltd, G H A P K Fernando and Messrs. P B Kalugalagedara & Associates, independent expert valuers, to determine the fair value of its land and buildings and they have carried out the valuation in accordance with Sri Lanka Accounting Standards and International Valuation Standards published by the International Valuation Standards Committee (IVSC). Fair value is determined by reference to market-based evidence. Valuations are based on open market prices, adjusted for any difference in the nature, location or condition of the specific property. These 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. The date of the most recent revaluation was carried out on 31st December 2024.

The valuations as of 31st December 2024 contained a higher estimation uncertainty as there were fewer market transactions which are ordinarily a strong source of evidence regarding fair value. The value reflected represents the best estimate based on the market conditions that prevailed, which in valuers' considered opinion, meets the requirements in SLFRS-13 Fair Value Measurement.

The changes in fair value are recognised in Other Comprehensive Income and in the Statement of Changes in Equity.

Details of the Group's land and buildings stated at valuation are indicated below.

Property	Name of Chartered Valuation surveyor	Method of valuation	Sensitivity of unobservable inputs				Correlation to fair value
			Estimated price per perch		Estimated price per square foot		
			2025	2024	2025	2024	
Land and buildings							
Ceylon Cold Stores PLC	Lochana I. Silva, G. H. A. P. K. Fernando	Open market value method	Rs. 100,000 - Rs. 325,000	Rs. 275,000 - Rs. 310,000	-	-	Positive
Ceylon Cold Stores PLC	Lochana I. Silva, G. H. A. P. K. Fernando	Open market value method	-	-	Rs. 950 - Rs. 5,500	Rs. 500 - Rs. 5,000	Positive
Buildings on leasehold land							
Ceylon Cold Stores PLC	Lochana I. Silva	Open market value method	-	-	Rs. 525 - Rs. 5,775	Rs. 500 Rs. 5,500	Positive
Jaykay Marketing Services (Pvt) Ltd	P. B. Kalugalagedara	Investment method	-	-	Rs. 30 - Rs. 300	Rs. 30 - Rs. 300	Positive
The Colombo Ice Company (Pvt) Ltd	Lochana I. Silva	Open market value method	-	-	Rs. 2,650 - Rs.9,450	Rs. 2,500 - Rs. 9,000	Positive
LogiPark International (Pvt) Ltd	P. B. Kalugalagedara	Open market value method	-	-	Rs.10,000 - Rs.16,000	-	Positive

Summary description of valuation methodologies;

Open market value method (OMV)

Open market value method uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities or a group of assets and liabilities, such as a business.

Investment method (IM)

The investment method is used to value properties which are let to produce an income for the investor. Conventionally, investment value is a product of rent and yield. Each of these elements is derived using comparison techniques.

20.3 The carrying amount of revalued buildings of the Group if they were carried at cost less depreciation and impairment, would be as follows;

As at 31st March	GROUP		COMPANY	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Cost	13,079,421	11,780,623	1,054,642	866,763
Accumulated depreciation and impairment	(2,838,625)	(2,219,213)	(120,342)	(117,891)
Carrying value	10,240,796	9,561,410	934,300	748,872

20.4 Property, plant and equipment that have been fully depreciated and continue to be in use by the Group are as follows;

As at 31st March	GROUP		COMPANY	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Cost of fully depreciated assets	4,959,740	4,540,524	2,676,359	2,733,958

20.5 Other assets of the Group mainly comprise of freezers, bottle coolers and crates. The net book value of those assets are as follows.

As at 31st March	2025			2024		
	Freezers Rs.'000	Coolers Rs.'000	Crates Rs.'000	Freezers Rs.'000	Coolers Rs.'000	Crates Rs.'000
Cost	1,611,553	952,274	648,619	1,428,126	963,039	645,809
Accumulated depreciation and impairment	(744,758)	(520,643)	(605,915)	(669,349)	(564,070)	(595,426)
Carrying value	866,795	431,631	42,704	758,777	398,969	50,383

20.6 The Group's property, plant and equipment with a carrying value of Rs. 3,825 million (2024 - 3,832 million) have been pledged as security for loans obtained. Details of which are disclosed in note 34.3.

20.7 The Group assessed for impairment indications of assets at the end of reporting period and there were no indications observed. No idle assets were observed that require disclosure in the Financial Statements.

21 RIGHT OF USE ASSETS AND LEASE LIABILITIES

Accounting Policy

Right of use assets

The Group recognises right of use assets when the underlying asset is available for use. Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right of use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term. Right of use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group uses 6 months AWPLR based plus margin when calculating the incremental borrowing rate which reflects the average rate of borrowings in the Group. Quarterly calculated incremental borrowing rates were used to discount new leases obtained during the year.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

21.1 Amounts recognised in the Statement of Financial Position and Income Statement

Set out below are the carrying amounts of the Group's right of use assets and the movements for the year ended 31 March.

21.1.1 Right-of-Use Assets

As at 31st March	GROUP 2025 Rs.'000	GROUP 2024 Rs.'000	COMPANY 2025 Rs.'000	COMPANY 2024 Rs.'000
Right of Use Assets - Lease hold properties				
Cost				
At the beginning of the year	14,554,361	13,653,555	48,070	48,070
Additions	1,982,134	1,535,703	456,985	-
Derecognition	(982,397)	(634,897)	-	-
At the end of the year	15,554,098	14,554,361	505,055	48,070
Accumulated amortisation and impairment				
At the beginning of the year	(4,537,992)	(3,881,678)	(3,872)	(2,270)
Amortisation	(1,244,321)	(1,192,456)	(17,360)	(1,602)
Derecognition	768,287	536,142	-	-
At the end of the year	(5,014,026)	(4,537,992)	(21,232)	(3,872)
Carrying value	10,540,072	10,016,369	483,823	44,198

Set out below are the carrying amounts of lease liabilities and the movements for the period ended 31 March.

21.1.2 Lease Liabilities

As at 31st March	GROUP 2025 Rs.'000	GROUP 2024 Rs.'000	COMPANY 2025 Rs.'000	COMPANY 2024 Rs.'000
At the beginning of the year	11,380,669	10,615,855	2,415	2,453
Additions	1,975,021	1,535,704	449,872	-
Transfers	(88,964)	(52,430)	-	-
Finance charge on lease liabilities	1,348,617	1,196,185	14,025	138
Disposals	(307,415)	(118,320)	-	-
Payments	(2,206,100)	(1,781,783)	(19,339)	(176)
Exchange gain	(2,269)	(14,542)	-	-
At the end of the year	12,099,559	11,380,669	446,973	2,415
Current	715,835	690,721	16,878	40
Non-current	11,383,724	10,689,948	430,095	2,375
Total lease liability at the end of the year	12,099,559	11,380,669	446,973	2,415

The maturity analysis of lease liabilities are disclosed in Note 9.2.2.

21.1.3 The following are the amounts recognised in profit or loss:

For the year ended 31st March	Notes	GROUP 2025 Rs.'000	GROUP 2024 Rs.'000	COMPANY 2025 Rs.'000	COMPANY 2024 Rs.'000
Amortisation expense of right-of-use assets	21.1.1	1,244,321	1,192,456	17,360	1,602
Interest expense on lease liabilities	21.1.2	1,348,617	1,196,185	14,025	138
Exchange gain	21.1.2	(2,269)	(14,542)	-	-
Total amount recognised in profit or loss		2,590,669	2,374,099	31,385	1,740

Expenses relating to short-term leases and leases of low value assets amounting to Rs. 135 million and Rs. 1 million (2024 - Rs.169.9 million and Rs. 1.9 million) have been recognized in the Income Statement by the Group and the Company, respectively.

The Group had total cash outflows for leases of Rs. 2,206 million in 2025 (2024 - Rs. 1,782 million).

22 INVESTMENT PROPERTY

Accounting Policy

Basis of recognition

Investment properties are measured initially at cost, including transaction costs.

Basis of measurement

The carrying value of an investment property includes the cost of replacing part of an existing investment property, at the time that cost is incurred if the recognition criteria are met, and excludes the costs of day-to-day servicing of the investment property. Subsequent to initial recognition, the investment properties are stated at fair values, which reflect market conditions at the reporting date.

Gains or losses arising from changes in fair value are included in the Income Statement in the year in which they arise. Fair values are evaluated at least every 3 years by an accredited external independent valuer. The most recent revaluation was carried out on 31st December 2024.

Derecognition

Investment properties are derecognised when disposed, or permanently withdrawn from use because no future economic benefits are expected. Any gains or losses on retirement or disposal are recognised in the Income Statement in the year of retirement or disposal.

Transfer of Investment properties

Transfers are made to or from investment properties only when there is a change in use for a transfer from investment property to owner occupied property or inventory (WIP), the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property or inventory (WIP), the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. Where Group companies occupy a significant portion of the investment property of a subsidiary, such investment properties are treated as property, plant and equipment in the Consolidated Financial Statements, and accounted for using accounting policy for property, plant and equipment.

As at 31st March	GROUP 2025 Rs.'000	GROUP 2024 Rs.'000	COMPANY 2025 Rs.'000	COMPANY 2024 Rs.'000
22.1 Carrying value				
At the beginning of the year	667,741	645,872	358,353	341,398
Net gain from fair value remeasurement	23,385	21,869	18,751	16,955
At the end of the year	691,126	667,741	377,104	358,353
Freehold property	691,126	667,741	377,104	358,353
Carrying value	691,126	667,741	377,104	358,353

22.2 Valuation details of investment property

Accounting judgements, estimates and assumptions

Fair value of the Investment Property is ascertained by annual independent valuations carried out by Upali Silva & Lochana Silva - Chartered Valuers (Pvt) Ltd and Messrs. P B Kalugalagedara & Associates, as at 31st December 2024, that has recent experience in valuing properties of similar location and category. Investment Property was appraised in accordance with SLFRS 13 and 8th edition of International Valuation Standards published by the International Valuation Standards Committee (IVSC), by the independent valuer. The Market value has been used as the fair value.

In determining the fair value, the current condition of the properties, future usability and associated redevelopment requirements have been considered. Also, valuer has made reference to market evidence of transaction prices for similar properties, with appropriate adjustments for size and location. The appraised fair values are approximated within appropriate range of values.

The changes in fair value are recognised in the Income Statement. The determined fair values of investment properties were based on the open market value method and investment method.

