ENGINEERING TRANSFORMATION NATURALLY

CEYLON GRAIN ELEVATORS PLC | ANNUAL REPORT 2025



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ENGINEERING TRANSFORMATION

NATURALLY

CEYLON GRAIN ELEVATORS PLC | ANNUAL REPORT 2025

Growth in nature is designed through strong roots, efficient systems, and the steady flow of energy. At Ceylon Grain Elevators PLC, this year was defined by purposeful transformation, where innovation, automation, and expertise converge to transform intent into performance.

Like a tree that stands firm while extending further each season, our integrated value chain remains anchored in robust fundamentals even as we reach for greater efficiency and productivity. Investments in smarter technologies, including the journey toward a fully automated processing plant in Seeduwa, are continue to strengthen our operations from within.

Our progress is engineered with care. By managing resources responsibly, supporting our partners, and reinforcing long-term food security, we ensure that growth remains both resilient and sustainable, creating value that extends well beyond our immediate reach.

Driven by the commitment of our people and guided by a clear blueprint for the future, we move forward with confidence. Rooted in strength, enabled by intelligence, and powered by shared purpose, we continue engineering growth naturally.

About the Report

GRI 2-1

Report Profile

Ceylon Grain Elevators PLC (hereinafter referred to as "CGE Group" or the "Group") has prepared and published this integrated annual report for the purpose of informing stakeholders regarding the Group's performance and prospects.

CGE Group's Annual Report provides a clear and balanced view of the Group's financial and non-financial performance, highlighting our focus on delivering sustainable and long-term value. It captures the key strategic actions taken during the year to strengthen our core operations, enhance efficiency, and navigate a dynamic business environment.

The report also reflects our ongoing commitment to high-quality reporting, with increased emphasis on transparency, accountability, and good governance. It illustrates how sustainability considerations are integrated into our business model and decision-making processes, enabling us to create resilient, responsible, and forward-looking outcomes for all stakeholders.

The current report marks the 3rd integrated report published by the CGE Group since embarking on its integrated reporting journey in 2023. This report, along with all previous integrated reports, including the most recent report for FY 2025, is available for viewing and download on our corporate website – https://prima.com.lk/businesses/ceylon-grainelevators/.

There are no restatements pertaining to any of these previous reports.

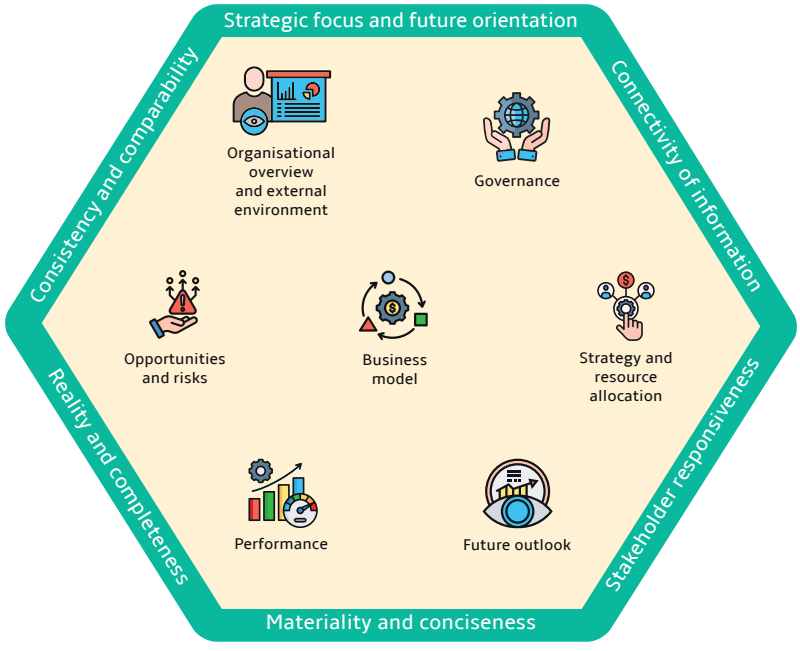
This report is presented in an integrated format, demonstrating the linkages between the CGE Group's strategy, business model, operating environment, governance structure, and its financial and non-financial performance. It highlights how material risks and opportunities are identified and managed within the organisation.

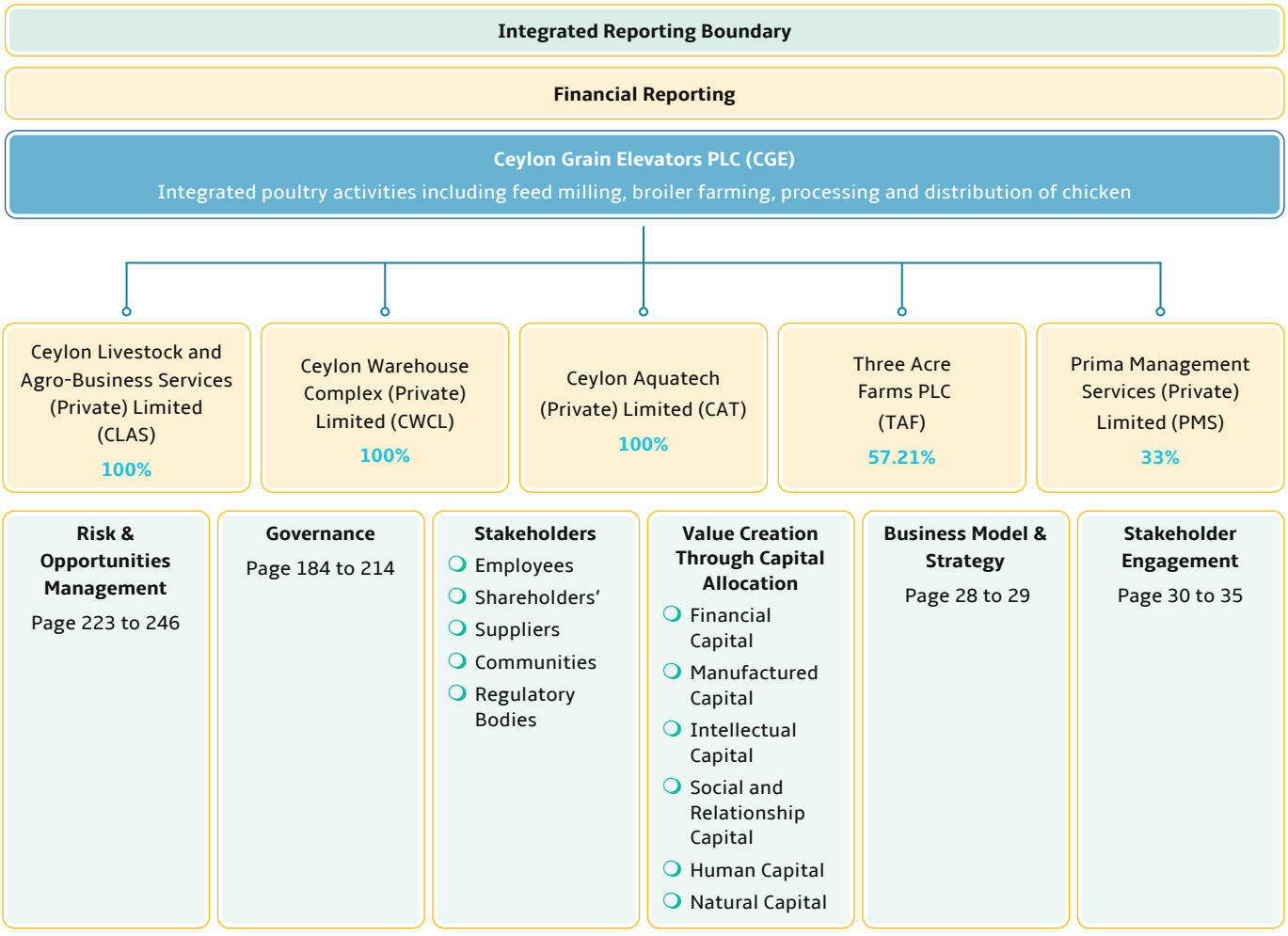
Through this approach, the report provides a holistic view of how the Group creates value over time, showcasing the effective utilisation and allocation of multiple capitals to support sustainable growth and long-term resilience.

Notable Improvements in the Integrated Annual Report FY 2025

- Greater clarity in the Value Creation Model defining business outputs and stakeholder outcomes along with links to SDGs.
- Adoption of the double materiality methodology to strengthen the Materiality determination process.
- Voluntary disclosures in line with GRI 13: Agriculture, Aquaculture and Fishing Sectors (2022).
- Voluntary disclosure in line with the SASB (Sustainability Accounting Standards Board) Meat Poultry and Dairy Standard.
- Inclusion of a dedicated section outlining the Group's Approach to Sustainability to depict early adoption of SLFRS S1 and S2.
- Demonstrating greater transparency in resource allocation through the Six Capitals, including identifying risk impacts, value created and SDGs.
- Enhancement to the Risk Management Report with the inclusion of a dedicated section on Sustainability and Climate-Related Risk Report.
- Alignment with the new governance rules issued by the CSE for listed entities.

The Guiding Principles and Content Elements





Materiality

The CGE Group has adopted a double materiality approach to identify and define the material topics that shape this report. This approach considers both financial materiality which assesses how external factors such as market conditions, regulatory changes, and environmental risks impact the Group's performance, financial position, long-term value creation and impact materiality, which evaluates the extent to which the Group's operations influence the economy, environment, and society, including areas such as resource use, emissions, and community well-being.

The Materiality section on page 36 provides a detailed overview of how these material matters are identified, assessed, and prioritised through a structured process, including stakeholder engagement and risk assessment. It also explains how these matters are integrated into the Group's strategy and decision-making processes to support sustainable value creation and deliver positive outcomes for all stakeholders.

About the Report

Reporting Frameworks



Integrated Reporting

- The International Integrated Reporting Framework of the International Integrated Reporting Council (IIRC)
- A Preparer's Guide to Integrated Reporting and Supplements 1 & 2 - The Institute of Chartered Accountants of Sri Lanka



Financial Reporting Frameworks and Regulations

- Sri Lanka Accounting Standards (SLFRS/LKAS) - Institute of Chartered Accountants of Sri Lanka
- Companies Act No. 07 of 2007
- Listing Rules of the Colombo Stock Exchange (CSE)



Governance, Compliance and Risk Reporting Frameworks

- Corporate Governance Requirements under the Listing Rules of the Colombo Stock Exchange (CSE)
- Securities and Exchange Commission of Sri Lanka Act No. 36 of 1987 (as amended)
- Code of Best Practice on Corporate Governance (2023) - Institute of Chartered Accountants of Sri Lanka
- ISO 31000:2018 – Integrated Risk Management Framework by the International Organisation for Standardisation



Sustainability Reporting

- SLFRS Sustainability Disclosure Standards (SLFRS S1 and S2) - Institute of Chartered Accountants of Sri Lanka
- Global Reporting Initiative (GRI) Standards - Global Sustainability Standards Board
- GRI 13 – Sector Standard for Agriculture, Aquaculture and Fishing, 2022
- United Nations Sustainable Development Goals (SDGs)
- Sustainability Accounting Standards Board (SASB) – Meat, Poultry and Dairy Standard 2023
- CSE Sustainability Reporting Guide, Version 03
- Guidance on ESG Reporting, Colombo Stock Exchange

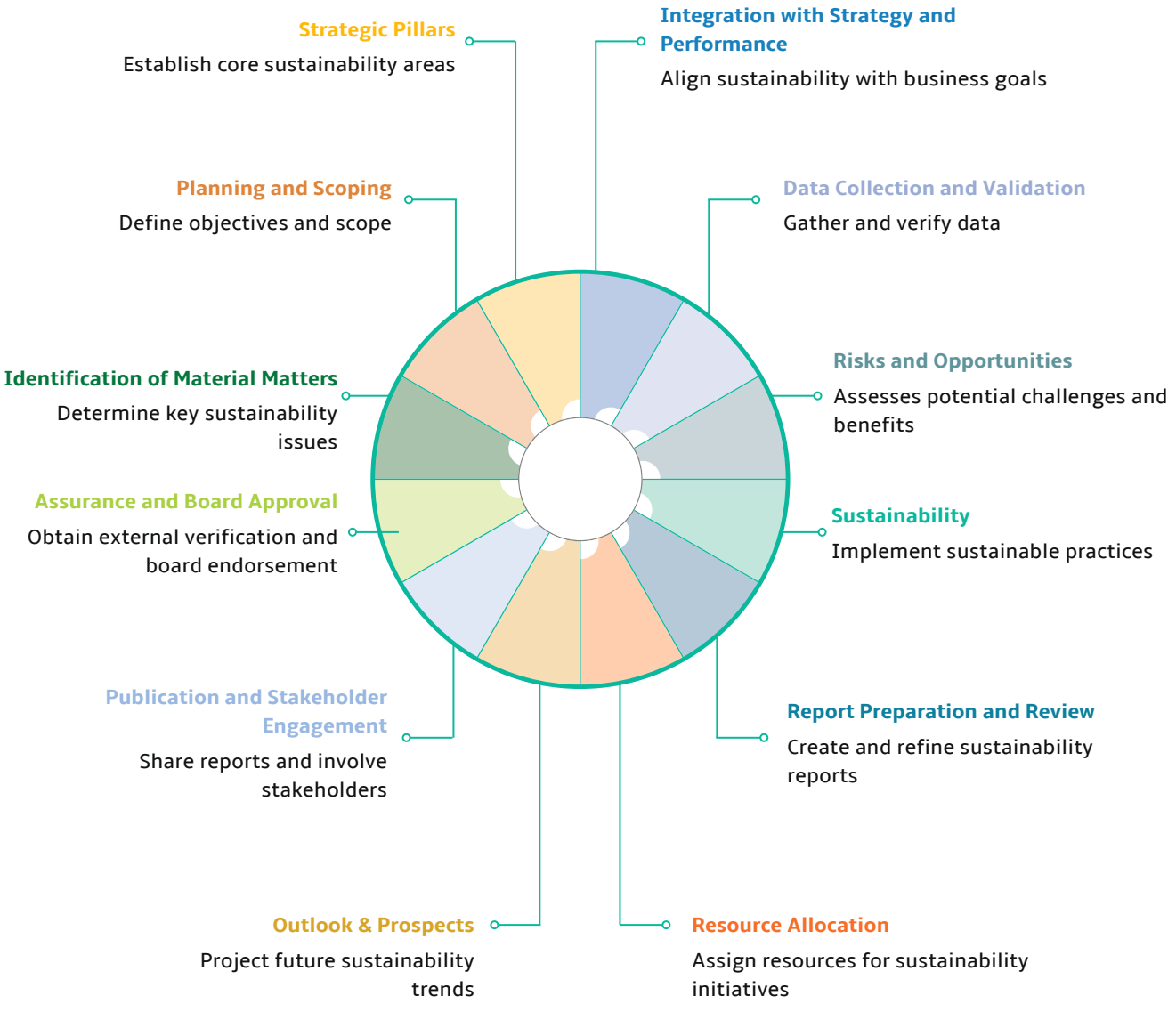


Climate Reporting Frameworks and Standards

- SLFRS S2 – Climate-Related Disclosures
- ISO 14064-1:2018 – Organisation-level Greenhouse Gas (GHG) Emissions and Removals Reporting Standard
- Greenhouse Gas (GHG) Protocol: A Corporate Accounting and Reporting Standard (2004)
- GHG Protocol Scope 2 Guidance (amendment to the Corporate Standard)
- Corporate Value Chain (Scope 3) Accounting and Reporting Standard
- Technical Guidance for Calculating Scope 3 Emissions (Version 1.0)

Integrated Reporting Process at CGE

The CGE Group follows a structured and cross-functional approach to integrated reporting to ensure accuracy, completeness, and alignment with strategic priorities.



About the Report

Assurance

GRI 2-5

The CGE Group has adopted the combined assurance approach where information obtained from both internal and external sources has been verified using the internal control framework, Board Committee assurance, compliance and internal audit reviews, as well as the services of independent external service providers supporting the accuracy and completeness of the disclosures contained within this report.

Messrs. KPMG Colombo Sri Lanka, Chartered Accountants have provided external assurances regarding the Financial Statements and other statutory financial disclosures of the Company and the Group.

Messrs. Deloitte Partners Sri Lanka - Independent limited assurance has been obtained for the following:

- Integrated Report for FY 25
- SLFRS S1 & S2 Sustainability-Related Financial Disclosures
- ESG Consolidated Statement

This assurance confirms alignment with the GRI Universal Standards (In Accordance) and the GRI 13: Agriculture, Aquaculture and Fishing Sector Standard (2022).

In addition, the Group's GHG emissions quantification has been subject to external verification was done by SGS Consultant.

Forward-Looking Statements

GRI 2-4

This report contains forward-looking statements relating to the CGE Group's financial position, strategic objectives, growth prospects, and future direction, reflecting the views and intentions of the Board and management at the time of publication. Such statements are inherently subject to risks and uncertainties, as they relate to events and circumstances that may or may not occur in the future. Given the dynamic and often unpredictable nature of the operating environment, actual results, performance, or outcomes may differ materially from those expressed or implied in these statements.

Accordingly, the CGE Group considers these forward-looking statements to be valid only as at the date of publication of this report and assumes no obligation to revise, update, or publicly amend them in light of new information, future events, or subsequent developments. Readers are therefore advised to exercise caution and not place undue reliance on such statements.

Board Responsibility Statement

The Board of Directors of Ceylon Grain Elevators PLC takes full responsibility for the integrity of this Integrated Annual Report and assures all stakeholders that it presents an accurate and balanced representation of the Group's performance, position, and prospects for FY 2025. The Board further confirms that there is no material restatement of information provided in earlier reports.

Feedback and Queries

GRI 2-3

The Group welcomes feedback and queries regarding this report as part of the overall approach to improving the quality of content and disclosures in future reports. In this regard, readers are encouraged to direct their responses to:

Ceylon Grain Elevators PLC, No.15, Rock House Lane, Colombo 15, Sri Lanka.
Tel : 011 2497000 / 011 2522556
Fax : +94 11 2524163
info.cge@prima.com.lk.

Our Core Values

Our Vision

To achieve complete poultry integration synergies, ultimately gaining export market competitiveness.

Our Mission

To tap and harness business opportunities by expanding into various vertical integration projects. This will lead to increase in agriculture, aquaculture and livestock production, thus encouraging national progress through nutritious, protein-rich food to the people of this Nation.

Corporate Philosophy

Our corporate philosophy is centred upon the 3H principles of building a healthy organisation, being an honourable winner and making an honest fortune. This business philosophy is derived from our immediate holding company, Prima Limited of Singapore.

Corporate Values and Management Principles

4C Attributes

- Capability
- Character
- Commitment
- Compassion

5 Traits

- Common sense
- Commercial sense
- Logical
- Analytical skills
- Fairness and respect

Healthy Organisation
Developing a sound, effective and efficient organisation system. Promoting team spirit and reaching out to create a "PRIMA FAMILY" identity.



Honourable Winner
Achieving success through fair competition. Striving towards excellence.

Honest Fortune
Establishing trust, fairness and mutual benefits with all within our business circle. Contributing to the wellbeing of society.

Our History

GRI 2-1

The corporate journey of Ceylon Grain Elevators PLC (CGE) commenced in December 1982, following a landmark agreement between the Government of Sri Lanka and Prima Limited of Singapore. This partnership marked the foundation of a long-standing collaboration that has contributed significantly to the development of Sri Lanka's poultry industry for more than four decades.

Over the years, CGE has grown into the largest integrated poultry industry operator in Sri Lanka, with several subsidiary companies operating under its umbrella. The Group is engaged in the manufacturing and distribution of a wide range of animal feed products under the well-recognised "Prima" and "Farmers' Choice" brands.

In addition, the Group operates poultry breeder and hatchery farms, commercial poultry farms, and is actively involved in the processing, packaging, and retailing of poultry meat products. CGE also imports and distributes poultry equipment and veterinary products, produces aqua feed, and provides modern laboratory and consultancy services to farmers and customers across the island.

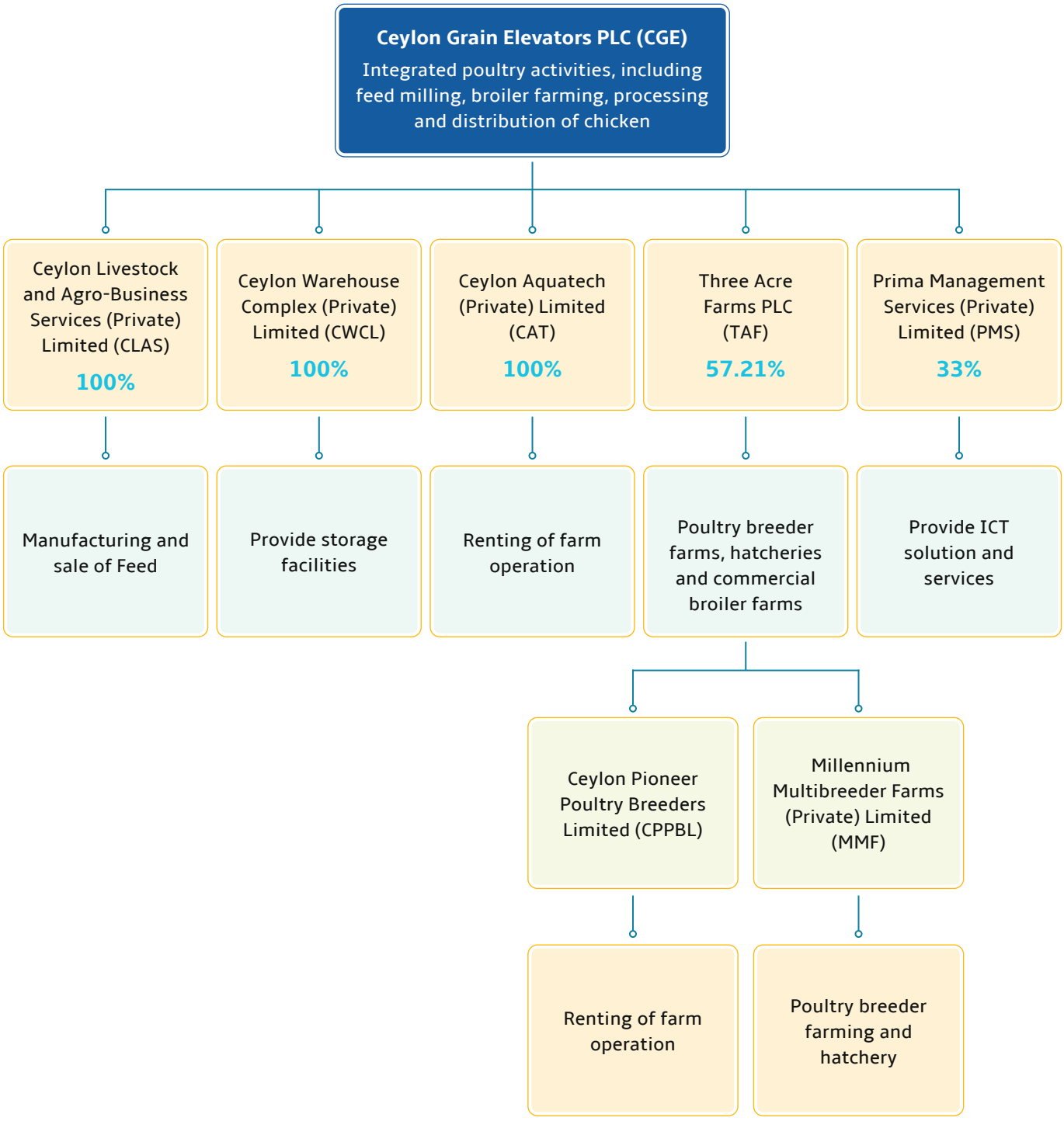
Through continuous expansion and vertical integration, CGE has strengthened its role in supporting national food security while contributing to the growth and sustainability of Sri Lanka's agriculture and livestock sectors.



Group Structure

GRI 2-2

The Financial Reporting and Sustainability Reporting of the Group for the year ended 31 December 2025 encompass the Company, its subsidiaries, and the Group's interests in its associate, as outlined below:



Historical Milestones

1982
- Incorporation of Ceylon Grain Elevators

1984 –
- The Company was listed on the Colombo Stock Exchange
- First invoiced sale of Animal Feed

1987 –
- Breeder Farm Project at Kosgama started production of commercial Day-Old Chicks

1991 –
- Investment in the equity of Ceylon Livestock and Agro-Business Services (Private) Limited which undertakes trading activities

1992 –
- CGE Shares were introduced to the Central Depository System at the Colombo Stock Exchange
- Bonus issue of 1-for-3 share capitalising Rs. 50.0 Mn from capital reserves
- Right issue of Rs. 10.0 Mn ordinary shares for a premium of Rs. 35/- per share raising CGE's capital to Rs. 300.0 Mn
- Acquisition of Three Acre Farms Limited (TAF)

1993 –
- Incorporation of Ceylon Pioneer Poultry Breeders Limited, a wholly-owned subsidiary of TAF

1994 –
- Incorporation of Ceylon Warehouse Complex (Private) Limited (CWCL), a wholly-owned subsidiary of CGE
- Bonus issue of 1-for-2 share capitalising Rs. 150.0 Mn from share premium
- Right issue of Rs. 15.0 Mn ordinary shares at a premium of Rs. 15/- per share to raise CGE's issued capital to Rs. 600.0 Mn

1995 –
- Ceylon Aquatech (Private) Limited was incorporated to venture further into integrated shrimp business

1996 –
- Acquisition of Bulathsinhala and Halwathura Farms

1998 –
- Agreement signed between SLPA and CWCL to reclaim land from the seabed at Mutwal, adjacent to CGE factory

1999 –
- Incorporation of Millennium Multibreeder Farms (Private) Limited, a wholly-owned subsidiary of TAF
- First commercial shrimp feed plant established in Sri Lanka. Launched "PRIMA SUPER SHRIMP FEEDS"
- Construction of New Silos – CWCL

2003 –
- Acquisition of Hijra Farms

2006 –
- Investment in Prima Management Services (Private) Limited, an Associate Company of CGE

2007 –
- Commencement of Environment Controlled House projects at Commercial Farms

2009 –
- Implementation of ERP System

2010 –
- ISO Quality Management System certification (ISO 9001: 2008)

2013 –
- Addition of a new feed mill line

2017 –
- Fully taking over the operation of poultry processing plant

2018 –
- Construction of state-of- the art cold room in Poultry Processing Plant
- Freehold ownership of Ittapana land to increase the capacity of Breeder Farms

2019 –
- Installation of Corn Dryer Chicken Processing Plant at Seeduwa obtained BOI Status

2025

- FSSC 22000 Certification
- Construction of 1st Solar Decks
- ISO 14064-1 Certification

Our Product Portfolio

GRI 2-1

CGE's product portfolio reflects its commitment to delivering high-quality, innovative, and sustainable solutions across its core business segments. The Group offers a diverse range of products that cater to both domestic and international markets, ensuring consistency in quality, safety, and nutritional value. With a strong focus on operational excellence and customer satisfaction, CGE continuously enhances its offerings through research, technological advancements, and responsible sourcing practices. This well-balanced portfolio not only strengthens the Group's market position but also supports long-term value creation for stakeholders while aligning with evolving consumer needs and sustainability priorities.

Our product portfolio is strengthened by six key segments:

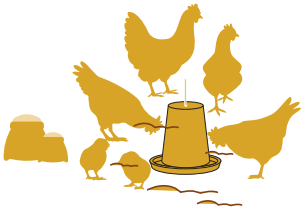
Feed

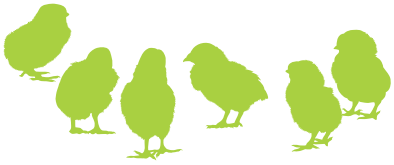
Recognised as a pioneer in the feed manufacturing sector, CGE specialises in producing a comprehensive range of animal feed products. Our portfolio includes poultry feed, cattle feed, horse feed, and aqua feed.

Poultry feed remains the highest volume contributor, comprising broiler, layer, and breeder feed, with broiler feed leading in demand. Over the years, we have also expanded and enhanced our cattle feed range to meet the evolving needs of the market.

Day-Old Chicks

Marketed under the trusted 'Farmers' Choice' brand, our Day-Old Chicks are synonymous with high quality and reliability. Broiler and layer chicks are widely recognised and preferred by farmers across the island, reflecting strong acceptance across diverse sectors.





Chicken

Chicken is a vital source of protein and essential nutrition. As a leader in the integrated poultry industry, we guarantee the nutritional value and quality of Prima Chicken, ensuring safe and healthy products for consumers.

Laboratory Services

Our state-of-the-art laboratory provides advanced testing and consultancy services to farmers and customers across the island. These services contribute to enhancing industry knowledge and supporting the development of the poultry sector.





Poultry Equipment, Drugs and Vaccines

As part of our portfolio expansion, CGE supplies high-quality poultry vaccines, medicines, and equipment. We collaborate with globally recognised partners such as Elanco Animal Health (USA) and Better Pharm Co. Ltd, a reputed Southeast Asian pharmaceutical manufacturer.

In addition, we offer specialised poultry equipment, further strengthening our ability to serve the fast-growing poultry industry.

Warehousing Facilities

The Company offers warehousing and storage solutions to third parties. Our warehouse and silo facilities are designed to preserve the quality and integrity of stored materials, ensuring optimal storage conditions.

Board of Directors

Mr. Wickrema Senaka Weerasooria
Non-Executive Chairman

Mr. Wickrema Senaka Weerasooria was appointed as a Non-Executive Independent Director on 15 January 2015 and thereafter appointed as Non-Executive Independent Chairman on 25 February 2015.

Mr. Weerasooria holds a Masters in Information Technology (University of Canberra, Australia), a Graduate Diploma in Commercial Law (Australian National University) (ANU), and a Bachelor of Science (ANU).

He is the Chief Executive of Genesiis Software (Private) Limited, and Director of Ceylon Agro Industries (Pvt) Ltd, FINCO Technologies (Private) Limited, Finco Holdings (Pvt) Ltd and the Chairman of WealthTrust Securities PLC.

Prior to his employment in Sri Lanka, he was a Manager/Consultant at several Australian public sector agencies including the Department of Primary Industry, the Department of Education and the Department of Foreign Affairs and Trade.

Mr. Cheng Chih Kwong
Executive Director and Chief Executive Officer

Mr. Cheng Chih Kwong is the Chairman and Chief Executive Officer of Prima Limited Group of Companies. He was also Chairman and Chief Executive Officer of Ceylon Grain Elevators PLC and its subsidiaries since 1998 until he relinquished his Chairmanship position on 25 February 2015. He continues to be the Executive Director and Chief Executive Officer of the Company. He is a Certified Practicing Accountant (CPA) – Australia and also holds a Diploma in Business Studies.

Mr. Bernard Cheng Koh Chuen
Non-Executive Director

Mr. Bernard Cheng Koh Chuen has been a Director of the Company with effect from 1 August 2012. He also serves as an Executive Director of Prima Limited.

He holds a Bachelor of Science in Business Administration and also an MBA from the University of Southern California.

Mr. Cheng Eng Loong
Non-Executive Director

Mr. Cheng Eng Loong has been a Director of the Company with effect from 1 August 2012.

He holds a Bachelor of Science Degree majoring in Biochemistry and Chemistry from the National University of Singapore.

Mr. Timothy Allan Brent Speldewinde
Non-Executive Independent Director

Mr. Timothy Speldewinde was appointed as a Non-Executive Independent Director of the Company with effect from 1 January 2025.

Mr. Timothy Speldewinde is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and a Fellow of the Chartered Institute of Management Accountants, UK.

He possesses extensive experience in the management of local as well as international facilities and has been an integral member of the MAS Group for over 25 years. He served as the CEO of Stretchline Holdings headquartered in Hong Kong, with manufacturing facilities in Sri Lanka and overseas.

He currently serves as Independent Non-Executive Director of Hayleys PLC, Haycarb PLC, Hayleys Fabrics PLC and Dipped products PLC . He is an Independent Non-Executive Director and the Audit Committee Chairman of The Kingsbury PLC, Horana Plantations PLC, Three Acre Farms PLC and WealthTrust Securities PLC. Mr. Speldewinde is a Director of Contemporary Ceylon (Pvt) Ltd.

Mr. Indrajit Asela Wickramasinghe
Non-Exectuive Independent Director

Mr. Indrajit A. Wickramasinghe was appointed as a Non-Executive Independent Director of the Company with effect from 1 January 2025.

He is a seasoned professional with over 36 years of management experience across the financial services and FMCG sectors, having served in both local and multinational organisations. Prior to his appointment to the Board, Mr. Wickramasinghe served as the Director/Chief Executive Officer of Union Bank of Colombo PLC for over nine years, until his retirement on 15 August 2024.

Before joining Union Bank, he held the position of Chief Operating Officer at NDB Bank PLC, where he was responsible for overseeing key business areas including Retail Banking, Corporate Banking, SME Banking, and Project Finance. Earlier in his career, he was associated with the multinational company Reckitt and Colman, where he held several senior management positions.

Mr. Wickramasinghe holds a Master of Business Administration (MBA) from the University of Sri Jayewardenepura and is a Fellow of the Chartered Institute of Marketing (UK). He has also participated in Executive Education programmes conducted by the National University of Singapore, Saïd Business School, University of Oxford (UK), and INSEAD of the (France). He is a member of the Oxford Business Alumni, University of Oxford, UK.

In addition to his corporate leadership roles, Mr. Wickramasinghe has served on several boards as both an Executive and Non-Executive Director. He previously served as the Chairman of Financial Ombudsman Sri Lanka (Guarantee) Ltd and as a Director of the Credit Information Bureau of Sri Lanka.

He currently serves on the Boards of DFCC Bank PLC, Fintrex Finance PLC, AIA Insurance Lanka, Three Acre Farms PLC, Diesel and Motor Engineering PLC, Colombo Fort Land and Building PLC, C. W. Mackie PLC, and Overseas Realty (Ceylon) PLC.

Powered by Automation

Delivering precision, efficiency, and consistency through advanced processing technologies.