Property	Name of Chartered Valuation surveyor	Method of valuation	Sensitivity of unobservable inputs: Estimated price per perch 2025	Estimated price per perch 2024	Estimated price per square foot 2025	Estimated price per square foot 2024	Correlation to fair value
Ceylon Cold Stores PLC							
Land	Lochana I. Silva	Open market value method	Rs.2,000,000	Rs.1,900,000	-	-	Positive
Building	Lochana I. Silva	Open market value method	-	-	Rs. 2,100	Rs. 2,000	Positive
Jaykay Marketing Services (Pvt) Ltd							
Leasehold property	P.B.Kalugalagedara	Investment method	Rs. 273,000- Rs. 410,000	Rs. 270,000- Rs. 400,000	-	-	Positive

22.3 Income and expenses arising from investment property

Investment property generated rental income and direct operating expenses arising from investment property are as follows;

For the year ended 31st March	COMPANY 2025 Rs.'000	COMPANY 2024 Rs.'000
Rent Income	705	617

Jaykay Marketing Services (Pvt) Ltd

No rental income or direct operating expenses generated by the Investment Property during the year.

23 INTANGIBLE ASSETS

Accounting Policy

Basis of recognition

An intangible asset is recognised if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be reliably measured.

Basis of measurement

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised, and expenditure is charged to Income Statement in the year in which the expenditure is incurred.

Accounting Policy

Useful economic lives, amortisation and impairment

The useful lives of intangible assets are assessed as either finite or indefinite lives. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end and such changes are treated as accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Income Statement.

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

Purchased software

Purchased software is recognised as intangible assets and is amortised on a straight-line basis over its useful life.

Software license

Software license costs are recognised as an intangible asset and amortised over the period of expected future usage of related ERP systems.

Developed Software

Expenditure on internally developed software is recognised as an intangible asset when the company is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits, and can reliably measure the costs to complete the development. The capitalised costs of internally developed software include all costs directly attributable to developing the software and capitalised borrowing costs, and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and any accumulated impairment losses.

Subsequent Expenditure

Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

A summary of the policies applied to the Group's intangible assets is as follows;

Intangible assets	Useful life	Acquired/ Internally generated	Impairment testing/ amortisation
Purchased Software	3 - 10	Acquired	Testing for impairment is carried out when indicators of impairment arise. The amortisation method is reviewed at each financial year end
Software Licenses	3 - 6	Acquired	
Developed Software	10	Internally generated	

Derecognition

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Income Statement when the asset is derecognised.

23.1 As at 31st March

As at 31 March	Software Licenses Rs.'000	Software Purchased Rs.'000	Software Developed Rs.'000	Goodwill** Rs.'000	2025 Rs.'000	2024 Rs.'000
Group						
Cost						
At the beginning of the year	148,167	1,712,219	3,951,591	350,713	6,162,690	4,728,624
Additions	21,997	179,872	591,880	-	793,749	1,434,066
Transfers*	-	(142)	-	-	(142)	-
Disposals / de-recognition	(2,302)	-	-	-	(2,302)	-
At the end of the year	167,862	1,891,949	4,543,471	350,713	6,953,995	6,162,690
Accumulated amortisation						
At the beginning of the year	(32,403)	(943,166)	(702,462)	-	(1,678,031)	(1,127,580)
Amortisation	(10,419)	(259,412)	(411,108)	-	(680,939)	(550,451)
Transfers*	-	123	-	-	123	-
Disposals / de-recognition	2,302	-	-	-	2,302	-
At the end of the year	(40,520)	(1,202,455)	(1,113,570)	-	(2,356,545)	(1,678,031)
Carrying value						
As at 31 March 2025	127,342	689,494	3,429,901	350,713	4,597,450	-
As at 31 March 2024	115,764	769,053	3,249,129	350,713	-	4,484,659

As at 31 March	Software Licenses Rs.'000	Software Purchased Rs.'000	Software Developed Rs.'000	Goodwill** Rs.'000	2025 Rs.'000	2024 Rs.'000
Company						
Cost						
At the beginning of the year	4,810	44,963	1,491,980	235,707	1,777,460	1,030,593
Additions	-	-	67,354	-	67,354	746,867
At the end of the year	4,810	44,963	1,559,334	235,707	1,844,814	1,777,460
Accumulated amortisation						
At the beginning of the year	(3,862)	(37,483)	(194,009)	-	(235,354)	(112,444)
Amortisation	(383)	(4,527)	(151,902)	-	(156,812)	(122,910)
At the end of the year	(4,245)	(42,010)	(345,911)	-	(392,166)	(235,354)
Carrying value						
As at 31 March 2025	565	2,953	1,213,423	235,707	1,452,648	-
As at 31 March 2024	948	7,480	1,297,971	235,707	-	1,542,106

**Includes, transfer between class of assets and reclassification

**Goodwill - The recoverable amount of the cash generating unit relevant to the goodwill is more than the carrying amount at the end of the reporting period. Therefore, no impairment loss is recognised in respect of goodwill as at 31st March 2025.

An amount of Rs. 67 million (2024 - Rs. 509 million) has been recognised as research and development expenditure during the period.

23.2 Goodwill

Accounting judgements estimates and assumption

Goodwill acquired through business combination is due to the purchase of Jaykay Marketing Services (Pvt) Ltd and Bestie Beverages (Pvt) Ltd and goodwill is tested for impairment as explained below.

Impairment of goodwill

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use (VIU). The fair value less costs to sell calculation is based on available data from an active market, in an arm's length transaction, of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. A zero terminal growth rate has been incorporated into the value-in-use calculations for cash flows extending beyond five years. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. the key assumptions used to determine the recoverable amount for the different cash generating units, are as follows;

Cash Generating Unit (CGU)

The recoverable amount of the CGU has been determined based on the value in use (VIU) calculation.

Key assumptions used in the VIU calculations

Gross margins

The basis used to determine the value assigned to the budgeted gross margins is the gross margins achieved in the year preceding the budgeted year adjusted for projected market conditions.

Discount rates

The discount rate used is the risk free rate of 15%, adjusted by the addition of an appropriate risk premium.

Inflation

The basis used to determine the value assigned to the budgeted cost inflation, is the inflation rate, based on projected economic conditions.

Volume growth

Volume growth has been budgeted on a reasonable and realistic basis by taking into account the industry growth rates of one to four years immediately subsequent to the budgeted year.

23.3 Intangible assets that have been fully amortised and continue to be in use by the Group are as follows.

	GROUP		COMPANY	
As at 31st March	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Cost of fully amortised intangible assets	242,699	175,613	33,164	25,571

24 INVESTMENTS IN SUBSIDIARIES

Accounting Policy

Investment in Subsidiaries are initially recognised at cost in the Financial Statements of the Company. Any transaction cost relating to acquisition of investment in Subsidiaries are immediately recognised in the Income Statement. Following initial recognition, investment in Subsidiaries are carried at cost less any accumulated impairment losses.

As at 31st March	Number of shares	Effective holding	COMPANY	
			2025	2024
	No. '000	%	Rs.'000	Rs.'000
24.1 Carrying value				
Investment in subsidiaries				
Unquoted ordinary shares				
Jaykay Marketing Services (Pvt) Ltd	202,239	100	1,022,892	1,022,892
The Colombo Ice Company (Pvt) Ltd	170,000	100	1,745,518	1,745,518
LogiPark International (Pvt) Ltd*	105,875	100	-	-
Unquoted preference shares				
Jaykay Marketing Services (Pvt) Ltd**	80,000		200,000	200,000
			2,968,410	2,968,410

*LogiPark International (Pvt) Ltd is a wholly owned Subsidiary of Jaykay Marketing Services (Pvt) Ltd.

**On 17 July 2013 the Company invested a sum of Rs. 200 million in 80,000,000, 10% Non-Cumulative, Non-Voting, Redeemable Preference Shares valued at Rs. 2.50 per share. The date of redemption shall be any time after five (05) years from the date of issue to be determined by the Board of Directors of Jaykay Marketing Services (Pvt) Ltd.

25 NON-CURRENT FINANCIAL ASSETS

Accounting Policy

Non-current financial assets within the scope of SLFRS 9 are classified as financial assets at initial recognition.

As at 31st March	Notes	GROUP		COMPANY	
		2025	2024	2025	2024
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
25.1 Non-current financial assets					
Loans to executives - Receivable between one and five years	25.2	484,094	535,834	256,752	300,836
Unquoted equity investments	25.3	7,038,264	5,735,080	7,038,264	5,735,080
Total non-current financial assets		7,522,358	6,270,914	7,295,016	6,035,916

As at 31st March	Notes	GROUP 2025 Rs.'000	GROUP 2024 Rs.'000	COMPANY 2025 Rs.'000	COMPANY 2024 Rs.'000
25.2 Loans to executives					
At the beginning of the year		656,653	512,549	379,850	268,913
Loans granted		250,471	478,329	144,513	292,722
Recoveries		(294,959)	(334,225)	(191,035)	(181,785)
At the end of the year		612,165	656,653	333,328	379,850
Receivable within one year	28	128,071	120,819	76,576	79,014
Receivable after one year					
Receivable between one and five years		484,094	535,834	256,752	300,836
		612,165	656,653	333,328	379,850

As at 31st March	Number of shares No. '000	GROUP 2025 Rs.'000	GROUP 2024 Rs.'000	COMPANY 2025 Rs.'000	COMPANY 2024 Rs.'000
25.3 Unquoted equity investments					
Waterfront Properties (Pvt) Ltd (WPL)*	539,286				
At the beginning of the year		5,735,080	6,277,679	5,735,080	6,277,679
Remeasurement gain/ (loss) recognised for the year		1,303,184	(542,599)	1,303,184	(542,599)
At the end of the year		7,038,264	5,735,080	7,038,264	5,735,080

The unquoted equity investment has been fair valued using the Discounted Cash Flow Method of the investee, Waterfront Properties (Private) Limited (WPL). The value per share of WPL as at 31st March 2025 was Rs.13.05 (2024: Rs.10.63). The valuation of WPL is carried out in LKR terms in accordance with the functional currency of WPL, which was transitioned from US Dollars to LKR given the commencement of operations of the Cinnamon Life hotel during the year. The Company shareholding in WPL as at the reporting date was 2.71% (2024: 3.14%).

25.3 Unquoted equity investments (Contd.)

Details of the valuation as at 31st March 2025 are given below;

The valuation of the investment in WPL has been conducted based on the Discounted Cash Flow Method.