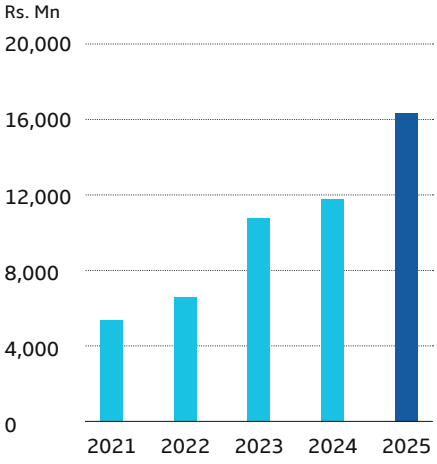




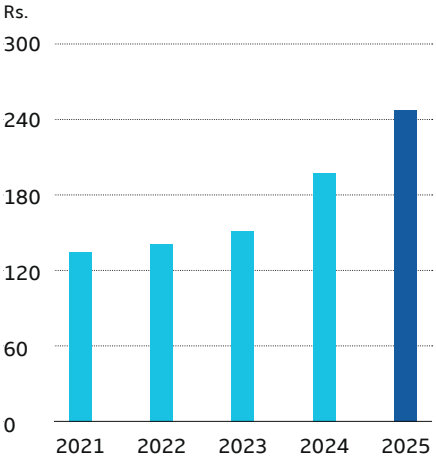
Financial Highlights

		Group			
		2025	2024	Change	Value Impact
Operating Results					
Revenue	Rs. Mn	29,767.4	23,993.3	24%	+ Enhanced
Profit for the year	Rs. Mn	4,119.6	3,144.9	31%	+ Enhanced
Earnings per share (EPS)	Rs.	57.68	40.28	43%	+ Enhanced
Return on shareholders' fund (ROE)	%	23.89	20.90	14%	= Preserved
Financial Position Strength					
Total assets	Rs. Mn	25,886.8	23,105.3	12%	+ Enhanced
Total debts	Rs. Mn	-	-	0%	= Preserved
Shareholders' fund (equity)	Rs. Mn	18,900.4	15,583.4	21%	+ Enhanced
No. of shares in issues	Mn	60.0	60.0	0%	= Preserved
Net assets per share	Rs.	246.67	197.31	25%	+ Enhanced

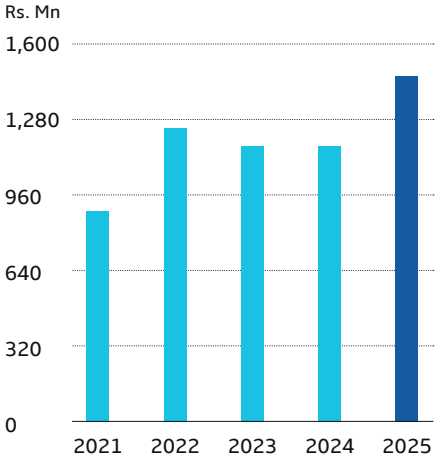
Value Added



Net Assets Per Share



Net Cash Used in Investing Activities





Non-Financial Highlights



Rs. 18.7 Mn
(Rs. 6.3 Mn - 2024)
Scrap Sale Income



2.45 GJ
(1.66 GJ - 2024)
Non-Renewable Energy Consumption to Generate Rs. One Million Turnover



ZERO
(Zero - 2024)
Incidents of Child Labour



15.8 m^3
(18.94 m^3 - 2024)
decreased by 5%
Water Consumption to Generate Rs. One Million Turnover



95%
(94% - 2024)
Customer Satisfaction Index



Poultry Litter 100%
Converted to Compost to be used as Organic Fertiliser



ZERO
Incidents of Discrimination



ZERO
Fatalities



27%
Female Employees as a Percentage of Total Employees



15%
Reduction in Scope 02 GHG Emission



82%
Employee Satisfaction Index



ZERO
Whistleblower Cases



ZERO
Hazardous



8.3%
(8.2% - 2024)
Staff Attrition



100%
Employee Receiving Performance Evaluation

Socio-Economic Impact

GRI 3-3, 201-1, 13.2.1, 13.22.1, 13.22.2

CGE's socio-economic contribution is reflected in how the value we generate is shared across key stakeholder groups, supporting both economic progress and community well-being. As a leading player in the poultry sector, our operations create direct and indirect livelihoods while strengthening national food security and supply chain resilience.

In 2025, a substantial portion of economic value was distributed to employees through competitive wages, benefits, and continuous development opportunities, enabling improved living standards and workforce stability. Our contribution to government revenue through taxes and statutory payments remains significant, supporting public infrastructure and national development priorities.

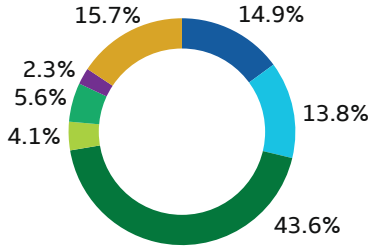
We also ensure fair and consistent returns to capital providers and creditors, maintaining financial discipline and long-term business continuity. Shareholders benefit through sustainable dividend distributions and value appreciation, supported by strong market confidence in CGE's growth trajectory.

Beyond financial distribution, CGE plays a broader socio-economic role by:

- Generating employment across farms, processing facilities, and distribution networks, particularly in rural areas,
- Supporting local suppliers, farmers, and service providers through stable demand and capacity-building initiatives,
- Enhancing food security by ensuring a consistent supply of high-quality poultry products,
- Investing in employee well-being, safety, and skills development to build a resilient workforce, and
- Contributing to regional economic development through infrastructure and community engagement initiatives.

Through these efforts, CGE continues to strengthen its position as a responsible corporate citizen, delivering sustainable socio-economic value while driving long-term business success.

Value Added – 2025



- Salaries, wages, other benefits
- Income tax
- Sales tax
- NCI
- Dividend
- Depreciation and amortisation
- Reserves

Total Value Added in 2025
16.20 Bn
(2024 – 14.63 Bn)

Employees
2.42 Bn
(2024 – 2.04 Bn)

Government
9.30 Bn
(2024 – 6.40 Bn)

Capital Providers and Creditors
658.7 Mn
(2024 – 726.4 Mn)

Shareholders
900.0 Mn
(2024 – 1.30 Bn)

Float Adjusted Market Capitalisation
13.09 Bn
(2024 – 6.20 Bn)

Awards and Accolades

CGE Group's commitment to excellence, sustainability and transparency continued to be recognised through several prestigious awards and accolades in 2025. These recognitions reflect our strong focus on operational excellence, quality management, and responsible business practices across all our operations. They also reaffirm the Group's dedication to upholding high standards in sustainability reporting, corporate governance, and value creation for stakeholders, while continuously striving to enhance performance and accountability.



TAGS Awards (CA Sri Lanka): CGE was honoured with the Silver Award, while TAF was honoured with the Bronze Award in Food & Beverage Sector.

ACCA Sustainability Reporting Awards: TAF was Recognised as the Runner-Up.

SLAAQP Green Productivity Awards (Sri Lanka Association for Advanced Quality and Productivity) Gold Award – Food & Beverage Sector

National Cleaner Production Awards 2025 - Merit Recognition

Best Management Practice CPM Awards: CGE was the Winner in the Fisheries and Livestock Sector and recognised among the Top 40 Outstanding Companies.

Chairman's Message

GRI 2-22

> "The Group obtained ISO 14064-1 certification for greenhouse gas emissions, a significant milestone in its environmental management journey. This certification improves the accuracy and credibility of emissions reporting, and supports better management and reduction of carbon footprints."

I am pleased to welcome you to the 43rd Annual General Meeting of Ceylon Grain Elevators PLC (CGE). I take pleasure in presenting the Annual Report along with the Audited Financial Statements for the year ended 31 December 2025.

As one of the Colombo Stock Exchange's top 100 listed entities, CGE is well-positioned and fully prepared to comply with the mandatory sustainability reporting standards, effective from 2025. Going beyond compliance, CGE voluntarily obtained an independent sustainability assurance for the first time, with all disclosures fully aligned with the requirements of SLFRS S1 and SLFRS S2. This underscores our continuous efforts to enhance corporate governance, integrate Environmental, Social, and Governance (ESG) principles into every aspect of our operations, and deliver long-term value to all our stakeholders.

These initiatives demonstrate the Company's proactive approach to integrating sustainability into our business strategy and operations, which also reinforces our commitment to providing stakeholders with reliable and transparent information regarding our financial performance and sustainability practices.

Sustaining Growth through Transformation

The national economy showed encouraging signs of improvement, supported by ongoing fiscal reforms and increased foreign exchange inflows from a remarkable improvement in tourist arrivals, foreign worker remittances and exports. This caused a further strengthening of the country's reserve level. The monetary policy, lower level of inflation and unchanged tax structure enhanced consumer affordability.

Nevertheless, the poultry industry faced some operational challenges arising from currency depreciation, fluctuations in global commodity prices, and in the sourcing of quality raw materials at the right time and price.

Against this backdrop, the Group remained committed to strengthening operational efficiency, ensuring supply chain stability, and advancing its sustainability agenda, thereby creating long-term value for the stakeholders.

Key Financial Highlights

In 2025, CGE delivered a strong financial performance, recording a 24% increase in revenue compared to year 2024. This growth was mainly driven by higher sales volumes across key segments, particularly poultry feed, processed chicken, and broiler Day-Old Chicks (DOCs), reflecting robust market demand and demonstrating the Group's ability to respond effectively to evolving industry needs.

Revenue contribution remained largely driven by the milling and farming segment, which accounted for 85% of total revenue, followed by poultry breeding and commercial operations at 11%, while other segments contributed 4%.

The Group's total comprehensive income rose by 32%, supported by improved sales volumes and prudent cost management strategies. Earnings per share increased to Rs. 57.68 from Rs. 40.28 the previous year, providing enhanced value creation for shareholders.

The Group maintained steady revenue from the milling and farming segment through consistent quality, competitive pricing, and attraction of key customers. Demand for feed improved due to the shortage of key local raw materials for self-mixtures. This segment also introduced high-yield dairy cattle feed to farmers for better productivity. Such progress was supported by improved demand for chicken and broiler DOCs arising from the shortage and high prices of substitute protein-rich products. The Group also focused on meeting the changing needs of customers by offering the right product mix that matches their purchasing power.

Dividend

In the financial year ended 31 December 2025, the Board declared a dividend of Rs. 15.00 per share. This reflects continued focus on delivering value to shareholders while carefully balancing financial stability and long-term growth objectives.

Share Performance

CGE's shares demonstrated strong performance in 2025, evidencing growing investor confidence and market recognition of the Group's operational and financial achievements. The highest market price during the year reached Rs. 443.00, while the lowest price was Rs. 175.75, with the last traded price closing at Rs. 400.00, compared to Rs. 189.50 at the end of 2024.

Engineering Transformation Naturally for a Sustainable Future

CGE continued to advance its commitment to responsible and resource-efficient operations through its initiative 'Engineering Transformation Naturally'. During the year, the Group implemented several energy-saving initiatives at the feed mill under the ISO 50001 Energy Management System, resulting in improved energy efficiency and cost savings. In parallel, CGE promoted sustainable feed sourcing practices, particularly responsible procurement and improved traceability of key raw materials within the feed value chain.

CGE also strengthened its climate-related governance and transparency by adopting the Task Force on Climate-related Financial Disclosures (TCFD) framework, enhancing the way climate risks and opportunities are identified, assessed, and disclosed. Additionally, the Group obtained ISO 14064-1 certification for greenhouse gas emissions, a significant milestone in its environmental management journey. This certification improves the accuracy and credibility of emissions reporting, and supports better management and reduction of carbon footprints.

To further boost our sustainability journey, the Group has planned and initiated several waste-reduction projects, aimed at minimising environmental impact while improving operational efficiency. Through these initiatives, CGE continues to integrate sustainability into its core operations while delivering long-term value to stakeholders.

Building Resilient and Inclusive Communities

Our commitment to empowering communities remains a cornerstone of CGE's sustainability journey. During the year, the Group undertook a diverse range of community development initiatives aimed at improving education, strengthening social inclusion, supporting disaster-affected communities, and promoting youth development. Through programs such as 'Empowering Tomorrow's Children,' we supported rural schools such as Pathirajagoda Primary School at Kalutara by improving infrastructure, creating play areas, and providing learning materials while promoting environmental awareness among schoolchildren.

We assisted universities, youth organisations, and community societies to foster education, skills development, and social empowerment, including by providing training opportunities to 311 university students and offering 70 internships during the year. In times of need, CGE responded with compassion, providing emergency food relief and essential supplies to families affected by floods and extreme weather events, while also facilitating industry partners to ensure business continuity during the Ditwah Cyclone. Additionally, the Group contributed to religious and cultural institutions, and supported sports and recreational activities.

Chairman's Message

Outlook and Prospects

Looking ahead, I remain cautiously optimistic about the continued stabilisation of the Sri Lankan economy, inflation management, and the implementation of structural reforms under the International Monetary Fund (IMF) programme.

At the same time, ongoing geopolitical tensions are likely to exert upward pressure on global shipping and insurance rates, as well as material, and energy costs, which may impact our operations. Despite these external challenges, the Group remains resilient and prepared to navigate such uncertainties.

In line with our long-term growth strategy, the Group is currently growing its poultry processing operations. The expansion of the chicken processing plant will strengthen production capacity and enable us to broaden our product mix to meet evolving market demands. This strategic move will enhance operational efficiency, improve supply reliability, and support CGE's ambition to deliver greater value to customers and stakeholders.

While the industry continues to face challenges related to the availability and timely importation of key raw materials, such as maize, we remain confident that constructive engagement with policymakers will help ensure supply continuity.

Appreciation

I take this opportunity to extend my sincere appreciation to the entire CGE team for their dedication, professionalism, and unwavering commitment throughout the year. Their collective efforts and resilience have been instrumental in navigating challenges and driving the Group's continued progress. I also express my gratitude to our valued business partners for their continued collaboration and support which played a vital role in strengthening our operations and sustaining our growth momentum.

My sincere thanks also to my Board members for their invaluable guidance, insight, and stewardship. On behalf of the Board, I extend our deep appreciation to our shareholders, customers, and suppliers for the trust and confidence you continue to place in CGE. As we move forward, we remain committed to creating sustainable value and delivering long-term growth, and we look forward to your continued partnership in the years ahead.

Wickrema Senaka Weerasooria
Non-Executive Chairman

Chief Executive Officer's Review

> **In 2025, CGE successfully navigated the dynamic operating environment, delivering strong financial performance with revenue growth of 24.1% to Rs. 29,767.4 Mn, compared to Rs. 23,993.3 Mn in 2024.**

It is my pleasure to present the Annual Report and the Audited Financial Statements of Ceylon Grain Elevators PLC (CGE) for the year ended 31 December 2025.

There was considerable progress during the year, driven by innovation and enhanced expertise, which led to improved efficiency and productivity across our operations. Our continuous focus on strengthening processes and value chain partnerships promoted sustainable growth, resulting in a strong performance with profit after tax (PAT) increasing by over 31% compared to the previous year.

Economic Landscape

Sri Lanka's economy continued its gradual recovery in 2025, with an estimated GDP growth of 5.0%, consistent with the previous year, reflecting a stable macroeconomic environment. This was underpinned by improved export earnings, which rose by 5.6% to USD 17.3 Bn and a significant increase in foreign remittances, up 22.7% compared to 2024, boosting household income and consumer spending. The tourism sector recorded strong momentum, with arrivals increasing by 15.1%, of which 70.3% were for leisure and vacation, supporting demand across hospitality and food service sectors.

The depreciation of the Sri Lankan rupee's led to higher costs for imported raw materials and services, which impacted the poultry industry.

Agriculture and Poultry Industry Dynamics

The agriculture sector remained a key contributor to the national economy but faced ongoing challenges from unpredictable climate patterns. Irregular rainfall and adverse weather events disrupted cultivation cycles, impacting crop yields and quality, particularly maize, a crucial raw material for poultry feed.

Local maize production increased in 2025, reflecting a year-on-year growth of approximately 21.7% driven by improvements in domestic cultivation. Despite this progress, local supply remained insufficient to meet total industry demand, necessitating imports, which increased by around 24.8% compared to 2024.

The poultry industry experienced a glut in chicken supply earlier in the year, forcing downward pressure on prices and margins. However, limited availability and higher prices of alternative protein sources such as pork, beef and fish in the beginning of the 2nd quarter, prompted a gradual recovery in chicken demand and more stable pricing while ensuring consistent supply. Overall, the Group was able to respond swiftly to market demand and industry dynamics.

Per capita chicken availability remained stable at around 11.0 kg in 2025 which supported higher production volumes and increased demand for broiler DOCs and compounded feed. The Group's revenue improved during the year under review, primarily due to increased demand for all products owing to shortages of substitute products and a recovery in domestic and foreign tourism.

Throughout the year, CGE leveraged the advantages of compounded feed, which yielded higher weight gain, improved feed conversion ratios and better productivity compared to self-mixed alternatives. Revenue from compounded feed remained steady due to its consistent quality and competitive pricing, while improvements in the cattle feed segment capitalised on high-yield opportunities and rising demand for nutritionally balanced feeds.

The layer DOC segment, however, continued to face challenges due to volatility in the table egg market. Oversupply and fluctuating egg prices led to cautious placements by farmers, moderating demand.

Business Performance

In 2025, CGE successfully navigated the dynamic operating environment, delivering strong financial performance with revenue growth of 24.1% to Rs. 29,767.4 Mn, compared to Rs. 23,993.3 Mn in 2024. The milling and farming segments contributed 85.0% of this revenue, driven by increased sales of compounded feed and processed chicken through external sales, tenders, and fixed-term contracts. The poultry breeder and

Chief Executive Officer's Review

commercial segments contributed 10.6%, supported by higher broiler DOC placements.

The cost of sales increased by 17.6% to Rs. 23,348.7 Mn in 2025, primarily driven by higher prices for locally sourced raw materials and increased labour costs, which raised overall input expenses. However, despite the rupee depreciation, the use of imported materials, combined with cost-effective formulations, helped to moderate the impact of rising costs. These measures resulted in lower unit costs, limiting the increase in total cost of sales relative to the growth in sales volume.

Despite rising costs of key domestic raw materials, the Group achieved improved profitability through efficient cost management, product mix optimisation and economies of scale across its operations. Combined with consistent product quality, pricing strategies and operational efficiency, these initiatives reinforced CGE's resilience and ability to capitalise on emerging market opportunities.

To enhance operational efficiency, the Group leveraged its strategic storage capability, allowing it to stock raw materials whenever availability permitted. This strategic approach ensured uninterrupted production, mitigated the impact of supply fluctuations and supported consistent product quality across all business segments.

The Group recorded a notable improvement in operating performance in 2025, with operating profit increasing to Rs. 5,568.9 Mn, up from Rs. 3,387.4 Mn in 2024. Profit before tax (PBT) rose to Rs. 6,348.6 Mn, reflecting strong underlying business performance across all segments.

Consequently, the Group reported a significant increase in total comprehensive income, which grew by 32.1% to Rs. 4,099.3 Mn, resulting from higher operational efficiency and increased revenue from feed, broiler DOCs, and processed chicken. Earnings per share (EPS) improved to Rs. 57.68, compared to Rs. 40.28 in 2024, demonstrating enhanced value creation for shareholders and reinforcing CGE's commitment to delivering sustainable financial performance. Despite undertaking substantial capital investments during the year, the Board remained committed to rewarding shareholders and a dividend was declared, reflecting CGE's balanced approach to growth and shareholder returns.

The Group contributed significantly to national revenue through income tax and dividend tax amounting to Rs. 2,237.9 Mn, representing an increase of 86.1% compared to the previous year.

During the year, total assets increased to Rs. 25,886.8 Mn, attributed largely by a notable rise in cash and cash equivalents, which reached Rs. 12,793.3 Mn compared to Rs. 12,023.2 Mn in 2024. This strengthened liquidity position further enhanced the Group's financial resilience, reflected in an improved current ratio of 3.88 times, up from 3.08 times in 2024. The increase in the Group's asset base was driven by strategic investments aimed at enhancing operational capabilities and sustainability. Four new environmentally controlled (EC) houses were completed, and the installation of a solar power system, marking a key step towards renewable energy adoption. The net asset value per share improved to Rs. 246.67, compared to Rs. 197.31 in the previous year, reflecting the continued strengthening of CGE's assets and long-term growth potential.

Investing in Our People

We believe our workforce is the cornerstone of our continued success. We remain committed to developing a skilled and future-ready team by investing in talent development and creating opportunities for professional growth across the organisation. During the year, we continued to identify high-potential employees for key roles, while strengthening our succession planning efforts through leadership development and structured mentorship initiatives.

Selected employees were also given international exposure to enhance their industry knowledge and gain insights into global best practices. We further strengthened employee capabilities through targeted training programs, including sustainability awareness sessions aligned with CSE 9.2 guidelines.

During the year, a total of 3,064 training hours were delivered, reflecting our ongoing commitment to building competencies and enhancing organisational performance.

Driving ESG Excellence Beyond Compliance

As a responsible corporate citizen, CGE strengthened its commitment to transparency and accountability in sustainability reporting during 2025 through the full adoption of SLFRS S1 and SLFRS S2 standards, enhancing consistency and alignment with evolving regulatory requirements.

The Group also obtained independent non-financial assurance in accordance with GRI Standards, SLFRS S1 & S2 and the Integrated Reporting Framework, reinforcing the credibility and reliability of its disclosures.

During the year, CGE expanded its climate-related reporting by including Scope 3 GHG emissions for the first time and calculating the product carbon footprint of 1 kg of chicken as an industry-first initiative in Sri Lanka. These efforts enabled better identification of emission hotspots and led to operational efficiencies across the value chain.

Additionally, the Group has integrated sustainability and climate-related risks and opportunities into its risk management processes and adopted Climate-Related disclosures aligned with SLFRS S2, which is based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). This has strengthened climate governance, enhanced strategic decision-making, and ensured alignment with global best practices.

Future Outlook

In 2026, the Sri Lankan economy is expected to operate in a more volatile environment due to ongoing global geopolitical tensions. This is likely to spur higher energy prices, elevated fuel costs, and increased freight and insurance expenses. The costs of packing materials, petroleum-driven products, and synthetic raw materials are also expected to rise, while extended lead times and supply chain disruptions could further hike production and logistics costs across the poultry industry. Rising inflation and potentially higher market interest rates are expected to intensify cost pressures, while constraints on exports, foreign remittances, and currency stability may continue to negatively impact overall economic conditions.

While the Group will implement pricing adjustments where necessary, this can only be done to a limited extent due to affordability constraints in the market, which may pose challenges in sustaining sales volumes. Furthermore, the anticipated shortage of local maize and potential price increases remain key concerns. CGE is engaging with government authorities to secure favorable pricing and to obtain immediate maize permits in order to secure continuity of supply.

CGE is also responding through targeted mitigation strategies such as energy optimisation, cost management initiatives, leveraging our storage capacity and bulk purchasing ability as procurement advantages, strengthening cash flow and enhancing supply chain efficiencies.

CGE will continue to increase its capacity, while staying on track to achieve its targets. The expansion of the poultry processing plant, with an investment of Rs. 3.0 Bn, is expected to enhance the value-added product portfolio, improve production speed and quality through automation and increase yield efficiency while reducing overhead costs. Complementing this, the installation of advanced parts-cutting machinery has boosted processing capabilities, enabling the Group to expand its value-added offerings and better meet evolving consumer demand.

Additionally, the establishment of a modern grandparent farm, with an investment of Rs. 550.0 Mn, will strengthen local market presence and increase the annual parent stock DOC output. This expansion will ensure a stable commercial DOC supply to support the upcoming plant expansion and meet growing market demand.

Acknowledgements

I express my sincere gratitude to the Chairman and the Board of Directors of Ceylon Grain Elevators PLC for their visionary guidance and strategic foresight. Their leadership has been pivotal in steering the Group towards sustainable growth, even amidst challenging conditions.

I extend my heartfelt appreciation to our management team and all employees. Your dedication, professionalism, and unwavering commitment remain the foundation of our success and the driving force behind the Group's achievements.

Finally, I thank our customers, shareholders, suppliers, and the communities surrounding our operations for their continued trust and confidence in CGE. Your support inspires us to continually raise the bar. Together, we look forward to building on our achievements and pursuing greater success in the years ahead.

Cheng Chih Kwong
Executive Director and Chief Executive Officer

Business Model

Capital Inputs

Financial
Capital is strategically allocated towards capacity expansion, operational efficiency improvements, and investments in modern, energy-efficient technologies to support sustainable growth.

Equity Rs. 18.90 Bn (Rs. 15.58 Bn - 2024)
Debt : Zero (Zero - 2024)

Manufactured
An extensive infrastructure base, modern state-of-the-art facilities, and advanced technological assets collectively enable TAF to deliver high-quality poultry products to consumers across Sri Lanka.

State of the art feed milling plant
42,070 MT sq.ft warehousing complex
chicken processing Plant
Breeder Farms
Broiler Farms
Commercial farms

Intellectual
Sustainable growth and competitive advantage are driven by CGE's strong industry expertise, continuous innovation, robust proprietary systems, and well-established knowledge-based processes.

Brand Identity associated with the globally reputed "Prima" brand
R & D Resources
Standards and Certifications
Digital Systems

Human
A skilled, diverse, and dynamic workforce whose expertise, innovation, and commitment underpin CGE's strategic growth and operational excellence.

732 employees
2:1 Overall Gender ratio

Social and Relationship
Strong, collaborative relationships with customers, suppliers, and the wider community create a resilient ecosystem that supports business continuity and sustained growth

Diverse customer segments encompassing, retail, B2B
960 strong supplier network
Wider community

Natural
Natural resources that sustain and support the Group's day-to-day operations.

Land owned by the Group
Materials, Energy and Water resources

Corporate Governance

Vision

Mission

Strategy

Core Business Activities



Feed Milling



Farming



Poultry Breeding



Chicken Processing



Commercial

Strategic Resource Allocation

- Sustainable Value Creation, Cost Optimisation & Efficient Operations
- Customer-Centric Value Delivery
- Human Capital & Workplace Wellbeing
- Environmental Sustainability & Climate Action

Approach to Sustainability

Risk Management

Outputs for CGE Group

Financial
Year-on-year Revenue Growth – 24% (2024-22%) S +

NPAT - Rs. 4.11 Bn (2024- 3.14 Bn) S +

Total Assets Rs. 25.89 Bn (2024-23.10 Bn) S, M, L +

Manufactured
Asset turnover Ratio – 1.04 (1.04-2024) S =

Capacity Utilizaion -< 83% (80% -2024) S =

Intellectual
Optimised operations for efficiency, quality, and cost control. S.M.L +

Data-driven decision-making with ERP and digital tools. L +

Technical expertise driving innovation in feed and supply chain. M, L +

Strong governance and compliance frameworks. S M L +

ESG and sustainability embedded in strategy. S M L +

Knowledge retention through training and succession planning. L +

Human
Staff attrition rate of 8.3% (compared to 8.2% in 2024). S -

Zero incidents of discrimination (maintained from 2024). S =

82% employee satisfaction, showing a slight improvement from 81% in 2024 S M L +

Employee receiving performance evaluation – 100% S +

Zero Incidents of Child Labour S+

Zero Incidents of Non-compliance of Regulations S +

Social
95% Customer Satisfaction Index (94% - 2024) S+

ZERO incidents of non-compliance related to marketing communications were reported in 2025 (Zero - 2024) S+

Natural
Non-renewable energy consumption per Rs. 1 million turnover reduced to 35% S+

16% reduction in water consumption per Rs. 1 million turnover S+

S Short Term | M Medium Term | L Long Term | + Value Created | - Value Eroded | = Value Preserved

Capital Trade-offs	Stakeholder Outcomes	Stakeholders Impacted	SDGs
Investments in technology, infrastructure, and employee development foster long-term growth and efficiency but may reduce short-term profits. Allocating funds for sustainability and CSR initiatives enhances reputation but can increase operational costs	Earnings per share (EPS) - Rs. 57.68 (2024-Rs.40.28) Dividend per share - Rs. 15.00 (2024- Rs.23.00) Dividend Payout Ratio (%) - 30.33 Taxes Paid – 1,100.5 Mn ROE – 24% Investment on local training and development programs – Rs. 1.4 Mn	Shareholders Customers Employees Government & Regulators Suppliers Community	
Infrastructure investments improve operational capacity and growth but require significant financial resources and can deplete natural resources if not managed sustainably.	Reliable supply of high-quality feed and poultry products Consistent product standards and improved service levels Access to efficient processing and input infrastructure Improved productivity and reduced operational constraints Safer, modernised workplaces with improved operational tools	Customers, Suppliers, Employees	
Innovation and research drive competitiveness and efficiency but require substantial financial investment and continuous workforce up skilling, creating cost and skill challenges.	Customers enjoy consistent quality, food safety, and reliable supply. Employees benefit from training, knowledge, and career development. Suppliers and farmers gain support through guidance and consistent standards.	Customers Shareholders Employees	
A skilled workforce enhances productivity and resilience, but reducing labor costs may harm morale and lead to attrition. Automation can improve efficiency but requires reskilling and may cause job losses.	10% average annual salary increment (10% - 2024) Rs. 2.42 Bn paid as employee salaries and benefits (Rs. 2.04 Bn - 2024) 7.0 Average training hours per employee (6.4 - 2024) ZERO major injuries (Zero - 2024)	Employees	
Engagement with stakeholders and CSR efforts build trust and long-term sustainability, but diverting resources may affect short-term profits and infrastructure development.	Obtained FSSC 22000 for Food safety Customer Satisfaction surveys Rs. 1.9 Mn spent on community Initiatives Rs. 23.58 Bn paid to suppliers (Rs. 16.85 Bn - 2024) 44 Local Suppliers added to the database <100 beneficiaries from community initiatives	Customers Suppliers Community	
Sustainable practices ensure long-term environmental and regulatory benefits but increase costs, and business growth may harm the environment if not managed responsibly.	Calculated the carbon footprint of 1 kg of chicken product Initiated Scope 3 carbon emissions assessment Completed Pilot project for ISO 50001 Energy Management System implementation	Community Customers Investors	

Stakeholder Engagement

GRI 2-6, 2-16, 2-25, 2-29

Creating lasting value for stakeholders is at the core of everything we do at CGE. As the country's largest poultry feed manufacturer, this commitment shapes each stage of our value chain from carefully formulating high-quality feed to enhancing the processing and packaging of our chicken products. Our focus remains on delivering consistent quality, operational excellence, and long-term sustainability.

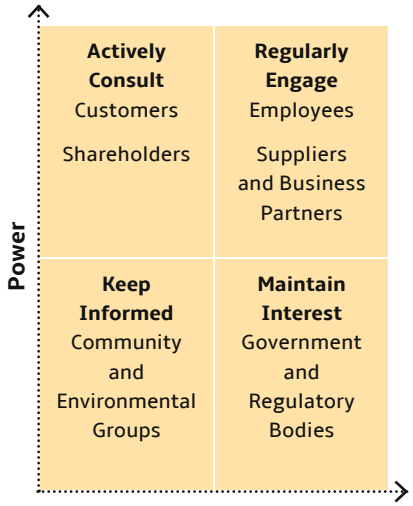
We see our stakeholders as key partners in our journey. Their insights and perspectives provide valuable guidance, helping us better understand market dynamics, evolving industry trends, operational priorities, and potential risks. Their voices shape the way we do business, ensuring that our strategies remain relevant, responsible and forward-thinking.

By recognising the unique relationships and concerns of our diverse stakeholder groups, we have developed strategies that reflect their expectations and needs. To support meaningful engagement, we maintain open, transparent and easily accessible communication channels. These platforms enable stakeholders to share feedback, raise concerns, and stay informed about our activities across all business segments. By fostering continuous dialogue, we strengthen relationships built on trust, respect and mutual understanding.

At CGE Group, stakeholder engagement is a two-way process. While we gain valuable insights and feedback, we also ensure that stakeholders are well-informed about our performance, progress, and strategic direction across the short, medium, and long term. This balanced exchange enhances clarity and promotes shared understanding of our goals.

Our structured and streamlined eight-point approach to stakeholder engagement ensures consistency and effectiveness in every interaction. By prioritising transparency, accountability, and responsiveness, we reinforce our commitment to continuous improvement. Ultimately, this approach enables us to create sustainable long-term value, not only for our business, but also for the communities and industries we serve.

The Power/Interest Grid (CGE Group)

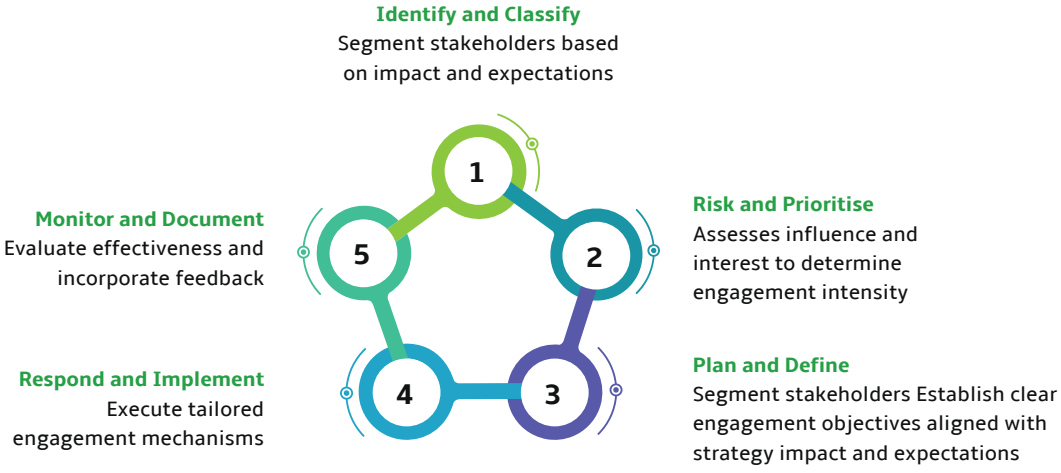






Stakeholder-Centric Approach to Value Creation

Stakeholder feedback plays a pivotal role in identifying and prioritising "material topics". By actively engaging with our stakeholders, CGE translates their insights into strategic actions, integrating them into business models and operational practices. This approach ensures that CGE remains responsive, resilient, and well-aligned with evolving stakeholder expectations.



Stakeholder Prioritisation

Stakeholders are prioritised based on their level of power and influence. High-impact stakeholders are actively consulted, involved, or collaborated with, while broader stakeholder groups are engaged through structured monitoring and periodic communication.

Category	Stakeholder Profile	Value Contribution	Engagement Approach
Consult	Stakeholders with technical expertise or independent oversight roles	Provide critical insights that strengthen financial integrity, risk management, and governance	Engage through structured dialogue, transparent communication, and formal consultations
Involve	Key stakeholders directly influencing or impacted by business performance	Shape strategic direction and drive operational and financial outcomes	Maintain continuous, proactive engagement embedded within decision-making processes
Collaborate	Strategic partners and participants across the value chain	Enable operational efficiency and support long-term sustainable growth	Foster partnership-driven engagement focused on shared goals and mutual value creation
Monitor	Stakeholders with indirect or emerging influence	Influence reputation and the broader operating environment over time	Ensure regular communication and apply proportionate monitoring mechanisms

Engaging Stakeholders for Meaningful Insights

Stakeholder feedback serves as a key pillar in the determination of Materiality Topics.

By actively listening to our stakeholders, we translate insights into strategic actions, seamlessly integrating them into our business model and operational practices, thus ensuring CGE remains responsive, resilient and aligned with evolving stakeholder priorities.