Discounted Cash Flow Method

Estimates the fair market value of the entity considering the future cash flow generation of WPL, and all its integrated components. Projected cash flows are discounted to arrive at the net present value of the investment. Key assumptions used in the Discounted Cash Flow Method are noted below.

- **Forecast Horizon**

  Cash Flows have been forecasted for 5 years, with the terminal value based on an appropriate terminal growth rate in line with the market.

- **Revenue, EBITDA Margins and Cashflow Projections**

  Revenue and EBITDA margins have been adjusted for project specific aspects and the margin projections are based on the expected steady-state operations post ramp-up, peer comparisons and independent market studies, as applicable, and the performance of similar integrated properties regionally. The cash flows are forecasted under a base case scenario, considering all aspects and prospects of the integrated resort offering. A minority discount has also been factored in given the Company's shareholding percentage in WPL, which is relatively low on a standalone basis.

- **Discount Rate**

  The LKR cost of equity reflects the current and expected discount rates, while taking into account the long-term nature of the investment.

Details of the valuation as at 31st March 2024 are given below;

The valuation of the investment in Waterfront Properties (Pvt) Ltd (WPL) has been conducted based on the Discounted Cash Flow Method.

Discounted Cash Flow Method

Estimates the fair market value of the entity considering the future cash flow generation of the Company, as of now. Projected cash flows are discounted using cost of equity, to arrive at the net present value of the investment. Key assumptions used in the Discounted Cash Flow Method are noted below;

- **Forecast Horizon**

  Cash Flows have been forecasted for 5 years, with the terminal value based on an appropriate terminal growth rate in line with the market.

- **Revenue and EBITDA Margins**

  Revenue and EBITDA margins have been adjusted for project specific aspects and the margin projections are based on the extrapolation of existing operations in the market and independent market studies, as applicable, and the performance of similar integrated properties regionally. The cash flows are forecasted under a base case scenario, considering all aspects of the integrated resort offering.

  A minority discount has also been factored in given the Company's shareholding percentage in WPL, which is relatively low on a standalone basis.

- **Discount Rate**

  The discount rate used is the risk free rate, adjusted by the addition of an appropriate risk premium. The cost of equity reflects the current and expected discount rates, while taking into account the long-term nature of the investment.

26 OTHER NON-CURRENT ASSETS

Accounting Policy

Group classifies all non financial non-current assets that are not expected to be realised within twelve months under other non-current assets.

As at 31st March	GROUP		COMPANY	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Prepaid staff cost*	88,535	111,257	17,804	21,191
Deposits	1,106,515	1,015,948	33,897	18,523
Prepaid rent and advances	27,413	2,400	-	-
	1,222,463	1,129,605	51,701	39,714

**Prepaid staff cost represent the prepaid portion of the loans granted to the Staff.*

27 INVENTORIES

Accounting Policy

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price less estimated costs of completion and the estimated costs necessary to make the sale.

Inventory provisions are recognized in cases where the expected net realizable value of inventory is lower than its carrying amount, including provisions for obsolete, slow moving stock and waste. The provision is based on periodical reviews performed by the Group. All inventory provisioning requires a level of judgement on how the condition of inventory is impacted by spoilages, shelf – life of products and other industry compliance requirements.

Inventory	Basis of valuation
Raw materials, machinery spares and other inventories	Actual cost on a weighted average basis
Finished goods, Supermarket inventories and work-in-progress	At the cost of direct materials, direct labour and an appropriate proportion of fixed production overheads based on normal operating capacity but excluding borrowing costs

27 INVENTORIES (CONTD.)

As at 31st March	Notes	GROUP 2025 Rs.'000	GROUP 2024 Rs.'000	COMPANY 2025 Rs.'000	COMPANY 2024 Rs.'000
Raw materials		2,351,807	1,920,859	1,528,108	1,403,735
Work-in-progress		141,212	175,484	86,537	125,462
Finished goods and retail (supermarket) goods		11,287,458	9,696,129	763,205	790,961
Machinery spares		1,056,287	850,647	633,939	505,177
Other inventories		260,205	216,542	39,612	42,602
Provision for slow moving inventories	27.1	(201,744)	(300,317)	(93,324)	(153,098)
		14,895,225	12,559,344	2,958,077	2,714,839

27.1 Movement in the provision for slow-moving inventories

As at 31st March	GROUP 2025 Rs.'000	GROUP 2024 Rs.'000	COMPANY 2025 Rs.'000	COMPANY 2024 Rs.'000
At beginning of the year	300,317	242,227	153,098	81,808
Charge/ (reversal) for the year	(98,573)	58,090	(59,774)	71,290
At end of the year	201,744	300,317	93,324	153,098

28 TRADE AND OTHER RECEIVABLES

A receivable represents the Group's right to an amount of consideration that is unconditional. Trade receivables are non-interest bearing and are generally on terms of 17 to 75 days. In 2025, Rs. 100 million and Rs. 64 million (In 2024, Rs. 102 million and Rs. 68 million) were recognised as provision for expected credit losses on trade receivables by the Group and the Company respectively.

As at 31st March	Notes	GROUP 2025 Rs.'000	GROUP 2024 Rs.'000	COMPANY 2025 Rs.'000	COMPANY 2024 Rs.'000
Trade receivables		8,914,071	7,099,574	4,093,269	3,206,263
Allowance for expected credit loss		(99,913)	(101,519)	(63,977)	(68,460)
		8,814,158	6,998,055	4,029,292	3,137,803
Deposits and other receivables		241,486	105,497	31,271	34,631
Loans to executives	25.2	128,071	120,819	76,576	79,014
		9,183,715	7,224,371	4,137,139	3,251,448

29 OTHER CURRENT ASSETS

Accounting Policy

Group classifies all non financial current assets under other current assets.

As at 31st March	GROUP 2025 Rs.'000	GROUP 2024 Rs.'000	COMPANY 2025 Rs.'000	COMPANY 2024 Rs.'000
Pre-payments	333,471	329,528	9,970	7,224
Advances	701,043	542,287	379,541	425,335
Other receivables	335,091	328,514	59,932	54,173
	1,369,605	1,200,329	449,443	486,732

30 STATED CAPITAL

As at 31st March	GROUP AND COMPANY 2025 Number of shares No. '000	2025 Value of shares Rs.'000	2024 Number of shares No. '000	2024 Value of shares Rs.'000
Fully paid ordinary shares	950,400	918,000	950,400	918,000
Fully paid preference shares	25	200	25	200
		918,200		918,200
Fully paid ordinary shares				
At the beginning of the year	950,400	918,000	950,400	918,000
At the end of the year	950,400	918,000	950,400	918,000
Fully paid preference shares				
At the beginning of the year	25	200	25	200
At the end of the year	25	200	25	200

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

31 REVENUE RESERVES

As at 31st March	GROUP 2025 Rs.'000	GROUP 2024 Rs.'000	COMPANY 2025 Rs.'000	COMPANY 2024 Rs.'000
Retained earnings	18,051,326	16,066,477	11,980,129	11,671,714
	18,051,326	16,066,477	11,980,129	11,671,714

32 OTHER COMPONENTS OF EQUITY

As at 31st March	Notes	GROUP 2025 Rs.'000	GROUP 2024 Rs.'000	COMPANY 2025 Rs.'000	COMPANY 2024 Rs.'000
Revaluation reserve on					
Land	32.1	1,026,360	978,380	1,026,360	978,380
Building	32.1	1,526,539	1,169,220	418,608	385,148
		2,552,899	2,147,600	1,444,968	1,363,528
Employee share option plan reserve	33	803,222	712,608	450,787	408,841
Fair value reserve of financial assets at FVOCI	32.2	1,638,901	605,812	1,638,901	605,812
		4,995,022	3,466,020	3,534,656	2,378,181

32.1 Revaluation reserve consists of the surplus on the revaluation of land and buildings net of deferred tax effect.

32.2 Fair value reserve of financial assets at FVOCI includes changes in fair value of equity instruments, net of deferred tax effect.

33 SHARE-BASED PAYMENT PLANS

Employee Share Option Scheme

Accounting Policy

Employees of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The Group applies SLFRS 2 Share Based Payments in accounting for employee remuneration in the form of shares from 1 April 2013 onwards.

The cost of equity-settled transactions is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The Income Statement expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and service conditions are satisfied.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Employee Share Option Scheme

Accounting Policy

Employee Share Option Scheme

Under the John Keells Group's employees share option scheme (ESOP), share options of the parent are granted to executives of the Group generally with more than 12 months of service. The exercise price of the share options is equal to the 30 day volume weighted average market price of the underlying shares on the date of grant. The share options vest over a period of four years and is dependent on a performance criteria and a service criteria. the performance criteria being a minimum performance achievement of "met expectations" and service criteria being that the employee has to be in employment at the time the share options vest. The fair value of the share options is estimated at the grant date using a binomial option pricing model, taking into account the terms and conditions upon which the share options were granted.

The contractual term for each option granted is five years. there are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options.

Accounting judgements, estimates and assumptions

Estimating fair value for share-based payment transactions require determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires the determination of the most appropriate inputs to the valuation model, including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The John Keells Group measures the cost of equity settled transactions with employees relevant to the entire Group by reference to the fair value of the equity instruments on the date at which they are granted. The same assumptions have been used by the Company as John Keells Group's Employee Share Option Scheme applies to the Company.

The expected life of the share options is based on the historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome either.

The following information were used and results were generated using binomial model for ESOP.

For the year ended 31st March	2025 Plan no 11 Award 3	2024 Plan no 11 Award 2.1	2024 Plan no 11 award 2	2023 Plan no 11 award 1	2022 Plan no 10 award 3	2021 Plan no 10 award 2
Dividend yield (%)	1.46	2.07	2.54	2.90	3.28	3.87
Expected volatility (%)	24.54	25.05	24.99	24.15	22.37	21.35
Risk free interest rate (%)	12.76	14.49	26.92	23.10	8.87	6.44
Expected life of share options (Years)	5.00	5.00	5.00	5.00	5.00	5.00
Weighted average share price at the grant date (LKR)	194.00	158.36	137.83	119.85	132.63	134.74
Weighted average remaining contractual life for the share options outstanding (Years)	3.00	3.00	3.00	3.00	3.00	3.00
Weighted average fair value of options granted during the year (LKR)	64.67	52.79	45.94	39.95	44.21	44.91
Exercise price for options outstanding at the end of the year (LKR)	200.74	145.59	137.86	121.91	136.64	132.86
Exercise price for options outstanding at the end of the year (LKR) *	20.03	14.53	13.76	12.17	13.64	13.26

* Post adjustment for corporate actions and JKH since grant date.