Stakeholder Engagement

Stakeholder Group	Authorities in Charge of Enagement	Engagement Medium and Frequency of Engagement	Key Concerns Raised and What They Expect
Shareholders 	Board of Directors CEO Executive Management Team	❍ Annual General Meeting (Annual) ❍ Investor forums and discussions ❍ Annual Report (Annual) ❍ Interim Financial Statements (Quarterly) ❍ CSE announcements (As needed) ❍ Press releases (As needed) ❍ Corporate website (Continuous) ❍ Extraordinary general meetings (As needed)	❍ Return on investment ❍ Dividends and capital gains ❍ Share price and liquidity ❍ Growth prospects ❍ Business continuity ❍ Governance and transparency ❍ Social and environmental impact
Customer 	CEO Sales Teams	❍ Technical support and product awareness sessions (Continuous) ❍ Direct customer interaction (Continuous) ❍ Regular one-on-one engagements and site visits (As needed) ❍ Customer satisfaction surveys (As needed) ❍ Social media and corporate website (Continuous) ❍ Dealer convention (Annual) ❍ Regional Dealer meetings (Periodic) ❍ Specific audit reviews (Periodic)	❍ Product quality and safety ❍ Product pricing ❍ Product availability ❍ Product innovations ❍ Credit Facilities ❍ Sustainable Supply Chain
Employees 	HRD Line Managers	❍ Performance appraisals (Annual) ❍ Regular training sessions (As needed) ❍ Employee Council meetings (Monthly) ❍ Open-door policy (Continuous) ❍ Internal communication through memo, internet and notice board (Continuous) ❍ Staff events (Annual)	❍ Attractive remuneration and reward schemes ❍ Opportunities for training and career development and progression ❍ Recognition and succession planning ❍ Safe and conducive workplace ❍ Job security ❍ Welfare facilities

	Our Responses and Results for 2025	Risk	Opportunities	Quality of Relationship	Focus for the future
	❍ ROE – 23.89% (20.90% -2024) ❍ DPS - Rs. 15 (Rs. 33- 2024) ❍ EPS - Rs. 57.68 (Rs. 40.28 - 2024) ❍ Last traded share price – Rs. 400 (Rs. 189.50 - 2024) ❍ Revenue growth - 24% year-on-year (22% - 2024) ❍ Total dividend payment Rs. 900.0 Mn ❍ Strengthened business continuity planning and DR infrastructure systems ❍ Ref. Financial Capital - page 68 & Intellectual Capital – page 89 and Corporate Governance – page 184	❍ Business disruption risk ❍ Compliance risk ❍ Climate change risk ❍ Share price volatility	❍ Business diversification ❍ Technology upgrades ❍ Market expansion	Healthy	❍ Strengthen the financial performance ❍ Align sustainability goals with financial performance ❍ Invest in innovation and market expansion
	❍ Obtained FSSC 22000 for food safety ❍ Customer satisfaction surveys ❍ Credit facilities and attractive discounts to dealers. ❍ Implemented a dealer incentive programme offering Tour sponsorships. ❍ Ref. Social and Relationship Capital Report on page 102	❍ Business disruption risk ❍ Competitor risk ❍ Climate change risk	❍ Productivity optimisation through technology ❍ Rising demand for protein ❍ New product needs	Strong	❍ Deliver high-quality, value-added products ❍ Strengthen relationships with dealers and export buyers ❍ Adopt sustainable operational and processing practices
	❍ Rs. 2.42 Bn paid as remuneration and Benefits to employees ❍ Rs. 1.4 Mn investment in training ❍ Rs. 558.6 Mn workmen compensation insurance coverage ❍ Significant revamp of group-wide safety systems ❍ 458 Safety training programmes conducted ❍ Workforce Optimisation ❍ Ensure better work-life balance through introducing family-friendly work policies. ❍ Ref. Human Capital Report on page 136	❍ Business disruption risk ❍ Labour and talent migration risk	❍ Product quality and operational efficiency ❍ Innovation and improvement	Strong	❍ Open communication culture ❍ Training and awareness ❍ Mental health and wellbeing

Stakeholder Engagement

Stakeholder Group	Authorities in Charge of Enagement	Engagement Medium and Frequency of Engagement	Key Concerns Raised and What They Expect
Suppliers 	Procurement Department	❍ Relationship Management Initiatives (As needed) ❍ Supplier site visits (Continuous) ❍ Written communication and feedback (As needed) ❍ Supplier selection process (Periodic) ❍ Regular checks of their ethical standards (Periodic) ❍ Attending trade exhibitions and supplier conventions (Periodic) ❍ Supplier Surveys (As needed)	❍ Constructive feedback ❍ Timely payments and ease of negotiating ❍ Social and environmental conformity ❍ Opportunities for business growth ❍ Potential for long-term business relationships
Government and Regulatory Bodies 	Board of Directors Executive Management	❍ Directives and circulars (Periodic) ❍ Face to face interactions (As needed) ❍ Regulatory filings (Annual) ❍ Corporate website (Continuous)	❍ Timely payment of regulatory dues and taxes ❍ Compliance with all regulatory requirements ❍ Social and environmental implications of the business ❍ Environmental Impact assessment
Community and Environmental Groups 	Sustainability Committee Sustainability Management Team	❍ CSR activities (Periodic) ❍ Public events and sponsorships (Periodic) ❍ Corporate website (Continuous) ❍ Environment and other licenses (As needed) ❍ Social media (Continuous)	❍ Contribution to community development ❍ Empowerment through livelihood creation ❍ Social well-being ❍ Fair competition

	Our Responses and Results for 2025	Risk	Opportunities	Quality of Relationship	Focus for the future
	❍ Rs. 23.58 Bn paid to suppliers (Rs. 16.85 Bn - 2024) ❍ Timely payments on all dues ❍ 44 new supplier relationships ❍ Ref. Social and Relationship Capital Report on page 102	❍ Supply chain disruption risk ❍ Exchange rate risk ❍ Climate change risk	❍ Quality inputs ❍ Long-Term Supplier Relationships	Healthy	❍ Maintain supply chain transparency and traceability ❍ Build and maintain strong relationships ❍ Promote high standards of quality consistency 
	❍ Rs. 1.85 Bn paid as taxes (Rs. 1.27 Bn - 2024) ❍ ZERO reported incidents of non-compliance with labeling requirements ❍ ZERO incidents of non-compliance related to marketing communications ❍ Commenced computing the Group's carbon footprint ❍ Ensure full compliance with all regulatory requirements ❍ Ref. Financial Capital Report on page 68, Intellectual Capital Report on page 102 Natural Capital - page 170	❍ High taxation risk ❍ Policy changes risk	❍ Economic stabilisation policies ❍ Infrastructure development	Strong	❍ Ensure full compliance with relevant laws and regulations. ❍ Adopt sustainable and environmentally friendly practices. 
	❍ Engage with communities through CSR activities ❍ Calculated the carbon footprint of 1 kg of chicken product ❍ Initiated Scope 3 carbon emissions assessment ❍ Operations in aligned with ISO 50001 Energy Management Systems ❍ Implemented zero polythene initiatives ❍ Introduced food waste measurement and dashboard system ❍ Water Footprint Assessment ❍ Rs. 42.0 Mn invested in Renewable Energy Ref. Natural Capital - page 164	❍ Business disruption risk ❍ Reputation damage risk	❍ CSR projects ❍ Stronger brand image	Healthy	❍ Enhance living standards ❍ Support education initiatives ❍ Promote access to quality healthcare services 

Materiality Topics

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

At CGE, our approach to materiality is aligned with internationally recognised frameworks and best practices, reflecting a structured, transparent, and forward-looking process for identifying and managing key sustainability matters. A topic is considered material if it has the potential to significantly influence CGE's ability to create, preserve, and sustain value for our stakeholders over the short, medium, and long term.

This definition ensures that material issues are assessed not only in terms of their immediate operational relevance, but also their long-term strategic, financial, environmental, and social implications.

Materiality Assessment at CGE

CGE operates within a dynamic and evolving business environment, where sustainability-related risks and opportunities are increasingly interconnected with operational performance and long-term resilience. In this context, identifying and prioritising material sustainability topics is critical to informed decision-making and sustainable value creation.

Accordingly, CGE conducts a comprehensive materiality assessment on an annual basis to identify the ESG issues that are most relevant to our business operations and stakeholder groups. This assessment enables CGE to focus its strategic efforts, allocate resources effectively, and integrate sustainability considerations into business planning and risk management processes.

The materiality assessment process incorporates insights gathered through internal and external reviews, including inputs from operational teams, management, and other relevant stakeholders. The assessment is further informed by CGE's voluntary commitments to globally recognised sustainability frameworks, including the Global Reporting Initiative (GRI) Standards and the United Nations Sustainable Development Goals (SDGs), which collectively guide our contribution to the 2030 Sustainable Development Agenda.

Alignment with Global and Local Reporting Frameworks

In 2024, CGE further strengthened its materiality assessment by aligning the process with GRI 13: Agriculture, Aquaculture and Fishing Sector Standards (2022), ensuring sector-specific sustainability risks, impacts, and opportunities were comprehensively evaluated.

In anticipation of the SLFRS S1 and S2 sustainability and climate-related disclosure requirements, which come into effect in 2025, CGE also refined its materiality assessment to incorporate relevant principles of the Sustainability Accounting Standards Board (SASB) – Meat, Poultry, and Dairy Standard. This enhanced approach supports improved identification of financially material sustainability matters and strengthens CGE's readiness for future regulatory and investor expectations.

Based on these frameworks, CGE's material topics are classified under Environmental, Social, and Governance (ESG) pillars, enabling a structured and consistent approach to managing sustainability impacts, risks, and opportunities arising from our operations.

Adopting a Double Materiality Approach

In line with emerging global best practices, CGE has adopted a double materiality approach to further assess and validate its material ESG topics. This approach evaluates material matters from two complementary perspectives:

1. **Financial materiality** – assessing the actual and potential financial impacts of ESG matters on CGE's performance, financial position, cash flows, and long-term value creation; and
2. **Impact materiality** – assessing CGE's broader economic, social, and environmental impacts on stakeholders and the wider ecosystem.

This dual lens ensures a comprehensive evaluation of ESG factors, considering their implications for operational efficiency, regulatory compliance, capital allocation, risk exposure, and revenue growth, while also addressing CGE's responsibilities toward environmental stewardship, employee welfare, food security, animal welfare, and community well-being.

By integrating double materiality into our sustainability governance framework, CGE ensures that sustainability initiatives not only enhance financial resilience but also deliver measurable positive outcomes for society and the environment, in alignment with stakeholder expectations and global sustainability objectives.

Materiality Determination Process

CGE follows a structured and transparent materiality determination process to identify and manage sustainability topics that are most relevant to the Group and our stakeholders. The process consists of four key steps.

Materiality Determination Process

Identification
A comprehensive 360-degree assessment is conducted to identify sustainability-related risks and opportunities across CGE's operations and value chain. This includes reviewing the external operating environment, internal operational risks, stakeholder feedback, and the influence of ESG matters on the Group's strategy and business model, guided by recognised global frameworks.

Step 1

Prioritisation
Identified topics are evaluated based on their economic, social, and environmental relevance. Topics are prioritised by assessing their impact on the business alongside their importance to stakeholders, considering severity, likelihood, and time horizons.

Step 2

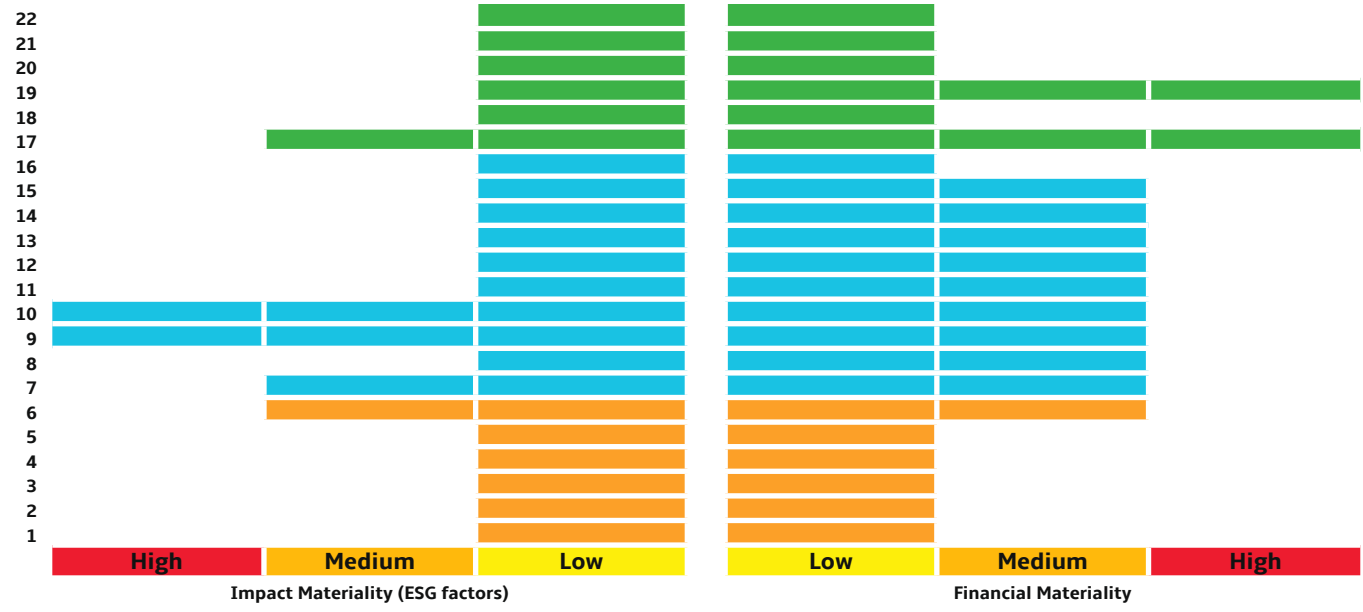
Validation
Prioritised material topics are reviewed and validated by the Sustainability Committee to ensure alignment with CGE's strategic objectives, risk appetite, and regulatory expectations.

Step 3

Integration into Strategy
Validated material topics are embedded into CGE's Group strategy and risk management framework. Both qualitative and quantitative assessments are applied, including severity and potential financial impact, ensuring sustainability risks and opportunities are effectively managed and aligned with long-term value creation.

Step 4

Outcome of the Double Materiality Filter



Materiality Topics

Material Topic			Impact Materiality		Financial Materiality	Double Materiality	Risk No.	
			Risks	Opportunities				
Environment	1	Materials	Sourcing materials from unsustainable or unethical suppliers could lead to reputational and regulatory risks	Explore the use of reclaimed and recycled packaging materials	●	●	R1	
	2	Energy	Rising energy costs due to market volatility	Reduce energy intensity	●	●	R25	
	3	Water and Effluents	Inefficient water management can result in resource depletion, pollution, and reputational damage, especially if effluent discharge negatively impacts local ecosystems and communities	Adopting sustainable water management strategies can enhance operational efficiency and reduce costs	●	●	R14	
	4	Emissions	Increasing regulatory pressure to reduce greenhouse gas (GHG) emissions, with stricter environmental laws, carbon taxes, and emissions reporting requirements potentially leading to higher compliance costs	Adopting low-carbon solutions can enhance brand value, positioning CGE as an industry leader in sustainability	●	●	R15	
	5	Waste	Reputational damage due to the harm caused by excessive waste generation and improper disposal	Adopting circular economy principles to minimise environmental impact while lowering material costs and improving operational efficiency	●	●	R14	
	6	Climate Adaptation and Resilience	Risk of operational disruptions due to the increasing frequency and severity of climate-related events, such as extreme weather, flooding, and temperature fluctuations	Embed climate resilience into the business model and strategy	●	●	R16	

	GRI /SASB /Other	Management Approach	Linked to the Business Strategy Pillars					Related Capitals	SDG's
			Sustainable Value Creation	Cost Optimisation & Efficient Operations	Customer – Centric Value Delivery	Human Capital & Workplace Wellbeing	Environmental Sustainability & Climate Action		
	GRI 301	Increase the proportion of sustainable materials Natural Capital – page 167		☑			☑	Natural Capital	
	GRI 302, SASB, FB-MP-130a.1, FB-MP-	Invest in renewable sources to reduce the dependence on non-renewable sources Natural Capital – page 168					☑		
	GRI 303 GRI Topic 13.7 (GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022), SASB, 140a.1, FB-MP-140a.2,FB-MP-140a.3	Optimise water usage, implementing efficient treatment systems, ensuring regulatory compliance, and integrating sustainable practices to minimize environmental impact and enhance long-term resource sustainability Natural Capital – page 174		☑			☑		
	GRI 305 SASB, FB-MP-110a.1, FB-MP-110a.2, FB-AG-110a.3	Implementing energy-efficient technologies, transitioning to renewable energy, ensuring regulatory compliance, and continuously reducing its carbon footprint Natural Capital - page 169		☑			☑		
	GRI 306 GRI Topic 13.8 (GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022)	Promoting recycling and resource recovery and integrating circular economy principles to reduce environmental impact and enhance operational efficiency Natural Capital – page 175		☑			☑		
	GRI Topic 13.2 (GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022)	Follow global developments to understand how best to integrate climate adaptation and resilience into the business Risk and Opportunity Management Report – page 239		☑	☑		☑		

Materiality Topics

Material Topic			Impact Materiality		Financial Materiality	Double Materiality	Risk No.	
			Risks	Opportunities				
Social	7	Employment	Risk of labor unrest, high turnover rates, grievances and workplace accidents leading to business disruptions and reputational damage	Enhance the reputation as an employer of choice to attract and retain top talent	●	●	R8, R9, R10, R11,	
	8	Labor/ Management Relations						
	9	Occupational Health & Safety						
	10	Training & Education						
	11	Diversity & Equal Opportunity						
	12	Customer Health and Safety	Health and safety failures could lead to the risk of product recalls and undermine consumer trust and loyalty, potentially resulting in long-term financial and reputational damage	Potential for market expansion and enhanced competitiveness	●	●	R18,20	
	13	Marketing and Labeling						
	14	Food Safety						
	15	Animal Health and Welfare	Failure to comply with animal welfare standards or involvement in unethical practices could lead to regulatory fines, public backlash, and loss of consumer trust	promoting high animal welfare standards, CGE can enhance its reputation as a responsible and ethical company	●	●	R22	
	16	Indirect Economic Impacts	Reputational damage due to lack of adequate engagement with local communities	Invest in community capacity building	●	●	R24	