33 SHARE-BASED PAYMENT PLANS (CONTD.)

As at 31st March	GROUP		COMPANY	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
At the beginning of the year	712,608	636,807	408,841	373,966
Share-based payments expense during the year	90,614	75,801	41,946	34,875
At the end of the year	803,222	712,608	450,787	408,841

Movements in the year

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, share options during the year.

For the year ended 31st March	GROUP		COMPANY	
	2025 No.	2025 WAEP	2025 No.	2025 WAEP
Outstanding at 1 April	5,851,003	133.01	2,758,200	134.62
Granted during the year	1,618,400	20.03	753,600	20.03
Transfer in/ (out)	(1,458,264)	13.72	(1,458,264)	13.72
Exercises	(4,116,300)	25.14	(2,913,090)	18.57
Adjusted - sub division	61,026,602	N/A	29,231,157	N/A
Lapses/forfeited	(309,782)	63.47	(147,400)	118.25
Outstanding at 31 March	62,611,659	15.10	28,224,203	15.18
Vested as at 31 March	26,117,812	13.30	11,540,483	13.35

Fair value of the share option and assumptions

The fair value of the share options is estimated at the grant date using a binomial option pricing model, taking into account the terms and conditions upon which the share options were granted. The valuation takes into account factors such as stock price, expected time to maturity, exercise price, expected volatility of share price, expected dividend yield and risk free interest rate.

34 INTEREST-BEARING LOANS AND BORROWINGS

For the year ended 31st March	GROUP		COMPANY	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
34.1 Movements				
At the beginning of the year	7,666,620	9,020,506	989,664	329,202
Cash movements				
Loans obtained	2,562,103	758,212	232,102	758,212
Repayments	(4,572,650)	(2,112,098)	(216,400)	(97,750)
At the end of the year	5,656,073	7,666,620	1,005,366	989,664
34.2 Total Borrowings				
Borrowings under non-current liabilities	3,150,023	3,163,570	624,316	746,614
Borrowings under current liabilities	2,506,050	4,503,050	381,050	243,050
	5,656,073	7,666,620	1,005,366	989,664

34.3 Details of Group's interest bearing loans and borrowings are as follows;

Company	Nature of facility	Interest rate and security	Repayment terms	2025 Rs.'000	2024 Rs.'000
Ceylon Cold Stores PLC	Term loan	Fixed rate on clean basis	48 monthly instalments commencing from August 2022 after one year grace period	81,200	138,800
Ceylon Cold Stores PLC	Term loan	Fixed rate on clean basis	48 monthly instalments commencing from October 2022 after one year grace period	48,852	92,652
Ceylon Cold Stores PLC	Term loan	Monthly AWPLR on clean basis	48 monthly instalments commencing from October 2024 after one year grace period	875,314	758,212
Jaykay Marketing Services (Pvt) Ltd	Term loan	Fixed rate on clean basis	20 equal quarterly instalments	600,000	1,400,000
	Term loan	Fixed rate on clean basis	20 equal quarterly instalments	400,000	900,000
	Term loan	Fixed rate on clean basis	Repayment on maturity	-	2,000,000
	Term loan	Fixed rate on clean basis	Repayment on maturity	2,000,000	-
	Term loan	Fixed rate on clean basis	24 equal monthly instalments	233,750	-
LogiPark International (Pvt) Ltd	Term loan	3 months Cost of funds plus margin and mortgage over the property - Rs. 3,825 million (2024 - Rs. 3,832 million)	15 equal quarterly instalments after one year grace and the final payment to be paid in the 58th Month	1,416,957	2,376,956
				5,656,073	7,666,620

35 EMPLOYEE BENEFIT LIABILITIES

Accounting Policy

Employee contribution plans - Employees' Provident Fund and Employees' Trust Fund

Employees are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contributions in line with respective statutes and regulations. The Group contributes the defined percentages of gross emoluments of employees to an approved Employees' Provident Fund and to the Employees' Trust Fund respectively, which are externally funded.

Employee Defined Benefit Plan - Gratuity

The liability recognised in the Statement of Financial Position is the present value of the defined benefit obligation at the reporting date using the projected unit credit method. Any actuarial gains or losses arising are recognised immediately in Statement of Comprehensive Income under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service. The obligation is not externally funded.

As at 31st March	Notes	GROUP 2025 Rs.'000	GROUP 2024 Rs.'000	COMPANY 2025 Rs.'000	COMPANY 2024 Rs.'000
35.1 Employee benefit liabilities					
Employee defined benefit plan - gratuity	35.3	1,068,555	1,087,876	525,643	575,183
At the end of the year		1,068,555	1,087,876	525,643	575,183

As at 31st March	Notes	GROUP 2025 Rs.'000	GROUP 2024 Rs.'000	COMPANY 2025 Rs.'000	COMPANY 2024 Rs.'000
35.2 Total employee benefit provisions and related costs					
Employee defined benefit plan - gratuity	35.3	226,514	252,010	99,858	112,007
		226,514	252,010	99,858	112,007

As at 31st March	Note	GROUP 2025 Rs.'000	GROUP 2024 Rs.'000	COMPANY 2025 Rs.'000	COMPANY 2024 Rs.'000
35.3 Employee defined benefit plan - gratuity					
At the beginning of the year		1,087,876	754,113	575,183	398,975
Current service cost		100,500	105,186	30,836	34,207
Interest cost on benefit obligation		126,014	146,824	69,022	77,800
		226,514	252,010	99,858	112,007
Acquisition of a PET bottling and can manufacturing facility	8.1	-	435	-	435
Transfers in / (out)		(1,118)	5,449	1,653	5,621
Payments		(91,799)	(87,829)	(57,187)	(46,696)
		(92,917)	(82,380)	(55,534)	(41,075)
(Gain)/loss arising from changes in assumptions		(152,918)	163,698	(93,864)	104,841
At the end of the year	35.1	1,068,555	1,087,876	525,643	575,183
The expenses are recognised in the Income Statement in the following line items;					
Cost of sales		112,687	120,961	51,158	58,251
Selling and distribution expenses		27,107	30,061	27,007	30,061
Administrative expenses		86,720	100,988	21,693	23,695
	35.2	226,514	252,010	99,858	112,007

The employee benefit liabilities of the Group is based on the actuarial valuations carried out by Messrs. Smiles Global (Pvt) Ltd.

35.4 Accounting judgments, estimates and assumptions

Employee benefit liability - gratuity

The employee benefit liability of the Group is based on the actuarial valuation carried out by an independent actuarial specialist. The actuarial valuations involve making assumptions about discount rates and future salary increases. The complexity of the valuation, the underlying assumptions and its long term nature, the defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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

	GROUP		COMPANY	
For the year ended 31st March	2025	2024	2025	2024
Discount rate	9%-11%	11%-12%	11%	12%
Future salary increases				
Executives	6%	12%	6%	12%
Non-Executives	6%	12%	6%	12%
Retirement Age;				
Executive staff and sales representative				
As on 17 Nov 2021, employees who have attained the age of;				
Less than 52 years	60 years	60 years	60 years	60 years
53 years	59 years	59 years	59 years	59 years
54 years	58 years	58 years	58 years	58 years
55 years	57 years	57 years	57 years	57 years
Clerical and factory staff	60 years	60 years	60 years	60 years

The Management tested several scenario based calculations on possible changes of the assumptions due to the prevailing macroeconomic conditions. Based on those calculations, the management has concluded that there is no material impact to retirement benefit obligations liability of the Group and the Company.

35.5 Sensitivity of assumptions used

A percentage point change in the assumptions would have the following effects to employee benefit plan - gratuity;

	GROUP		COMPANY	
As at 31st March	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Discount rate				
1% Increase	(33,414)	(40,405)	(17,933)	(23,049)
1% Decrease	35,800	43,785	19,260	25,022
Salary increment rate				
1% Increase	39,715	46,516	21,702	27,031
1% Decrease	(37,634)	(43,654)	(20,499)	(25,307)

35.6 Maturity analysis of the payments

The following payments are expected on employee benefit liabilities in future years

For the year ended 31st March	GROUP 2025 Rs.'000	GROUP 2024 Rs.'000	COMPANY 2025 Rs.'000	COMPANY 2024 Rs.'000
Within the next 12 months	31,715	36,177	31,351	34,583
Between 1 and 5 years	818,401	758,505	300,613	271,172
Between 5 and 10 years	218,439	289,747	193,679	266,128
Beyond 10 years	-	3,447	-	3,300
Total expected payments	1,068,555	1,087,876	525,643	575,183
Weighted average duration (years) of defined benefit obligation	4.66	6.19	6.26	6.58

36 OTHER NON-CURRENT LIABILITIES

Accounting Policy

The Group classifies all non-financial non-current liabilities which comprises distributor deposits under other non-current liabilities.

Deposit on returnable containers and crates represents the cash deposits collected from distributors when issuing returnable containers and crates by the Company. At the time of termination of a distributor the deposit is refunded in case the returnable containers and crates were returned to the Company or the deposit was forfeited to the extent the returnable containers and crates were not returned to the Company. At each reporting date, the Company evaluates the liability based on a mathematical formula that considers the tenure of the distributorship and number of return crates and containers. Any difference between the calculated liability and the book balance is transferred to the Income Statement.

As at 31st March	Note	GROUP 2025 Rs.'000	GROUP 2024 Rs.'000	COMPANY 2025 Rs.'000	COMPANY 2024 Rs.'000
Deposits with the Company	36.1	125,689	111,259	125,689	111,259
		125,689	111,259	125,689	111,259

As at 31st March	GROUP		COMPANY	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
36.1 Deposits with the Company				
At the beginning of the year	111,259	104,035	111,259	104,035
Deposits received during the year	13,354	25,254	13,354	25,254
Deposits settled during the year	(13,941)	(35,800)	(13,941)	(35,800)
Charge during the year*	15,017	17,770	15,017	17,770
	125,689	111,259	125,689	111,259

*During the year 2024/25, a detailed analysis was undertaken by the management to establish the liability considering the past data relating to distributor termination, refund and forfeiture of deposits. A mathematical formula was derived from this analysis taking into consideration the tenure of distributorship and the number of returnable containers and crates returned at the point of distributor termination. The liability calculated based on this model was compared against the balance as per the books of accounts. The difference arising out of this was transferred to the Income Statement.

37 TRADE AND OTHER PAYABLES

Accounting Policy

Trade payables are the aggregate amount of obligations to pay for goods or services, that have been acquired in the ordinary course of business. Trade payables are classified as current liabilities if payment is due within one year. Trade and other payables are normally non-interest bearing and settled within one year.

As at 31st March	GROUP		COMPANY	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Trade payables	16,783,557	13,775,679	781,631	656,127
Accrued expenses	2,243,556	2,068,526	925,444	591,842
Sundry creditors and other payables	1,829,846	1,607,137	1,084,748	1,024,061
	20,856,959	17,451,342	2,791,823	2,272,030

38 OTHER CURRENT LIABILITIES

Accounting Policy

The Group classifies all non-financial current liabilities under other current liabilities.

As at 31st March	GROUP		COMPANY	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Other taxes payable	1,328,886	1,295,783	813,484	665,895
Other payables*	389,292	345,098	-	-
Contract liabilities**	423,664	378,943	-	-
	2,141,842	2,019,824	813,484	665,895

*Other payables consists of loyalty awards points payable to customers, by the supermarket segment of the Group.

**Contract liabilities include gift vouchers sold to customers by the supermarket segment of the Group.

The Group operates the Nexus loyalty programme where customers accumulate points for purchases made which entitle them to redeem such points on future purchases. The cost of Nexus loyalty points is a part of the fair value of the consideration received and recognised as a liability and subsequently recognised as revenue over the period that the award points are redeemed. The value of points awarded is treated as a deduction from revenue. Nexus membership is valid for a period of 3 years and if a member fails to renew his membership within 3 months from such expiry, his/her entitlement to reward points would be null and void.

39 SHORT-TERM BORROWINGS

Accounting Policy

Short-term borrowings are interest-bearing borrowings of the Group which fall due within 12 months from the end of the financial year. These are obtained for working capital requirements.

As at 31st March	GROUP		COMPANY	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Bank borrowings*	1,318,487	900,000	-	500,000
	1,318,487	900,000	-	500,000

*The movement during the year is reflected in the Statement of Cash Flows under financing activities on a net basis since the turnover is quick, the amounts are large, and maturities are short.

40 RELATED PARTY TRANSACTIONS

Accounting Policy

Terms and conditions of transactions with related parties

The Group and Company carried out transactions in the ordinary course of business on an arm's length basis with the related entities.

Outstanding current account balances at year end are unsecured, interest free and settlement occurs in cash.

The governance structure, nature of the entity's relationships, principal place of business and the country of incorporation have been disclosed in the "Report of the Related Party Transaction Review Committee" under the Corporate Governance section and Corporate information in Note 1 to the Financial Statements.

Non-recurrent related party transactions

There were no non-recurrent related party transactions of which the aggregate value exceeds 10% of the equity or 5% of the total assets whichever is lower of the Group's Consolidated Audited Financial Statements as at 31st March 2024, which requires additional disclosures in this Annual Report under Colombo Stock Exchange Listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

Recurrent related party transactions

There were no recurrent related party transactions which in aggregate value exceeds 10% of the consolidated revenue of the Group as per 31 March 2024 audited Financial Statements, which requires additional disclosures in the 2024/25 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission directive issued under Section 13(c) of the Securities and Exchange Commission Act.

As at 31st March	Note	GROUP 2025 Rs.'000	GROUP 2024 Rs.'000	COMPANY 2025 Rs.'000	COMPANY 2024 Rs.'000
40.1 Amounts due from related parties					
Entity including its affiliated entities with significant influence over parent		35,849	63,754	-	-
Ultimate Parent		-	-	-	-
Subsidiaries		-	-	300,278	243,137
Companies under common control		17,847	30,925	28,775	14,535
Equity accounted investees of Ultimate Parent		3,477	65,536	-	-
Key management personnel		-	-	-	-
	40.3	57,173	160,215	329,053	257,672

As at 31st March	Note	GROUP 2025 Rs.'000	GROUP 2024 Rs.'000	COMPANY 2025 Rs.'000	COMPANY 2024 Rs.'000
40.2 Amounts due to related parties					
Entity including its affiliated entities with significant influence over parent		492,368	416,116	275,993	280,147
Ultimate Parent		218,202	624,617	24,670	156,767
Companies under common control		281,668	282,891	16,002	13,306
Equity accounted investees of Ultimate Parent		1,732	-	-	-
Key management personnel		-	-	-	-
	40.4	993,970	1,323,624	316,665	450,220

No provision has been made in respect of related party receivables. Jaykay Marketing Services (Pvt) Ltd has provided a guarantee amounting to Rs. 1,147 million (2024 - Rs. 2,377 million) to Hongkong & Shanghai Banking Corporation Ltd on behalf of a term loan facility obtained by LogiPark International (Pvt) Ltd.

As at 31st March	GROUP		COMPANY	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000

40.3 Amounts Due from Related Parties

Entity including its affiliated entities with significant influence over parent	35,849	63,754	-	-
Ultimate Parent				
John Keells Holdings PLC	-	-	-	-
Subsidiaries				
Jaykay Marketing Services (Pvt) Ltd	-	-	214,478	180,679
The Colombo Ice Company (Pvt) Ltd	-	-	85,505	62,346
LogiPark International (Pvt) Ltd	-	-	295	112
Companies Under Common Control				
Asian Hotels & Properties PLC	-	-	-	557
Beruwala Holiday Resorts (Pvt) Ltd	99	1,556	-	1,410
British Overseas (Pvt) Ltd	-	1,049	-	-
Ceylon Holiday Resorts Ltd	886	-	-	-
Colombo West International (Pvt) Ltd	53	149	-	-
Habarana Lodge Ltd	1	752	-	751
Habarana Walk Inn Ltd	-	489	-	489
Hikkaduwa Holiday Resorts (Pvt) Ltd	434	1,473	-	771
Indra Hotels & Resorts Kandy (Pvt) Ltd	2	-	-	-
Inchcape Mackinnon Mackenzie (Pvt) Ltd	7	-	-	-
John Keells International (Pvt) Ltd	-	1	-	-
John Keells Office Automation (Pvt) Ltd	-	-	-	141
John Keells PLC	14	-	-	-
John Keells Teas Ltd	1	1	-	-
John Keells Warehousing (Pvt) Ltd	1	1	-	-
Kandy Walk Inn Ltd	876	2,332	-	443
Keells Food Products PLC	-	-	27,420	7,863
Keells Hotel Management Services (Pvt) Ltd	-	132	-	-
Lanka Marine Services Ltd	6	-	-	-
Mack Air (Pvt) Ltd	2	2	-	-
Rajawella Holdings Ltd	981	3,128	-	-
Sancity Hotels & Properties Ltd	368	694	-	459
Tea Small Holder Factories PLC	-	4	-	-
Trans Asia Hotel PLC	2,504	4,421	1,355	1,352
Trinco Holiday Resorts (Pvt) Ltd	-	352	-	299
Tranquility Private Ltd	5,492	7,184	-	-
Travel Club (Pvt) Ltd	5,389	5,698	-	-
Union Assurance PLC	731	1,374	-	-
Waterfront properties (Pvt) Ltd	-	99	-	-
Whittall Boustead (Travel) Ltd	-	5	-	-
Yala Village (Pvt) Ltd	-	29	-	-
Equity Accounted Investees of Ultimate Parent				
Fairfirst Insurance Ltd	67	-	-	-
John Keells CG Auto (Pvt) Ltd	-	61,925	-	-
DHL Keells (Pvt) Ltd	1,649	1,280	-	-
Nations Trust Bank PLC	1,761	2,331	-	-
	57,173	160,215	329,053	257,672

As at 31st March	GROUP 2025 Rs.'000	GROUP 2024 Rs.'000	COMPANY 2025 Rs.'000	COMPANY 2024 Rs.'000
40.4 Amounts Due to Related Parties				
Entity including its affiliated entities with significant influence over parent	492,368	416,116	275,993	280,147
Ultimate Parent				
John Keells Holdings PLC	218,202	624,617	24,670	156,767
Subsidiary				
Jaykay Marketing Services (Pvt) Ltd	-	-	-	-
The Colombo Ice Company (Pvt) Ltd	-	-	-	-
LogiPark International (Pvt) Ltd	-	-	-	-
Companies Under Common Control				
Asian Hotels & Properties PLC	15,481	7,328	-	-
Cinnamon Hotel Management Ltd	208	-	-	-
Infomate (Pvt) Ltd	11,728	5,877	15	1,363
John Keells Information Technology (Pvt) Ltd	2,366	987	-	491
John Keells Logistics (Pvt) Ltd	19,576	56,527	8,903	7,559
John Keells Office Automation (Pvt) Ltd	22,680	12,123	1,046	-
John Keells Foundation	-	6,104	-	-
Keells Consultants (Pvt) Ltd	71	51	-	-
Keells Food Products PLC	189,481	174,840	-	-
Mack International Freight (Pvt) Ltd	-	6,691	-	450
Mackinnons Travels (Pvt) Ltd	4,597	64	21	-
Walkers Tours Ltd	158	347	-	-
Waterfront Properties (Pvt) Ltd	5,640	-	5,798	-
Whittall Boustead (Pvt) Ltd	9,569	11,952	219	3,443
Yala Village (Pvt) Ltd	113	-	-	-
Equity Accounted Investees of Ultimate Parent				
John Keells CG Auto (Pvt) Ltd	1,732	-	-	-
	993,970	1,323,624	316,665	450,220

The Group and the Company held interest-bearing deposits of Rs. 14.8 million (2024 - Rs. 18.6 million) and Rs. 12 million (2024 - Rs. 9 million) respectively, at Nations Trust Bank PLC as at 31st March 2025. The Group did not hold any short-term borrowings as at 31st March 2025 with Nations Trust Bank PLC. The Group and the Company utilised overdraft facilities of Rs. 5.5 million (2024 - Rs. 338 million) and Rs. Nil (2024 - Rs. 338 million) respectively from Nations Trust Bank PLC as at 31st March 2025.

The Group carried out transactions in the ordinary course of business at arm's length basis with the following related entities.