	GRI /SASB /Other	Management Approach	Linked to the Business Strategy Pillars					Related Capitals	SDG's
			Sustainable Value Creation	Cost Optimisation & Efficient Operations	Customer – Centric Value Delivery	Human Capital & Workplace Wellbeing	Environmental Sustainability & Climate Action		
	GRI 401 GRI 402 GRI 403 GRI 404 GRI 405 GRI 406 GRI 407 GRI 408 GRI 409 SASB- FB-MP-320a.1, FB-MP-320a.2	Implement policies and procedures to manage labour/management relations, prioritising occupational health and safety, offering continuous training and development, and championing diversity and equal opportunity Human Capital – page 136				☑ ☑ ☑ ☑	☑ ☑	Human Capital	3, 4, 5, 8, 10
	GRI 416 GRI 417 GRI Topic 13.10 Food safety (GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022) SASB FB-MP- 250a.1,FB-MP-250a.2,FB-MP-250a.3,FB-NB-270a.2,FB-NB-270a.5,FB-NB-270a.4,FB-NB-410a.1,FB-NB-410a.2	Adhering to stringent regulatory standards, ensuring transparent and accurate product information, and implementing robust safety protocols to protect consumers and build trust in CGE's products. Social and Relationship Capital – page 113	☑ ☑ ☑				☑ ☑ ☑	Social & Relationship Capital	8, 9, 10, 17
	GRI Topic 13.11 Animal health and welfare (GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022)	Animal Welfare Policy Intellectual Capital – page 92					☑		
	GRI 203	Strong community relations framework to identify and address needs of the wider community Social and Relationship Capital – page 126	☑				☑		

Materiality Topics

Material Topic			Impact Materiality		Financial Materiality	Double Materiality	Risk No.	
			Risks	Opportunities				
Governance	17	Economic Performance	Adverse impact on consumer demand due to inflation, weather-related factors etc. Unpredictable increase in cost of imported raw material owing severe exchange rate volatility	Invest in technology and automation to derive cost efficiencies	🔴	🔴	R2,R3,R6	
	18	Market Presence	Rising minimum wages may lead to increased labour costs, potentially affecting profit margins	Enhance corporate reputation by offering higher than minimum wage requirements	🟡	🟡	R8	
	19	Procurement Practices	Breakdown of supply chain owing to the high dependency on imports	Develop a reliable local supplier network	🔴	🔴	R21	
	20	Anti-Corruption	Risk of legal penalties, fines, and reputational damage if implicated in corrupt practices	Benchmark global best practices for integrity and transparency	🔴	🟡	R19,R22	
	21	Anti-Competitive Behavior	Legal actions, heavy fines, and significant reputational damage	Reinforce anti-competitive practices across the value chain	🔴	🟡	R22	
	22	Tax	Fines and reputational damage owing to non-compliance	Proactive monitoring of regulatory developments to drive early adoption	🟡	🟡	R17,R22	

🟡 Low 🟠 Moderate 🔴 High

	GRI /SASB /Other	Management Approach	Linked to the Business Strategy Pillars					Related Capitals	SDG's
			Sustainable Value Creation	Cost Optimisation & Efficient Operations	Customer – Centric Value Delivery	Human Capital & Workplace Wellbeing	Environmental Sustainability & Climate Action		
	GRI 201	Focus on revenue diversification, while reducing costs through the optimal use of existing assets and systematically increasing the level of automation within the production process Financial Capital – page 67 Manufactured Capital – page 80		☑			☑	Financial Capital Manufactured Capital	2 ZERO HUNGER 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
	GRI 202	Commitment to fair wages in line with minimum wage requirements Human Capital – page 141				☑		Human Capital	8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES
	GRI 204	Cultivate a network of diverse supplier network, including reliable local suppliers Social and Relationship Capital – page 125		☑			☑	Social & Relationship Capital	8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES
	GRI 205	ZERO tolerance of bribery and corruption in line with the parent - Prima Group Singapore Intellectual Capital – page 93		☑			☑	Intellectual Capital	17 PARTNERSHIPS FOR THE GOALS
	GRI 206	Prioritise transparency and healthy competition by adhering to the core values of the parent - Prima Singapore Social and Relationship Capital – page 114		☑	☑		☑	Social & Relationship Capital	17 PARTNERSHIPS FOR THE GOALS
	GRI 207	100% compliance with all applicable tax regulations Financial Capital – page 72			☑			Financial Capital	8 DECENT WORK AND ECONOMIC GROWTH

The Future of Agriculture

Advancing breeder operations through integrated, technology-enabled ecosystems.





Business Strategy and Resource Allocation

CGE adopts a structured and forward-looking approach to strategy formulation, anchored in a comprehensive SWOT analysis. This enables the Group to systematically align its internal capabilities with external market dynamics, ensuring that strategic priorities are both resilient and responsive to an evolving business environment.

By effectively leveraging its core strengths against emerging opportunities, CGE continues to capitalise on growth prospects within the poultry and related sectors. At the same time, the Group critically evaluates its operational weaknesses in the context of external threats, enabling proactive risk mitigation and informed resource allocation.

This disciplined, data-driven approach supports the Group in maintaining operational efficiency, strengthening competitive positioning, and ensuring long-term value creation for stakeholders.

Leveraging Strengths to Capitalise on Opportunities		Strengths	Weaknesses	Understanding How Weaknesses Can Expose the Group to Threats	
 Opportunities	- Rising demand for processed chicken products attributed to the positive perception. - Higher prices of competitive protein alternatives driving up the demand for poultry. - New technological advancements in poultry processing improving efficiency. - Increasing consumer preference for organic and antibiotic-free poultry products. - Growth in e-commerce and online food delivery services creating new sales channels.	- Well-established Prima brand with a strong dealer network. - Fully integrated operations ensuring supply chain control. - In-house feed laboratory and state-of-the-art veterinary diagnostic lab. - Internal expertise in feed formulation, production technology, and disease management. - Strong parent stock supply chain and network of contracted out-growers. - Skilled and experienced workforce. - Planned breeder expansion and ERP-driven cost analysis - Effective waste management and byproduct utilisation processes. - Strong brand reputation and customer trust in product quality. - Well-developed distribution and logistics network ensuring market reach.	- Manual labour dependency. - High energy and labour costs. - Dependence on raw material imports increases cost inefficiencies due to exchange rate volatility.	- Import restrictions on vaccines and raw materials. - Growing competitive in the poultry industry. - Uncertain weather patterns affecting open-house production. - Increasing demand for ready to eat & value added products. - Fluctuations in Raw Material prices affecting production costs. - Labor shortages and workforce retention challenges in poultry processing.	 Threats

Strategic Resource Allocation

CGE's resource allocation strategy is closely aligned with its long-term strategic priorities, ensuring the optimal utilisation of financial, human, and operational resources. Investments are strategically directed towards initiatives that support the Group's four key pillars:



Sustainable Value Creation, Cost Optimisation & Efficient Operations

Enhancing production efficiency through process improvements, technological adoption, and disciplined cost management across the value chain



Customer-Centric Value Delivery

Expanding value-added product offerings, strengthening distribution networks, and continuously improving product quality to meet evolving customer expectations



Human Capital & Workplace Wellbeing

Investing in employee development, skills enhancement, and fostering a safe, inclusive, and performance-driven work



Environmental Sustainability & Climate Action

Advancing sustainable practices through efficient resource utilisation, waste management, energy optimisation, and environmentally responsible operations

Through prudent capital allocation and continuous performance monitoring, CGE ensures that resources are deployed effectively to drive sustainable growth, enhance profitability, and reinforce its leadership position in the poultry industry.

Business Strategy and Resource Allocation

Sustainable Value Creation, Cost Optimisation & Efficient Operations

Material Matters

- Cost efficiency and margin management
- Supply chain optimisation and integration
- Production efficiency and process automation
- Asset utilisation and operational reliability
- Resource efficiency and waste minimisation

Capitals Impacted

Financial Capital | Manufactured Capital | Intellectual Capital | Human Capital | Social & Relationship Capital | Natural Capital

Risk & Opportunities

R1, R2, R3, R6, R12, R13, R14, R21, R23

Resource Allocation Highlights

- Approx. Rs. 3.0 Bn investment in Chicken Processing Plant Automation
- Approx. Rs. 600.0 Mn investment in New GP Farm
- Rs. 42.0 Mn invested in solar energy
- Rs. 47.0 Mn invested in IT system Upgrade
- Rs. 76.0 Mn invested to acquire new Vehicles
- Rs. 215.0 Mn invested in constructing EC houses

Outcomes

- Asset turnover ratio – 1.22
- Plant Utilisation - <60%
- FSSC 22000 Certification
- Introduced 02 new products
- Initiatives for Business Continuity Management System (BCMS) implemented-aligned with ISO 22301:2019
- Enhanced asset utilisation and reduced downtime
- Strengthened supply chain resilience and supplier reliability
- Reduced waste and improved natural resource utilisation

(Ref: Manufactured Capital - page 81)

Future Plans

Short Term

- Accelerate automation and digitalisation across operations
- Strengthen cost control and efficiency improvement initiatives

Medium Term

- Expand production capacity and optimise integrated operations
- Enhance supply chain resilience and strategic sourcing

Long Term

- Achieve best-in-class operational efficiency through advanced technologies
- Build a highly resilient and scalable integrated poultry model

SDGs

Shareholder Impacted : Customers, Suppliers , Employees

Customer-Centric Value Delivery

Material Matters

- Customer Trust and Product Responsibility
- Responsible Supply Chain Management
- Community Engagement and Social Development
- Stakeholder Engagement and Transparency
- Ethical Business Conduct and Corporate Reputation

Capitals Impacted

Financial Capital | Manufactured Capital | Intellectual Capital | Human Capital | Social & Relationship Capital | Natural Capital

Risk & Opportunities

R15, R18, R20, R21, R22, R24

Resource Allocation Highlights

- Obatained FSSC 22000 for food safety
- Customer Satisfaction surveys
- Rs. 1.9 Mn spent on community Initiatives
- Rs. 23.58 Bn paid to suppliers (Rs. 16.85 Bn - 2024)
- 44 local suppliers added to the database
- <100 beneficiaries from community initiatives
- Upgrading processing facilities and strengthening cold chain/logistics
- Development of new poultry product variants and customised feed solutions
- Customer engagement, feedback systems, and brand-building initiatives
- Training employees on quality, food safety, and service excellence
- Sustainable sourcing and responsible production practices

Outcomes

- 95% Customer Satisfaction Index
- ZERO incidents of non-compliance related
- Consistent product quality, safety, and traceability
- Increased customer satisfaction, loyalty, and brand trust
- Expanded market reach and improved delivery reliability
- Enhanced innovation and responsiveness to consumer needs
- Strengthened reputation for responsible and high-quality products

(Ref: Social and Relationship Capital - page 102)

Future Plans

Short Term

- Expand value-added and processed product portfolio
- Strengthen customer engagement and distribution channels

Medium Term

- Expand export markets and diversify customer base
- Enhance product innovation and customisation capabilities

Long Term

- Position CGE as a trusted regional brand in poultry and protein products
- Deliver differentiated, high-value products aligned with evolving consumer trends

SDGs



Stakeholder Impacted : Customers, Employees, Suppliers & Communities

Business Strategy and Resource Allocation

Human Capital & Workplace Wellbeing

Material Matters

- Talent Attraction and Retention
- Training, Skills Development and Capacity Building
- Occupational Health and Safety (OHS)
- Employee Engagement and Satisfaction
- Diversity, Equity and Non-Discrimination
- Workforce Optimisation and Productivity
- Leadership and Succession Planning

Capitals Impacted

Human Capital | Intellectual Capital | Social & Relationship Capital | Manufactured Capital

Risk & Opportunities

R8,R9,R10,R11

Resource Allocation Highlights

- Workmen's insurance cover for Rs. 558.6 Mn
- Rs. 1.4 Mn investment in local training
- Significant revamp of group-wide safety systems
- 458 safety training programmes conducted
- Workforce optimisation
- Rs. 2.42 Bn paid as remuneration and benefits to employees
- Investments in health & safety systems, safer machinery, and improved facilities
- Training, leadership development, and succession planning programmes
- Employee wellbeing, medical, and engagement initiatives
- Strengthening governance frameworks (ethics, compliance, whistleblowing)
- Infrastructure improvements supporting employee working conditions

Outcomes

- Staff attrition rate of 8.3% (compared to 8.2% in 2024).
- Zero incidents of discrimination (maintained from 2024).
- 82% employee satisfaction, showing a slight improvement from 81% in 2024
- Employee receiving performance evaluation – 100%
- Zero Incidents of child labour
- Zero Incidents of non-compliance with regulations
- 70% Employees serving the Company for over 5 Years
- Safer, healthier, and more inclusive workplaces
- Improved employee engagement, morale, and retention
- Enhanced workforce capability and productivity
- Reduced workplace incidents and operational disruptions
- Stronger organisational culture aligned with performance and ethics

(Ref: Human Capital - page 136)

Future Plans

Short Term

- Strengthen safety culture and employee engagement initiatives
- Enhance workforce skills through targeted training programmes

Medium Term

- Build leadership pipeline and succession planning frameworks
- Increase workforce productivity through digital HR and automation

Long Term

- Create a high-performance, future-ready workforce
- Establish CGE as an employer of choice in the industry

SDGs

Stakeholders Impacted : Employees ,Customers

Environmental Sustainability & Climate Action

Material Matters

- Energy & Emissions
- Waste & Resource Efficiency
- Materials & Packaging
- Biodiversity & Ecosystems
- Climate Resilience
- Energy Consumption and Efficiency
- Waste Management and By-Product Utilisation
- Water Usage and Conservation

Capitals Impacted

Natural Capital | Financial Capital | Intellectual Capital | Social & Relationship Capital | Human Capital | Manufactured Capital

Risk & Opportunities

R14, R15, R16, R25, R26

Resource Allocation Highlights

- Calculated the carbon footprint of 1 kg of chicken product
- Initiated Scope 3 carbon emissions assessment
- Completed pilot project for ISO 50001 Energy Management System implementation
- Implemented zero polythene initiatives
- Introduced food waste measurement and dashboard system
- Water Footprint Assessment
- Rs. 42.0 Mn invested in renewable energy
- Environmental awareness programmes and stakeholder engagement
- Tree planting, biodiversity conservation, and land stewardship initiatives
- Integration of ESG into strategy, sourcing, and operations

Outcomes

- Scrap sales recorded a threefold increase year-on-year
- Non-renewable energy consumption per LKR 1 million turnover reduced to 35%
- 16% reduction in water consumption per LKR 1 million turnover
- Enhanced compliance with environmental standards and regulations
- Improved energy, water, and waste management performance
- Strengthened climate resilience and ecosystem protection

(Ref: Natural capital - page 164)

Future Plans

Short Term

- Improve energy and resource efficiency across operations
- Strengthen waste management and environmental monitoring

Medium Term

- Increase renewable energy adoption and reduce emissions
- Enhance sustainable sourcing and environmental performance tracking

Long Term

- Transition towards low-carbon and climate-resilient operations
- Achieve leadership in sustainable poultry production practices

SDGs



Stakeholder impacted : Employees, Customers, Suppliers & Communities

Operating Environment

Global Economic Environment

The global economy in 2025 remained resilient despite ongoing trade tensions, policy uncertainty, and geopolitical challenges, supported by strong demand, improved investor sentiment, and increased investment in emerging technologies such as AI. This momentum marked the completion of a five-year recovery from the 2020 downturn, although growth remained uneven across regions.

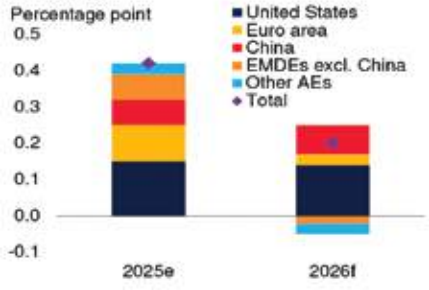
Global GDP growth is projected to moderate to 2.6%, reflecting weaker trade activity as inventory levels normalise and trade restrictions intensify. While advanced economies have largely surpassed pre-pandemic levels, many emerging economies continue to face structural constraints.

Although inflation has eased, it continues to shape global financial conditions, with central banks maintaining relatively tight monetary policies. This has implications for financing costs, exchange rate stability, and demand, particularly in import-dependent economies.

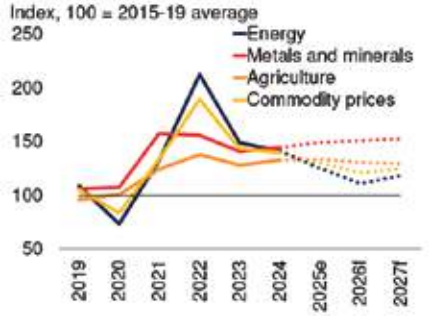
Commodity markets remain a critical factor shaping the operating environment for agri-based businesses such as CGE. Prices of key agricultural inputs, including maize and soybean, continue to exhibit volatility due to supply chain adjustments, climate-related disruptions, and geopolitical developments. Such fluctuations directly impact feed production costs and margin management across the poultry value chain. Additionally, energy and logistics costs continue to influence overall cost structures, albeit with some stabilisation compared to prior years.

Overall, the global economic outlook is subject to downside risks, including potential escalation of trade tensions, financial market volatility, and unexpected inflationary pressures. However, upside opportunities may arise from increased technological adoption and improved supply chain resilience. In this context, maintaining cost efficiency, supply chain agility, and prudent financial management remains essential for navigating external uncertainties and sustaining long-term growth.

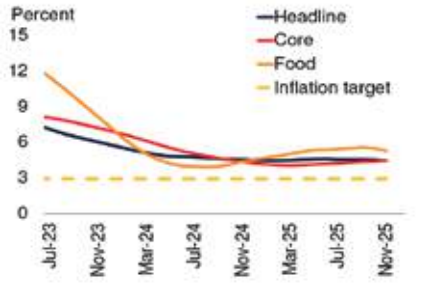
E. Contributions to global growth revisions



A. Commodity price forecasts



C. Consumer price inflation



Source: Global Economic Prospects - January 2026 (World Bank Publication)

Overview of the Sri Lankan Economy

Sri Lanka's economy in 2025 continued its recovery momentum, supported by improved macroeconomic stability and policy reforms. Economic activity remained steady, with consistent growth levels and a gradual strengthening of key sectors.