	GROUP		COMPANY	
For the year ended 31st March	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
40.5 Transactions with Related Parties				
Entity including its affiliated entities with significant influence over parent				
Sales of goods	-	4,015	-	-
Purchase of goods	3,999,195	1,759,263	2,099,102	990,258
Rendering of services	53,250	57,745	-	-
Ultimate Parent - John Keells Holdings PLC				
Sale of goods	1,763	943	-	-
Receiving of services	696,587	693,302	219,527	189,215
Purchase of intangible assets	313,246	350,232	42,603	174,360
Subsidiaries				
Sales of goods	-	-	1,288,148	1,186,967
Purchase of goods	-	-	306,906	412,443
Receiving of services	-	-	89,100	87,061
Rendering of services	-	-	357,109	262,975
Royalty income	-	-	417,678	344,687
Dividend received	-	-	2,346,694	1,119,787
Companies Under Common Control				
Sales of goods	323,457	383,605	11,378	43,027
Purchase of goods	1,594,186	1,425,459	147	795
Purchase of property, plant and equipment / Intangible assets	92,095	73,514	18,638	-
Rendering of services	84,143	74,002	72,118	45,150
Receiving of Services	695,033	801,377	136,963	92,669
Franchise Income Received	13,538	17,934	13,538	17,934
Key Management Personnel (KMP)				
Sale of goods	-	-	-	-
Close Family Members of KMP				
Sale of goods	-	-	-	-
Post Employment Benefit Plan				
Contributions to the provident fund	210,896	164,714	188,858	145,519

For the year ended 31st March	GROUP		COMPANY	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
40.6 Transactions with related parties - Equity accounted investees of ultimate parent				
Sales of goods	29,328	10,866	-	-
Rendering of services	9,460	21	-	-
Receiving Services	112,225	114,364	86,340	85,531
Interest paid	(7,597)	(95,103)	(4,717)	(23,017)
Rent received	11,108	14,985	-	-

40.7 Compensation of key management personnel

Key management personnel include members of the Board of Directors of the Group.

For the year ended 31st March	GROUP		COMPANY	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Short-term employee benefits	293,925	214,661	146,174	107,637
Post employee benefits	4,989	4,430	2,411	2,144
Share based payment	29,587	39,853	14,402	19,294
	328,501	258,944	162,987	129,075

41 CONTINGENT LIABILITIES

Accounting Policy

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain

The expense relating to any provision is presented in the Income Statement net of any reimbursement.

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

All contingent liabilities are disclosed as a note to the Financial Statements unless the outflow of resources is remote. A contingent liability recognised in a business combination is initially measured at its fair value.

Subsequently, it is measured at the higher of:

- The amount that would be recognised in accordance with the general guidance for provisions above (LKAS 37) or
- The amount initially recognised less, when appropriate, cumulative amount of income recognised in accordance with the principles of SLFRS 15 - Revenue from contracts with customers. Contingent assets are disclosed, where inflow of economic benefit is probable.

The contingent liability of the Company as at 31 March 2025, relates to the following;

Income tax assessments relating to years of assessments 2011/12, 2012/2013 and 2013/2014

Assessments were raised by the IRD in November 2014, November 2015 and May 2016 assessing the income from write back of deposits on returnable containers and crates amounting to Rs. 202 million, Rs. 43 million and Rs. 41 million respectively. The Company has lodged valid appeals against the assessments raised and is contesting these under the appellate procedure. Having discussed with independent legal and tax experts and based on the information available, the contingent liability as at 31 March 2025 is estimated at Rs.36.5 million (2024 - Rs.36.5 million).

Other than the above there were no other contingent liabilities for the Group at the end of the reporting period.

42 CAPITAL AND OTHER COMMITMENTS

Capital commitments approved and contracted but not provided for as at the reporting date is as follows.

	GROUP		COMPANY	
As at 31st March	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Approved and contracted but not provided	4,278,880	2,809,676	646,225	896,495
Total	4,278,880	2,809,676	646,225	896,495

43 EVENTS AFTER THE REPORTING PERIOD

There were no material events occurring after reporting period that required adjustment to or disclosure to the Financial Statements other than following.

The Board of Directors has approved the payment of a final dividend of Rs. 1.99 per share to be paid on or before 11th June 2025.

As required by section 56 (2) of the Companies Act, No. 07 of 2007, 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, and has obtained a certificate from the auditors, prior to approving the final dividend.

In accordance with LKAS 10, Events after the reporting period, the final dividend has not been recognised as a liability in the Financial Statements as at 31 March 2025.

YOUR SHARE IN DETAIL

Ordinary Shareholding

Number of Ordinary Shares	950,400,000

Distribution of Shareholders

Shareholding Range	31st March 2025			31st March 2024		
	No. of Shareholders	No. of Shares Held	%	No. of Shareholders	No. of Shares Held	%
Less than or equal to 1,000	2,210	563,697	0.06	1,765	483,118	0.05
1,001 to 10,000	1,044	4,447,903	0.47	982	4,356,203	0.46
10,001 to 100,000	534	19,405,692	2.04	522	19,103,136	2.01
100,001 to 1,000,000	214	61,905,913	6.51	208	59,965,357	6.31
Over 1,000,001	26	864,076,795	90.92	27	866,492,186	91.17
	4,028	950,400,000	100.00	3,504	950,400,000	100.00

Shareholding Range	31st March 2025			31st March 2024		
	No. of Shareholders	No. of Shares Held	%	No. of Shareholders	No. of Shares Held	%
John Keells Holdings & Subsidiaries	2	773,212,040	81.36	2	773,212,040	81.36
Others	4,026	177,187,960	18.64	3,502	177,187,960	18.64
Total	4,028	950,400,000	100.00	3,504	950,400,000	100.00
Sri Lankan Residents	3,899	873,784,267	91.94	3,372	865,752,503	91.09
Non-Residents	129	76,615,733	8.06	132	84,647,497	8.91
Total	4,028	950,400,000	100.00	3,504	950,400,000	100.00
John Keells Holdings & Subsidiaries	2	773,212,040	81.36	2	773,212,040	81.36
Directors and Spouses	4	904,040	0.09	6	901,820	0.09
Public	4,022	176,283,920	18.55	3,496	176,286,140	18.55
Total	4,028	950,400,000	100.00	3,504	950,400,000	100.00

**Percentage of the shares held by the public as at 31st March 2025 is 18.55%. Company had a float adjusted market capitalisation of Rs. 14.5 billion and 4,022 public shareholders as at 31st March 2025. Thus the Company is compliant under option 1 of the minimum threshold requirements for the Main Board of the CSE, as per section 7.13 of the Listing Rules of the CSE.*

TOP 20 SHAREHOLDERS

	As at 31 March	2025		2024	
		No. of Shares Held	No. of Shares Held	No. of Shares Held	% of Issued Capital
1	John Keells Holdings PLC	671,558,120	70.66	671,558,120	70.66
2	Whittall Boustead (Pvt) Ltd	101,653,920	10.70	101,653,920	10.70
3	GF Capital Global Ltd	22,542,410	2.37	21,592,410	2.27
4	BBH Lux fidelity Funds-Pacific Fund	17,686,730	1.86	17,686,730	1.86
5	JPMCB NA- Fidelity Asian Values PLC	7,726,110	0.81	7,726,110	0.81
6	BBH-Redwheel Frontier Markets Equity Master Fund Limited	6,213,331	0.65	6,213,331	0.65
7	Seylan Bank PLC/ARRC Capital (Pvt) Ltd	5,451,076	0.57	-	-
8	Caceis Bank, Luxembourg Branch	3,750,107	0.39	3,285,284	0.35
9	Sisira Investors Ltd	2,591,320	0.27	2,591,320	0.27
10	J.B. Cocoshell (Pvt) Ltd	2,429,665	0.26	1,950,379	0.21
11	Life Insurance Corporation (Lanka) Ltd	1,744,120	0.18	1,944,120	0.20
12	Est. of Late M Radhakrishnan (Deceased)	1,692,560	0.18	1,692,560	0.18
13	Mrs. J R Printer (Deceased)	1,679,360	0.18	1,679,360	0.18
14	Hatton National Bank PLC-Senfin Growth Fund	1,627,050	0.17	1,627,050	0.17
15	Mr. H Yusoof	1,600,000	0.17	-	-
16	Merrill J Fernando & Sons (Pvt) Ltd	1,508,480	0.16	1,508,480	0.16
17	Hatton National Bank PLC - Capital Alliance Quantitative Equity Fund	1,498,448	0.16	-	-
18	Deutsche Bank AG As Trustee For JB Vantage Value Equity Fund	1,411,390	0.15	1,411,390	0.15
19	Commercial Bank of Ceylon PLC A/C No. 03	1,375,000	0.14	669,340	0.07
20	Mr. M V Theagarajah	1,335,480	0.14	1,335,480	0.14

As at 31 March	2025		2024	
SHARE PRICES (Rs.)				
Beginning of the year	53.90		40.00	
Highest for year	93.40	(03.02.2025)	57.50	(14.03.2024)
Lowest for year	49.50	(10.09.2024)	37.50	(23.05.2023)
As at 31 March	82.00		53.90	

DECADE AT A GLANCE

GROUP

Year ended 31st March	2025 Rs.`000	2024 Rs.`000	2023 Rs.`000	2022 Rs.`000	2021 Rs.`000	2020 Rs.`000	2019 Rs.`000	2018 Rs.`000	2017 Rs.`000	2016 Rs.`000
Trading results										
Gross revenue*	181,031,936	155,714,027	137,368,442	89,238,849	72,571,919	73,924,033	64,880,330	56,744,775	48,043,180	37,632,551
Profit from operating activities	11,313,796	8,155,396	6,185,004	4,744,285	4,112,478	4,786,077	2,605,644	3,640,211	4,788,129	3,928,389
Profit before taxation	9,002,047	4,930,890	2,239,384	2,781,776	2,374,533	3,067,185	2,042,648	3,750,358	5,089,748	4,052,469
Taxation	(3,044,381)	(1,504,038)	273,284	(713,728)	(36,278)	(931,971)	(732,483)	(1,182,903)	(1,536,845)	(1,177,596)
Profit after taxation	5,957,666	3,426,852	2,512,668	2,068,048	2,338,255	2,135,214	1,310,165	2,567,455	3,552,903	2,874,873
As at 31 March										
Assets, equity and liabilities										
Property, plant & equipment	29,967,041	27,745,731	27,250,176	25,579,561	22,289,230	20,136,947	18,121,188	12,868,657	8,107,133	6,122,560
Investment property	691,126	667,741	645,872	317,250	300,295	296,422	254,034	228,601	207,042	111,404
Investment in associate	-	-	-	-	-	-	-	-	6,029,201	5,886,679
Right of Use Assets - Leasehold Properties	10,540,072	10,016,369	9,771,877	10,103,030	9,567,318	7,997,183	-	-	-	-
Other non-current assets	13,342,271	11,885,178	11,632,363	11,331,951	10,292,030	8,932,928	9,110,722	6,788,933	1,063,349	657,420
Total non-current assets	54,540,510	50,315,019	49,300,288	47,331,792	42,448,873	37,363,480	27,485,944	19,886,191	15,406,725	12,778,063
Net current assets	(10,915,916)	(11,985,063)	(10,621,937)	(8,233,402)	(9,330,268)	(10,531,394)	(8,314,480)	(2,154,067)	(375,187)	906,782
	43,624,594	38,329,956	38,678,351	39,098,390	33,118,605	26,832,086	19,171,464	17,732,124	15,031,538	13,684,845
Long term right of use Lease Liability	11,383,724	10,689,948	9,963,144	9,927,569	8,827,562	7,392,687	-	-	-	-
Long-term interest-bearing loans and borrowings	3,150,023	3,163,570	6,850,410	8,307,738	5,141,667	958,333	1,458,333	1,958,333	129,525	15,000
Other non-current liabilities	5,126,298	4,025,742	2,787,334	2,755,929	2,366,706	2,674,490	2,313,173	2,091,018	1,712,615	1,324,114
Net assets	23,964,548	20,450,697	19,077,463	18,107,154	16,782,670	15,806,576	15,399,958	13,682,773	13,189,398	12,345,731
Represented by										
Stated capital	918,200	918,200	918,200	918,200	918,200	918,200	918,200	918,200	918,200	918,200
Capital reserves	4,995,022	3,466,020	3,627,342	3,876,658	3,501,719	3,200,137	3,029,785	1,196,142	2,168,837	1,682,641
Retained profits	18,051,326	16,066,477	14,531,921	13,312,296	12,362,751	11,688,239	11,451,973	11,568,431	10,102,361	9,744,890
Shareholder's funds	23,964,548	20,450,697	19,077,463	18,107,154	16,782,670	15,806,576	15,399,958	13,682,773	13,189,398	12,345,731

**Gross revenue includes output VAT*

KEY FIGURES & RATIOS

RATIOS & OTHER INFORMATION - GROUP

Year ended 31st March	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Dividend per Share (Rs.) - Paid	4.30	1.87	1.19	1.20	1.70*	20.00	15.00	15.00	32.00	18.00
Dividend Payout (%)	68.60	51.84	44.91	55.15	69.10	89.02	108.77	55.53	85.61	59.51
Net Assets per Share (Rs.) **	25.22	21.52	20.07	19.05	17.66	16.63	16.20	14.40	13.88	12.99
Market Value per Share (Rs.)	82.00	53.90	40.00	38.90	62.18*	655.00	575.00	950.00	811.00	430.00
Debt / Equity Ratio (%)	66.78	82.32	118.02	98.92	145.88	129.32	71.61	40.50	7.57	5.41
Interest Cover (No. of Times)	4.67	2.43	1.51	2.32	2.29	2.62	4.03	113.50	701.08	336.57
Earnings per Share (Rs.)	6.27	3.61	2.64	2.18	2.46*	22.47	13.79	27.01	37.38	30.25
Price Earnings Ratio (No.of Times)	13.08	14.95	15.13	17.88	25.27	29.15	41.70	35.17	21.70	14.22
Current Ratio (No.of Times)	0.71	0.66	0.68	0.66	0.57	0.51	0.55	0.82	0.95	1.15
Return on Total Assets (%)	7.66	4.71	3.72	3.49	4.53	4.98	3.90	9.87	16.80	15.83
Return on Equity (%)	26.72	17.23	13.40	11.76	14.33	13.41	8.84	18.85	26.95	24.53
Dividend Yield (%)	5.24	3.47	2.97	3.08	2.73	3.05	2.61	1.58	3.95	4.19
Earnings Yield (%)	7.64	6.69	6.61	5.59	3.96	3.43	2.40	2.84	4.61	7.03

**Adjusted for the 2021/22 share sub-division*

***Net Asset per share has been calculated for all periods, based on the number of shares in issue as at 31st March 2025.*

GROUP REAL ESTATE PORTFOLIO

Owning Company & Location	No. of Buildings	Buildings in (Sq. ft)	Freehold Land in Acres	Leasehold Land in Acres	2025 NBV Rs. '000	2024 NBV Rs. '000
Ceylon Cold Stores PLC						
Ranala	20	403,221	27.35	-	2,473,016	2,363,346
Trincomalee	3	18,102	1.09	-	377,100	358,353
Kotagala	6	13,354	-	0.71	110,183	109,431
Colombo	1	10,646	-	-	441,227	-
Ittapana	3	26,416	5.02	-	373,860	235,780
Jaykay Marketing Services (Pvt) Ltd						
Improvements to buildings on leasehold properties	139	1,563,650	-	126.28	19,586,024	18,550,028
The Colombo Ice Company (Pvt) Ltd						
Avissawella	9	182,937	-	9.30	1,866,765	1,827,724
Kotagala	1	1,176	-	0.03	5,677	7,656
LogiPark International (Pvt) Ltd						
Kerawalapitiya	1	260,000	-	9.36	2,736,729	2,773,515
Consolidated value of land and buildings, right-use assets and investment properties	183	2,479,502	33.46	145.68	27,970,581	26,225,833

GLOSSARY OF FINANCIAL TERMINOLOGY

A

ACCRUAL BASIS
Recording Revenues and Expenses in the period in which they are earned or incurred regardless of whether cash is received or disbursed in that period

ASSET TURNOVER
Revenue divided by Average Total Assets

C

CAPITAL EMPLOYED
Shareholders' funds plus non-controlling interests and debt including lease liabilities.

CURRENT RATIO
Current Assets divided by Current Liabilities

D

DEBT / EQUITY RATIO
Total Debt as a percentage of Shareholders' Funds

DIVIDEND PAYABLE
Final Dividend per Share multiplied by the latest available total number of Shares as at the reporting date

DIVIDENDS PER SHARE - PAID
Gross Dividends paid to Ordinary Shareholders divided by number of Ordinary Shares issued

DIVIDEND COVER
Earnings per Share divided by Dividend per Share

DIVIDEND PAYOUT RATIO
Total Dividend paid as a percentage of Consolidated Profits

DIVIDEND YIELD
Dividend per Share as a percentage of Market Price per Share at the end of the period

E

EARNINGS PER SHARE (EPS)
Profit Attributable to Equity Holders of the Parent divided by the Weighted Average number of Ordinary Shares in issue during the period

EARNINGS YIELD
Earnings per Share as a percentage of Market Price per Share at the end of the period

EBIT
Earnings Before Interest and Tax (includes other operating income)

EBIT MARGIN
EBIT divided by Turnover

EBITDA
Earnings Before Interest, Tax, Depreciation and Amortisation (Including Other Operating Income and excluding exchange gain/loss).

EFFECTIVE RATE OF TAXATION
Income Tax Including Deferred Tax over Profit Before Tax

ENTERPRISE VALUE
Market Capitalisation + Debt including lease liabilities - Cash

F

FVOCI
Fair Value through Other Comprehensive Income

I

INTEREST COVER
Profit on Operating Activities over Finance Expenses.

L

LONG-TERM DEBT TO TOTAL DEBT
Long-Term Loans as a percentage of Total Debt

M

MARKET CAPITALISATION
Number of Shares in Issue at end of the period multiplied by the Market Price per Share at the end of the period

MARKET VALUE ADDED
Market Capitalisation - Shareholders' Funds

N

NET ASSETS
Total Assets - Current Liabilities - Long Term Liabilities - Minority Interest

NET ASSET PER SHARE
Net Assets divided by Number of Ordinary Shares in Issue at the end of the period

NET DEBT
Total Debt - (Cash in Hand and at Bank + Short-Term Investments)

NET PROFIT MARGIN
Profit After Tax Attributable to Equity Holders of the Parent divided by Total Revenue

NET WORKING CAPITAL
Current Assets - Current Liabilities

P

PRICE EARNINGS RATIO
Market Price of the Share at the end of the period divided by Earnings per Share

PRICE TO BOOK RATIO
Market Price per Share over Net Asset Value per Share

PUBLIC HOLDING
Percentage of Shares held by the Public calculated as per the Colombo Stock Exchange Listing Rules as at the date of the Report

Q

QUICK RATIO
Cash + Short-Term Investments + Trade and Other Receivables divided by Current Liabilities

R

RETURN ON ASSETS (ROA)
Profit After Tax divided by Average Total Assets

RETURNS TO CAPITAL PROVIDERS
Dividend paid and interest expense incurred during the year

RETURN ON EQUITY (ROE)
Consolidated Profit After Tax (excluding investment property gain) as a percentage of Average Shareholders' Funds

RETURN ON CAPITAL EMPLOYED (ROCE)
Earnings Before Interest and Tax as a percentage of Capital Employed

S

SHAREHOLDERS' FUNDS
Total of Issued and Fully Paid Share Capital, Capital Reserves and Revenue Reserves

T

TOTAL ASSETS
Fixed Assets + Investments + Non-Current Assets + Current Assets

TOTAL DEBT / TOTAL BORROWINGS
Long and short-term loans, including overdrafts, but excluding lease liabilities

TOTAL DEBT / TOTAL ASSETS
Total Debt divided by Total Assets

W

WORKING CAPITAL
Trade Receivables + Inventory + Amount due from Related Parties - Trade and Other Payables - Amount due to Related Parties

NOTES

NOTES

NOTICE OF MEETING

Notice is hereby given that the 128th Annual General Meeting (Meeting) of Ceylon Cold Stores PLC (Company) will be held as a virtual meeting on Friday, 20th June 2025 at 11.00 a.m.

The business to be brought before the Meeting will be:

1. To read the notice convening the meeting.

2. To receive and consider the Annual Report and the Financial Statements for the Financial year ended 31st March 2025, with the Report of the Auditors thereon.

3. To re-elect as a Director, Mr. J G A Cooray who retires by rotation in terms of Article 84 of the Article of Association of the Company. A brief profile of Mr. J G A Cooray is contained in the Board of Directors section of the Annual Report.