Inflation remained low and stable, reflecting improved monetary conditions and better supply-side dynamics. The external sector showed notable progress, with strong growth in tourism and a significant increase in workers' remittances, supporting foreign exchange inflows and overall economic stability.

Labour market conditions improved marginally, with a slight decline in unemployment, indicating a gradual recovery in economic activity. Meanwhile, the currency experienced moderate depreciation, reflecting ongoing external pressures despite improved inflows.

Overall, the economy demonstrated signs of stabilisation and gradual recovery, supported by stronger external sector performance, contained inflation, and continued policy discipline, although external vulnerabilities and structural challenges remain.

Quarterly Real GDP Growth –
2025 - Q3- 5.4%
2024 - Q3- 5.4%

Inflation –
2025 - Q4- 2.1%
2024 - Q4- 1.7%

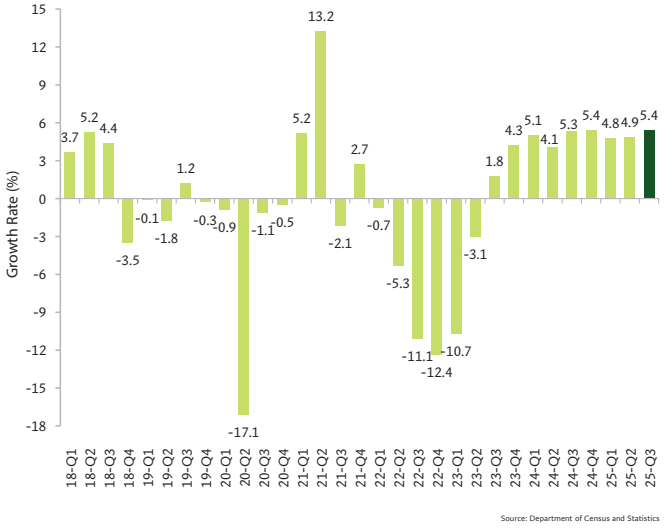
Tourist Arrivals –
2025 - 2,362,521
2024 - 2,053,465

Workers Remittances –
2025 - 8.1 USD Bn
2024 - 6.6 USD Bn

Unemployment –
2025 - Q3- 4.3%
2024 - Q3- 4.4%

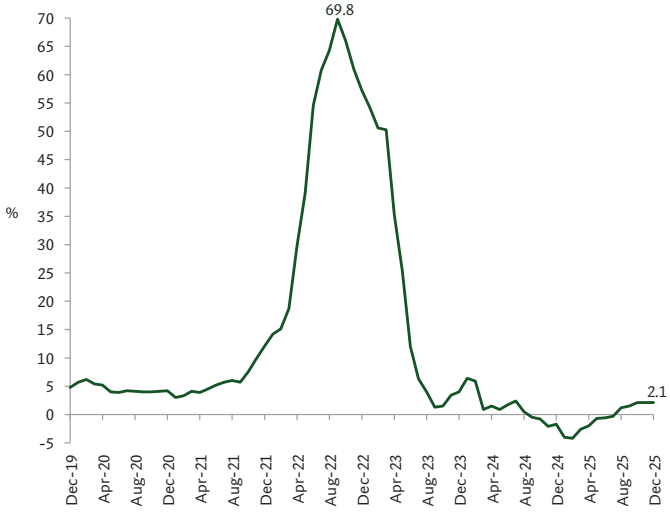
Currency Depreciation –
2025 - 310/USD
2024 - 292.58/USD

Quarterly Real GDP Growth

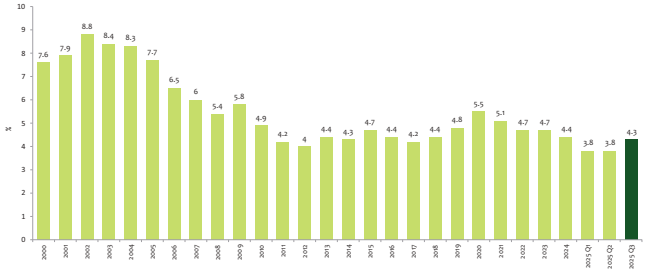


Source: Department of Census and Statistics

CCPI based Y-o-Y Headline Inflation

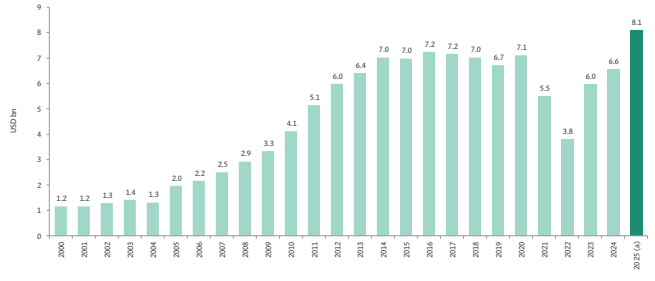


Unemployment



Source: Department of Census and Statistics

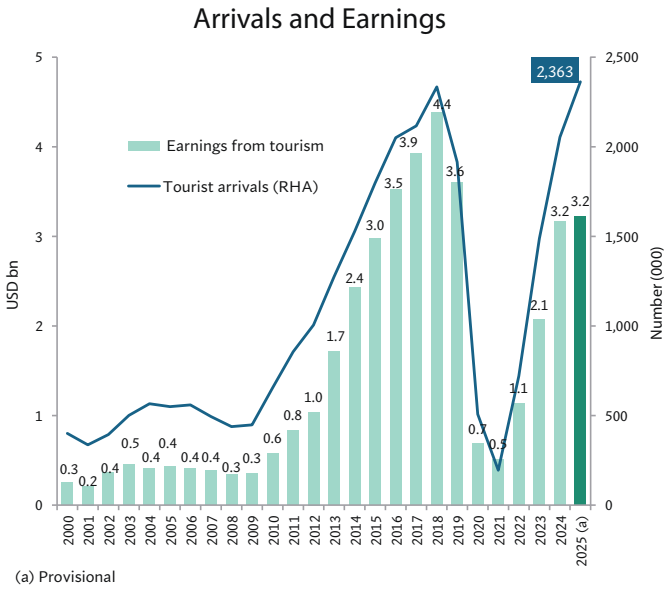
Workers' Remittances



(a) Workers' remittances may include other remittances, such as those received following Cyclone Ditwah

Source: Central Bank of Sri Lanka

Operating Environment



(a) Provisional

Sources: Central Bank of Sri Lanka

The Sri Lankan poultry sector recorded a notable improvement in 2025, with the animal production sector growing by 8.4% and contributing 7.8% to the agriculture sector GDP, reflecting its importance to the national economy.

Industry output showed strong momentum, particularly in broiler DOC production, which increased to 11.81%. In contrast, layer DOC production declined indicating a contraction of 12.89% in the layer segment.

Total production volumes improved across key categories, with egg production increasing by approximately 23.4% and chicken meat production rising by approximately 13.1% in 2025. This growth translated into improved availability, with per capita egg availability increasing from 98.5 to 117.4 units, while chicken availability remained relatively stable at around 11 kg per person.

Overall, the sector demonstrated strong recovery supported by increased production, improving demand conditions, and its continued role as a key contributor to food security and the agricultural economy, despite ongoing input cost and market-related challenges.

CGE Poultry Sector – 2025 Challenges, Implications & Strategic Responses

Challenges	Positive Implications	Negative Implications & Associated Risks	Impact on Business Model	Operational Implications	Link to Stakeholders	Link to Material Matters	Link to Strategic Pillars	CGE Strategic Responses
1) Rising Input Costs	Encourages innovation in feed formulation and cost optimisation	Increased production costs, margin pressure, dependency on imports and currency fluctuations	Potential reduction in profitability; need for cost-efficient production	Optimise procurement, improve feed conversion, explore local sourcing	Suppliers, Investors, Customers	1, 17, 19	Sustainable Value Creation, Cost Optimisation & Efficient Operations	Local sourcing strengthening – Partner with domestic suppliers; R&D Investment – Cost efficient feed formulations
2) Inflationary Pressures	Opportunity to review pricing strategy and product value proposition	Reduced consumer purchasing power; risk of lower sales	May impact revenue and profitability if pricing adjustments are delayed	Adjust pricing, manage cost to serve, monitor market trends	Customers, Investors	17, 18	Customer-Centric Value Delivery, Sustainable Value Creation, Cost Optimisation & Efficient Operations	– Optimise feed costs to maintain affordability

Challenges	Positive Implications	Negative Implications & Associated Risks	Impact on Business Model	Operational Implications	Link to Stakeholders	Link to Material Matters	Link to Strategic Pillars	CGE Strategic Responses
3) Environmental Change & Climate Risk	Incentivise sustainable practices and renewable energy adoption	Crop failures, water shortage, poultry health risks	Risk to production continuity; may require climate-resilient operations	Implement climate-resilient raw material sourcing, improve biosecurity	Local communities, Regulators, Investors	3, 4, 5, 6	Environmental Sustainability & Climate Action, Sustainable Value Creation, Cost Optimisation & Efficient Operations	Sustainability Leadership – Renewable energy, biosecurity, energy-efficient infrastructure, climate-resilient practices
4) Supply Chain Vulnerabilities	Encourages diversification of suppliers and inventory optimisation	Production delays, supply disruption, higher logistics costs	Risk of delayed deliveries and inability to meet customer demand	Strengthen supplier relationships, inventory planning, risk mitigation	Suppliers, Customers, Investors	1, 17, 19	Sustainable Value Creation, Cost Optimisation & Efficient Operations	Local Sourcing Strengthening – Reduce import dependence, secure supply continuity; Process Automation – Improve efficiency across operations
5) Competitive Pressures	Drives innovation, product differentiation, and market expansion	Loss of market share, pricing pressure	May require strategic investment in branding, marketing, and product development	Enhance quality control, marketing initiatives, product innovation	Customers, Industry Partners	12, 13, 18	Customer-Centric Value Delivery, Sustainable Value Creation, Cost Optimisation & Efficient Operations	Customer-Centric Innovation – Maintain consistent product quality
6) Changing Customer Preferences	Opportunity to introduce new products and enhance customer engagement	Risk of losing relevance if products not align with preferences	Business model may need adaptation for healthier, convenient, and sustainable products	Product innovation, packaging redesign, marketing alignment	Customers, Retailers	12, 13, 14, 15	Customer-Centric Value Delivery, Sustainable Value Creation	Customer-Centric Innovation – Enhance product quality, packaging, and convenience; R&D Investment – Align products with consumer trends
7) Workforce Retention	Promotes development of training programs and talent retention initiatives	Loss of skilled labor, operational disruption	May affect operational efficiency and productivity	Implement retention strategies, employee engagement, skill development	Employees, Investors	7, 8, 9, 10, 11	Human Capital & Workplace Wellbeing, Sustainable Value Creation, Cost Optimisation & Efficient Operations	Workforce Development – Targeted retention strategies and skill-building programs

Operating Environment

Resource Allocations to the Capitals :

Manufactured Capital	Social and Relationship Capital	Natural Capital	Human Capital
Page 80	Page 101	Page 163	Page 135

CGE Poultry Sector – 2025 Opportunities, Implications & Strategic Responses

Opportunity	Positive Implications	Negative Implications & Associated Risks	Impact on Business Model	Operational Implications	Link to Stakeholders	Link to Material Matters	Link to Strategic Pillars	CGE Strategic Responses
1) Expanding Consumer Demand	Increased revenue potential; stronger market presence	Risk of unmet demand if production capacity is insufficient	Opportunity to scale production and market share	Enhance production planning, optimise supply chain	Customers, Retailers, Investors	12, 14, 18	Customer-Centric Value Delivery, Sustainable Value Creation	Market Expansion – Scale operations to meet demand; Customer-Centric Innovation – Develop products aligned with consumer preferences
2) Export Market reach	Diversification of revenue streams; access to higher-value markets	Compliance risks with international standards; logistical challenges	Potential for business expansion and increased profitability	Implement export quality standards, strengthen logistics	Customers, Regulators, Investors	12, 14, 18	Customer-Centric Value Delivery, Sustainable Value Creation	– Improve efficiency and consistency for export compliance
3) Product Diversification & Customisation	Ability to capture new market segments and meet evolving consumer needs	Risk of complexity in operations and supply chain	Supports innovation-led growth and revenue diversification	Adjust production lines, R&D for new product formats, packaging redesign	Customers, Retailers, Suppliers	12, 13, 14, 15	Customer-Centric Value Delivery, Sustainable Value Creation	R&D Investment – Innovate products to meet health, convenience, and sustainability trends; Customer-Centric Innovation Enhance product quality and convenience

Opportunity	Positive Implications	Negative Implications & Associated Risks	Impact on Business Model	Operational Implications	Link to Stakeholders	Link to Material Matters	Link to Strategic Pillars	CGE Strategic Responses
4) Automation & Technology Adoption	Improved efficiency, product quality, and operational consistency	Initial investment costs and technology adoption challenges	Enhances competitiveness and scalability	Upgrade equipment, train staff, integrate automated processes	Employees, Investors	2, 9, 10	Sustainable Value Creation, Cost Optimisation & Efficient Operations	Process Automation – Implement advanced systems in hatcheries, feed mills, and farms; improve operational efficiency and hygiene
5) Sustainability Initiatives	Strengthens ESG profile; reduces long-term operational risks	Implementation costs; need for continuous monitoring and compliance	Enhances brand reputation and ensures long-term operational resilience	Integrate renewable energy, energy-efficient infrastructure, climate-resilient practices	Local communities, Regulators, Investors	3, 4, 5, 6	Environmental Sustainability & Climate Action, Sustainable Value Creation	Sustainability Leadership – Implement renewable energy projects, optimise processes, enhance biosecurity, climate-resilient operations

Resource Allocations to the Capitals :

Manufactured Capital Page 80 | Social and Relationship Capital Page 101 | Natural Capital Page 163 | Human Capital Page 135

Prospects and Outlook

The global economic environment entering 2026 remains uncertain and volatile, shaped by geopolitical tensions, and climate-related disruptions. These factors are expected to continue influencing global energy prices, commodity markets, and supply chains. For Sri Lanka, this translates into sustained inflationary pressures, higher import costs, and potential currency volatility, particularly affecting energy, transportation, and agricultural inputs.

Global supply chain disruptions, coupled with elevated freight and logistics costs, are likely to continue impacting industrial and export operations, while tourism revenues may remain subdued due to fuel price fluctuations and travel uncertainties. Current Geopolitical tension, could further influence oil prices, remittances, and transportation costs, affecting Sri Lanka's reserves and debt sustainability.

The poultry industry in Sri Lanka faces ongoing challenges in 2026 due to rising feed and input costs, energy inflation, and supply chain disruptions. Volatility in imported raw materials such as maize, soybean meal, and fertilisers, coupled with higher transportation and energy expenses, continues to put pressure on production costs and profit margins.

Review of Group Operations

Group Performance

During the year under review, CGE demonstrated a resilient performance, sustaining a stable level of profitability in the face of ongoing industry challenges. The Group effectively managed a complex operating environment, recording steady financial progress as several operational pressures experienced in the previous year gradually subsided.

CGE's integrated poultry business operates through a well-diversified yet interlinked model, comprising three primary segments: Milling and Farming, Poultry Breeding, and Commercial & Other Operations. These segments function cohesively, enabling efficiencies across the entire value chain while supporting consistent value creation.

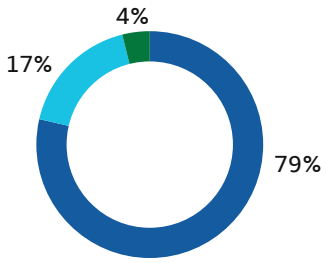
The Milling and Farming segment remains a cornerstone of CGE's operations. It focuses on the production and sale of poultry and animal feed, alongside chicken processing activities. Through the application of advanced production techniques and strict quality control standards, the segment continues to reinforce the Group's ability to deliver reliable, high-quality nutrition and protein products to the market.

Revenue

	(Rs. Mn)	%
Milling and farming	27,775.4	79
Poultry breeding and commercial	6,177.1	17
Others	1,380.9	4

* Revenue Includes Inter-segment sales.

Revenue

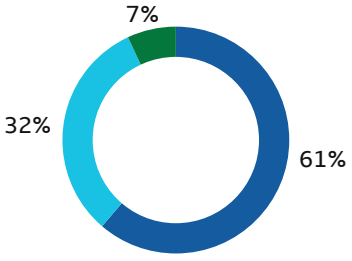


- Milling and farming
- Poultry breeding and commercial
- Others

Profit After Tax

	(Rs. Mn)	%
Milling and farming	2,967.6	61
Poultry breeding and commercial	1,539.9	32
Others	336.0	7

Profit After Tax

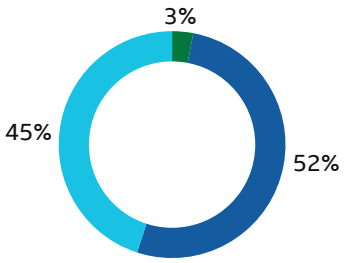


- Milling and farming
- Poultry breeding and commercial
- Others

Assets Base

	(Rs. Mn)	%
Milling and farming	13,833.9	52
Poultry breeding and commercial	11,809.8	45
Others	862.5	3

Assets Base



- Milling and farming
- Poultry breeding and commercial
- Others

Milling and Farming



The Milling and Farming segment of CGE demonstrated a strong and stable performance in 2025, reinforcing its role as the cornerstone of the Group's integrated poultry value chain. The segment continued to benefit from improved operating conditions, as supply-side pressures experienced in the previous year gradually eased, enabling more efficient production planning and cost management.