4. To re-elect as a Director, Mr. D P Gamlath who retires by rotation in terms of Article 84 of the Article of Association of the Company. A brief profile of Mr. D P Gamlath is contained in the Board of Directors section of the Annual Report.

5. To re-elect as a Director, Ms. R N K Fernando who retires by rotation in terms of Article 91 of the Article of Association of the Company. A brief profile of Ms. R N K Fernando is contained in the Board of Directors section of the Annual Report.

6. To re-elect as a Director, Mr. S Kanag-Isvaran who retires by rotation in terms of Article 91 of the Article of Association of the Company. A brief profile of Mr. S Kanag-Isvaran is contained in the Board of Directors section of the Annual Report.

7. To re-elect as a Director, Mr. H A J De Silva Wijeyeratne who retires by rotation in terms of Article 91 of the Article of Association of the Company. A brief profile of Mr. H A J De Silva Wijeyeratne is contained in the Board of Directors section of the Annual Report.

8. To re-appoint Messrs. Ernst & Young, Chartered Accountants as Auditors of the Company for the year 2025/26 and to authorise the Directors to determine their remuneration.

9. To consider any other business of which due notice has been given in terms of the relevant laws and regulations.

   This Annual Report and the Financial Statements of the Company are available on the:

   1) Corporate Website - https://www.elephanthouse.lk/media-hub/financial-reports/

   2) CSE Website - https://www.cse.lk/pages/company-profile/company-rofile.component.html?symbol=CCS.N0000

Members may also access the Annual Report and the Financial Statements on their electronic devices by scanning the following QR code.

By Order of the Board

CEYLON COLD STORES PLC

Keells Consultants (Private) Limited
Secretaries

Colombo
26th May 2025

For clarifications on how to download and/or access the Annual Report and Financial Statements, please contact Mr. Gihan Samarakkody on +94 77 275 6890 during normal office hours (8.30 a.m. to 4.30 p.m.) or email gihansa.ccs@keells.com.

Should any Members wish to obtain a hard copy of the Annual Report, they may send a written request to Level 20, The Offices at Cinnamon Life, No. 05, Justice Akbar Mawatha, Colombo 02 by filling the Form of Request attached to the Form of Proxy. A printed copy of the Annual Report will be forwarded by the Company within eight (8) market days subject to the prevailing circumstances at the time from the date of receipt of the request.

Note:

a) A Member unable to attend is entitled to appoint a Proxy to attend and vote in his/her place.

b) A Proxy need not be a member of the Company.

c) A Member wishing to vote by Proxy at the meeting may use the Form of Proxy enclosed herein.

d) In order to be valid, the completed Form of Proxy must be lodged at the Registered Office of the Company at No. 117, Sir Chittampalam A. Gardiner Mawatha, Colombo 2 or forwarded to the email address: keellsconsultants@keells.com or facsimile No.+94 11 243 9037 not less than 48 hours before the Meeting.

e) Members are encouraged to vote by Proxy through the appointment of a member of the Board of Directors to vote on their behalf and to include their voting preferences on the resolutions to be taken up at the Meeting in the Form of Proxy.

f) A vote can be taken on a show of hands or by poll. If a poll is demanded, each share is entitled to one vote. Votes can be cast in person, by Proxy or corporate representatives. In the event an individual Member and his/her Proxy holder are both present at the Meeting, only the Member's vote is counted. If Proxy holder's appointor has indicated the manner of voting, only the appointor's indication of the manner of vote will be used.

FORM OF PROXY

I/We ....

.... of .... being

a shareholder/s of Ceylon Cold Stores PLC hereby appoint ....

....

.... of .... or failing him/her

Mr. Krishan Niraj Jayasekara Balendra	or failing him
Mr. Joseph Gihan Adisha Cooray	or failing him
Mr. Daminda Prabath Gamlath	or failing him
Mr. Kaminda Charitha Subasinghe	or failing him
Ms. Payagalage Nelindra Fernando	or failing her
Ms. Sharmini Thamara Ratwatte	or failing her
Dr. (Ms.) Romola Shanthi Wilson Wijeratnam	or failing her
Ms. Renuka Nandini Kurukulasuriya Fernando	or failing her
Mr. Shivaan Kanag-Isvaran	or failing him
Mr. Harin Amendra Joseph De Silva Wijeyeratne	

as my/our Proxy to represent me/us and vote for me/us on my/our behalf at the 128th Annual General Meeting of the Company to be held on Friday, 20th June 2025 at 11.00 a.m and at any adjournment thereof, and at every poll which may be taken in consequence thereof.

I/We, the undersigned, hereby direct my/our Proxy to vote for me/us and on my/our behalf on the specified Resolution as indicated by the letter "X" in the appropriate cage:

	For	Against	Abstained
1. To re-elect as a Director, Mr. J G A Cooray, who retires in terms of Article 84 of the Articles of Association of the Company			
2. To re-elect as a Director, Mr. D P Gamlath, who retires in terms of Article 84 of the Articles of Association of the Company.			
3. To re-elect as a Director, Ms. R N K Fernando, who retires in terms of Article 91 of the Articles of Association of the Company.			
4. To re-elect as a Director, Mr. S Kanag-Isvaran, who retires in terms of Article 91 of the Articles of Association of the Company.			
5. To re-elect as a Director, Mr. H A J De Silva Wijeyeratne, who retires in terms of Article 91 of the Articles of Association of the Company.			
6. To re-appoint Auditors and to authorise the Directors to determine their remuneration.			

Signed on this .... day of .... Two Thousand and Twenty-Five (2025)

Signature/s of Shareholder/s

Note :

Instructions as to completion of Form of Proxy are noted on the reverse

FORM OF PROXY

INSTRUCTIONS AS TO COMPLETION OF FORM OF PROXY

1. Please perfect the Form of Proxy by filling in legibly your full name and address, by signing in the space provided and filling in the date of signature.

2. The completed Form of Proxy should be deposited at the Registered Office of the Company at No. 117, Sir Chittampalam A. Gardiner Mawatha, Colombo 2 or forwarded to the email address: keellsconsultants@keells.com or facsimile No. +94 11 243 9037 not later than 48 hours before the time appointed for the convening of the Annual General Meeting.

3. If the Form of Proxy is signed by an Attorney, the relevant Power of Attorney should accompany the completed Form of Proxy for registration, if such Power of Attorney has not already been registered with the Company.

4. If the appointor is a Company or Corporation, the Form of Proxy should be executed under its Common Seal or by a duly authorised officer of the Company or Corporation in accordance with its Articles of Association or Constitution.

5. If this Form is returned without any indication as to how the person appointed as Proxy shall vote, then the Proxy shall exercise his/her discretion as to how he/she votes, or whether or not he/she abstains from voting.

Please fill in the following details:

Name : ....

Address : ....

Jointly with : ....

National Identity Card no : ....

Share Folio No./CDS Account no : ....

CORPORATE INFORMATION

NAME OF THE COMPANY
Ceylon Cold Stores PLC

LEGAL FORM
Public Limited Liability Company
Established in 1866 as Colombo Ice Company Limited
Name changed to Ceylon Cold Stores Limited in 1941
Quoted in the Colombo Stock Exchange in January 1970
Registered under the Companies Act No.07 of 2007

COMPANY REGISTRATION NO.
PQ4

REGISTERED OFFICE OF THE COMPANY
No. 117, Sir Chittampalam A Gardiner Mawatha,
Colombo 02, Sri Lanka.
Tel : +94 11 231 8798
E-mail : info.ccs@keells.com
Web : www.elephanthouse.lk

KADUWELA FACTORY
Samadaragahawatte, Ranala, Sri Lanka.
Tel : +94 11 216 1700

HEAD OFFICE OF THE COMPANY
Level 20, The Offices at Cinnamon Life,
No. 05, Justice Akbar Mawatha,
Colombo 02, Sri Lanka.
Tel: +94 11 231 8798
E-mail : info.ccs@keells.com
Web : www.elephanthouse.lk

CUSTOMER CALL CENTRE
Tel: +94 11 230 3800

BOARD OF DIRECTORS
Mr. K N J Balendra (Chairperson)
Mr. J G A Cooray
Mr. D P Gamlath
Mr. K C Subasinghe
Ms. P N Fernando
Dr. (Ms.) R S W Wijeratnam
Ms. S T Ratwatte
Ms. R N K Fernando
Mr. S Kanag-Isvaran
Mr. H A J De Silva Wijeyeratne

AUDIT COMMITTEE
Ms. S T Ratwatte (Chairperson)
Dr. (Ms.) R S W Wijeratnam
Ms. R N K Fernando
Mr. S Kanag-Isvaran
Mr. H A J De Silva Wijeyeratne

SECRETARIES AND REGISTRARS
Keells Consultants (Pvt) Ltd.
No. 117, Sir Chittampalam A Gardiner
Mawatha, Colombo 02, Sri Lanka.
Tel : +94 11 230 6245
Fax : +94 11 243 9037

EXTERNAL AUDITORS
Ernst & Young
Chartered Accountants
Rotunda Towers,
109, Galle Road,
Colombo 03, Sri Lanka.

INTERNAL AUDITORS
Deloitte Advisory Services (Pvt) Ltd
100, Braybrooke Place,
Colombo 02, Sri Lanka.
BDO Partners
Chartered Accountants
Charter House,
65/2, Sir Chittampalam A Gardiner Mawatha,
Colombo 02, Sri Lanka.

BANKERS
Bank of China
Commercial Bank of Ceylon PLC
Citibank N.A
Deutsche Bank AG
Hatton National Bank PLC
Habib Bank Limited
Hongkong & Shanghai Banking Corporation Ltd
Nations Trust Bank PLC
Standard Chartered Bank
Sampath Bank PLC
Seylan Bank PLC
The National Development Bank PLC
Union Bank of Colombo PLC
DFCC Bank PLC

SUBSIDIARIES
Jaykay Marketing Services (Pvt) Ltd
LogiPark International (Pvt) Ltd
The Colombo Ice Company (Pvt) Ltd

Designed & produced by
emagewise
Digital Plates & Printing by Aitken Spence Printing & Packaging (Pvt) Ltd

CEYLON COLD STORES PLC
Level 20, The Offices at Cinnamon Life, No. 05,
Justice Akbar Mawatha, Colombo 02, Sri Lanka.
Telephone: 0112318798,
E Mail: info.ccs@keells.com
Web: www.elephanthouse.lk