Strategic emphasis was placed on strengthening core operations through consistent product quality, optimised pricing strategies, and enhanced distribution reach. The expansion of dealer networks, particularly across underserved regions, together with ongoing farmer engagement and technical advisory initiatives, supported greater market penetration and sustained demand for CGE's feed products. These efforts were further

complemented by a continued focus on value-added offerings within the farming segment, contributing to a more resilient and diversified revenue base.

As a result, the Milling and Farming segment generated revenue of Rs. 27,775.4 Mn, accounting for 79% of Group revenue, reaffirming its position as the Group's largest business segment. The segment also contributed 61% to Group profit after tax, amounting to Rs. 2,967.6 Mn , reflecting improved operational efficiencies and stronger margin performance. In addition, it represented 52% of the Group's asset base, highlighting the capital-intensive nature and strategic importance of this segment.

Operationally, the segment benefitted from relatively stable raw material availability and more favourable input cost dynamics compared to the previous year. This enabled the Group to maintain competitive pricing while safeguarding margins. Continued reliance on a balanced mix of local and imported raw materials ensured both cost efficiency and consistency in feed quality, supporting overall productivity within the farming operations.

Overall, the Milling and Farming segment remained resilient amidst evolving market dynamics, leveraging its scale, integrated structure, and strong market presence to deliver consistent financial and operational outcomes, while positioning itself for sustained growth in the years ahead.

During the year under review, the Milling and Farming segment demonstrated notable resilience, supported by improved volumes despite continued pressure on selling prices. Average selling prices recorded marginal declines across key product categories, compared to the previous year. This measured price adjustment reflects the Group's strategic focus on maintaining market competitiveness while supporting customer affordability in a challenging operating environment.

Encouragingly, the segment achieved a strong uplift in volumes, driven by increased demand and improved market penetration. The growth in throughput not only offset the impact of softer pricing but also strengthened overall operational performance, highlighting the effectiveness of the Group's integrated business model.

The expansion in both milling and farming activities further contributed to the segment's performance, as higher production levels enabled better capacity utilisation and operational efficiencies. This volume-driven growth underscores the gradual normalisation of market conditions and improved demand dynamics across the livestock sector.

Overall, the year was characterised by a strategic balance between price competitiveness and volume growth, positioning the Milling and Farming segment on a stronger footing for sustained performance.

Performance Trends and Market Dynamics

The year under review reflected a shift in market dynamics, with the sector experiencing steady momentum supported by volume expansion, particularly within the feed. Demand for high-quality compounded feed remained strong, as local raw material shortages continued to limit on-farm self-mixing practices. In response, the Group strengthened its market presence by aligning production and distribution strategies to meet evolving customer requirements.

This increased reliance on external inputs significantly altered the cost structure, with import dependency rising to 56% of cost of sales in 2025, compared to 30% in the previous year. While this posed cost challenges, it ensured uninterrupted production and consistent product quality amidst domestic supply constraints.

Despite ongoing competitive pressures, particularly in certain product categories, the Group benefited from improved pricing stability and sustained demand towards the latter part of the year. As a result, overall segment performance showed a progressive improvement, underpinned by stronger volumes, product enhancements, and adaptive cost management strategies.

Transforming Challenges into Growth Opportunities

The year 2025 marked a period of transition for CGE's chicken sector, characterised by evolving demand patterns, pricing improvements and a gradual stabilisation of market conditions. Building on the recovery momentum of the previous year, the segment demonstrated adaptability in navigating both volume fluctuations and changing consumer preferences.

Total sales value for the year, reflecting growth over the previous year, driven largely by the strong performance of the dressed bird category. Sales of dressed chicken increased significantly, as consumer preference continued to shift towards processed and conveniently packaged poultry products. This shift was supported by the recovery in modern trade and HoReCa channels, alongside changing household consumption patterns.

Review of Group Operations

Driving Demand Through Product Innovation and Market Responsiveness

In response to evolving customer buying behaviour, CGE introduced a range of portion-based chicken packs, including smaller cut variants tailored to affordability and convenience. These offerings were designed based on observed purchasing patterns, enabling the Group to better cater to diverse consumer segments while improving product accessibility.

In addition, the Company actively pursued bulk sales opportunities through strategic tender participation, which contributed to volume growth and strengthened market presence. These initiatives played a key role in sustaining throughput levels, particularly during periods of uneven retail demand.

Pricing trends remained favourable, despite strict marked competitiveness which indicates a more balanced supply-demand environment compared to the volatility experienced in prior periods.

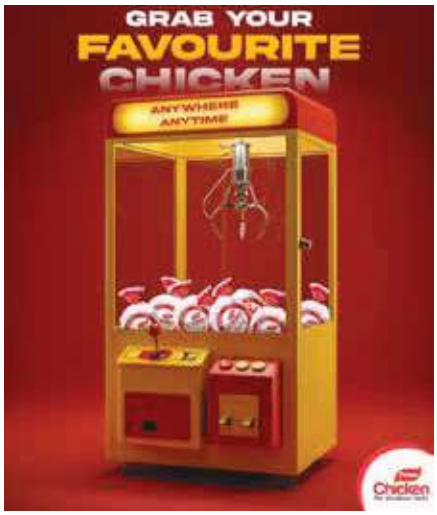
Managing Volatility Through Operational Strength

The segment experienced monthly fluctuations during the year, with relatively softer performance in the mid-year period followed by a strong rebound towards the final quarter. December recorded the highest monthly sales, supported by festive demand and improved consumer sentiment.

CGE continued to leverage its vertically integrated business model and established cold chain infrastructure to effectively manage supply and demand imbalances. This enabled the Company to optimise inventory, reduce wastage and maintain consistent product availability across markets.

Importantly, in an environment marked by uncertainty, CGE's strategic focus on cost efficiency and disciplined operational practices enabled the Group to remain competitive and safeguard its market share. The ability to adapt pricing, optimise input costs and maintain operational flexibility proved critical in navigating market volatility.

Strengthening Resilience and Operational Efficiency



The Group maintained its focus on operational excellence, enhancing capacity utilisation and strengthening distribution capabilities to support the growing demand for processed poultry products. Despite ongoing cost pressures, prudent financial management and reliance on internally generated funds ensured stability without exposure to external debt.

Capital	KPIs	2025	2024
Financial	Revenue (Rs. Mn)	**27,775.4**	23,042.6
	Contribution to Group Revenue (%)	**79**	76
	Segment Profit (Rs. Mn)	**2,967.6**	1,850.3
Manufactured	Total Investment in Manufactured Capital (Rs. Mn)	**763.4**	171.4
	Capacity Utilisation	**<83%**	<80%
Human	Employee Engagement Score	**4.46**	4.45
	Training Hours per Employee	**6.16**	6.15
Social and Relationships	Customer Satisfaction Index (%)	**94.6**	94.5
	Farmer Training and Development Programmes (No. of beneficiaries)	**<300**	41
	Supplier partnerships	**<900**	896
Intellectual	No. of Trade Mark Registered	**2**	2
	Accredited Quality Certifications	**Yes**	Yes
Natural	Water consumption to generate Rs. one-million-rupee turnover (m^3)	**6.61**	7.23
	Energy consumption to generate Rs. one-million-rupee turnover (GJ)	**1.92**	1.39
	Carbon emission to generate Rs. one - million turnover (tCO_2e)	**0.50**	0.40

Contribution Towards SDGs

SDG	CGE's Contribution
Zero Hunger	❍ Contributing to food security through the production of high-quality poultry feed that enhances livestock nutrition and farm productivity. ❍ The Group also supports small-scale farmers by providing access to quality feed solutions and promoting best farming practices, thereby strengthening rural livelihoods.
Decent Work and Economic Growth	❍ Generating employment opportunities, particularly in rural communities, while upholding fair labour practices ❍ Safe working conditions and equitable wages. Continuous investment in training and development programmes further enhances employee skills and productivity. ❍ Contributing Government income by enhancing operation activities.
Responsible Consumption and Production	❍ Driving operational efficiency through optimised feed production processes that minimise waste. ❍ The Group also prioritises responsible sourcing of raw materials, aiming to reduce environmental impact and promote sustainable supply chains. ❍ Integrated with other industries to utilise their waste as an ingredient to the feed production through effective formulation.
Climate Action	❍ Committed to reducing its environmental footprint by adopting energy-efficient production methods and implementing initiatives aimed at lowering carbon emissions across operations.

Sustainability and Climate-Related Risk

The risks and opportunities associated with the Milling and Farming segment are detailed on page 238.

Impacted Strategic Pillars

- ❍ Sustainable Value Creation, Cost Optimisation & Efficient Operations
- ❍ Customer-Centric Value Delivery
- ❍ Social Capital & Community Engagement

Outlook and Strategic Priorities

Short Term

- ❍ Strengthen cost efficiency and maintain price competitiveness
- ❍ Enhance distribution through expansion of the Company-owned fleet
- ❍ Improve logistics efficiency, including optimisation of catching truck capacity
- ❍ Ensure operational stability amid market uncertainties

Medium Term

- ❍ Expand market reach within the Milling and Farming segment
- ❍ Strengthen product competitiveness through value-driven offerings
- ❍ Invest in R&D to optimise feed formulations while maintaining quality
- ❍ Capture the gradual shift from self-mixing to compound feed driven by productivity gains

Long Term

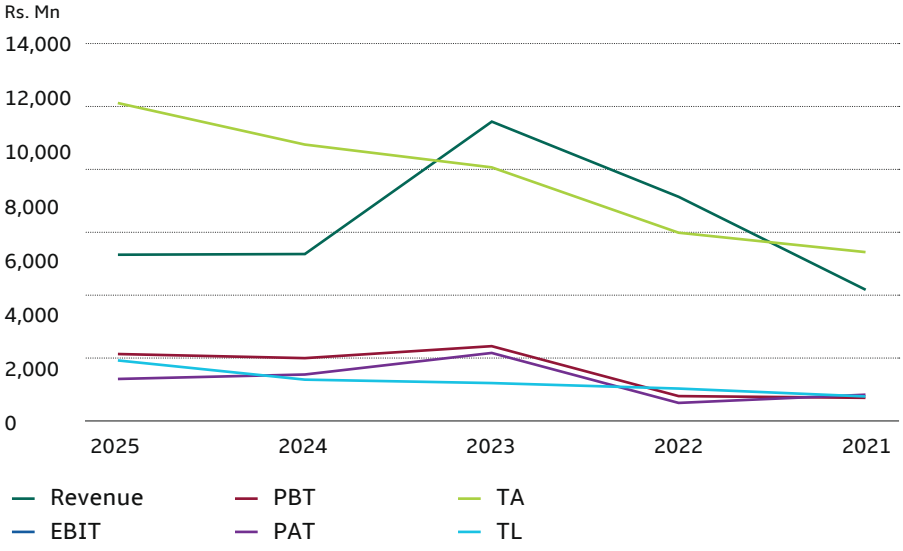
- ❍ Diversify revenue streams through new product development
- ❍ Expand into selective export markets leveraging brand strength
- ❍ Strengthen regional presence and capture emerging demand
- ❍ Drive sustainable growth through innovation, resilience and operational excellence

Review of Group Operations

Poultry Breeding and Commercial



Performance Summary



The Poultry Breeding and Commercial segment continued to play a pivotal role in CGE's integrated business model, encompassing breeding, hatchery operations, the production and sale of Broiler and Layer Day-Old Chicks (DOCs), as well as commercial farming activities. During the year under review, the segment contributed 17% to Group revenue, 32% to profit after tax (PAT) and accounted for 45% of the Group's asset base, reaffirming its strategic importance to overall operations.

In contrast to the challenges experienced in the previous year, 2025 reflected a gradual stabilisation in market conditions, enabling the segment to regain momentum. Revenue for the year stood at Rs. 6,177.1 Mn, broadly in line with the previous year, while profitability improved significantly to Rs. 1,539.9 Mn, indicating a strong recovery supported by better cost management and improved operational efficiencies.

Market conditions during the year were particularly challenging in the early months, with the Group experiencing a decline in revenue driven by subdued demand for both broiler and layer DOCs. Demand for broiler DOCs was impacted by cautious placements from small-scale farmers, reflecting fluctuations in live bird prices and shifting demand patterns in the dressed chicken market. At the same time, persistent volatility and oversupply in the table egg market weakened demand for layer DOCs, placing additional pressure on segment profitability.

However, market dynamics began to improve the second half of the year. Demand for broiler DOCs showed a notable recovery, supported by increased placements from key processors and larger-scale farmers. The growth in processed chicken consumption further contributed to this upward trend, strengthening overall demand within the segment.

This recovery, coupled with enhanced farm management practices and improved operational efficiencies, enabled the Group to record profitability in the latter part of the year. The ability to align production with evolving market conditions played a critical role in stabilising performance.

Despite the challenging start to the year, the Group demonstrated resilience and adaptability in navigating market uncertainties. These strengths positioned CGE to effectively capitalise on the improved demand environment towards the year-end, reinforcing the segment's operational stability and contribution to overall Group performance.

Capital	KPIs	2025	2024
Financial	Revenue (Rs. Mn)	6,177.1	6,197.9
	Contribution to Group Revenue (%)	17%	20%
	Segment Profit (Rs. Mn)	1,539.9	1,701.3
Manufactured	Total Investment in Manufactured Capital (Rs. Mn)	346.6	28.8
	Capacity Utilisation	<80%	<80%
Human	Employee Engagement Score	96	96
	Training Hours Per Employee	3.0	5.8
Social and Relationships	Supplier partnerships	450	324
	Community Engagement Initiatives (Number of projects)	8	11
Intellectual	No. of Trade Mark registered	2	2
	Accredited quality certifications	Yes	Yes
Natural	Water consumption to generate Rs. one-million-rupee turnover (m^3)	46.6	46.45
	Energy consumption to generate Rs. one-million-rupee turnover(GJ)	3.17	1.24
	Carbon emission to generate Rs. one -million turnover (tCO_2e)	0.54	0.50

Contribution Towards SDGs

SDG	CGE's Contribution
Good Health and Well-being	❍ Ensuring high standards of food safety and quality in poultry processing to provide safe and nutritious protein to consumers ❍ Upholding best practices in animal welfare.
Decent Work and Economic Growth	❍ Providing stable employment opportunities with fair wages across farm operations. ❍ Investing in employee health and safety initiatives to maintain high industry standards.
Industry, Innovation and Infrastructure	❍ Implementing modern processing technologies to enhance efficiency and sustainability. ❍ Strengthening supply chain transparency through automation and digital tracking systems. ❍ Decentralised farm operation to helping infrastructure development in different area.
Responsible Consumption and Production	❍ Reducing waste by optimising processing efficiency and promoting by-product utilisation. ❍ Applying circular economy practices to minimise food waste.
Climate Action	❍ Reducing energy and water consumption through resource-efficient farming technologies.

Review of Group Operations

Sustainability and Climate-Related Risk

The risks and opportunities associated with the Poultry Breeding and Commercial segment are detailed on page 238.

Impacted Strategic Pillars

- Sustainable Value Creation, Cost Optimisation & Efficient Operations
- Customer-Centric Value Delivery
- Social Capital & Community Engagement

Outlook and Strategic Priorities

Short Term

- Strengthen business resilience against supply chain disruptions and fluctuating input costs
- Maintain robust operations while improving efficiency and productivity

Medium Term

- Integrate sustainable practices across operations, focusing on waste management, energy efficiency, and renewable energy adoption
- Enhance operational efficiency through automation and process improvements

Long Term

- Construct Environmentally Controlled (EC) Houses at our farms to optimise resource use, reduce costs, and improve productivity
- Leverage technology and sustainable infrastructure to drive long-term growth and operational excellence

Other Revenue Streams – Diversified Beyond Core Operations





Key indicators	2025 Rs. Mn	2024 Rs. Mn	Change %
Revenue	1,380.9	777.8	78
PBT	480.0	217.1	121
PAT	336.0	146.0	130

The Other Revenue Streams segment represents a portfolio of complementary activities that support CGE's core poultry operations while enhancing income diversification. This segment primarily includes warehouse and silo rental services, along with the supply of specialised equipment, veterinary pharmaceuticals, and vaccines essential to the poultry and livestock sectors. These activities collectively strengthen the Group's integrated business model while supporting the broader agricultural ecosystem.

In 2025, the segment delivered a strong performance, with revenue increasing to Rs. 1,380.9 Mn, reflecting a 78% growth compared to the previous year. Profitability improved markedly, with profit before tax reaching Rs. 480.0 Mn and profit after tax rising to Rs. 336.0 Mn, representing growth of 121% and 130%, respectively.

Despite accounting for 4% of total Group revenue, the segment contributed 7% to total net profit, highlighting its relatively higher margin profile. However, it represented only 3% of the Group's asset base.

The operating environment in 2025 showed signs of gradual stabilisation, although certain external pressures remained. The cattle feed sector also maintained positive momentum, supported by favourable tender opportunities and increased market penetration.

Product innovation also remained a key focus area during the year. The introduction of a new formulation in cattle feed enhanced palatability, leading to improved feed intake and productivity in dairy farming. This initiative not only strengthened customer value but also contributed to increased demand within the cattle feed sectors.

Nevertheless, the segment continued to face challenges linked to supply chain dynamics and cost management. While exchange rate volatility eased compared to the previous year, import-related cost pressures and procurement uncertainties persisted. Improvements in the availability of imported goods supported better warehouse utilisation, although ongoing optimisation remained necessary to maximise efficiency.

In response, CGE focused on strengthening operational efficiency and supply chain resilience. Warehouse and silo operations were further streamlined to facilitate bulk procurement and maintain the quality of stored materials for both internal and third-party use. In parallel, supplier relationships for specialised equipment, pharmaceuticals, and vaccines were reinforced to ensure consistency in supply and minimise disruptions.

Overall, the Other Revenue Streams segment continued to evolve as a high-margin, low-asset, and strategically important contributor to the Group, reinforcing financial resilience while supporting the wider poultry and livestock value chain.

During the year, the segment continued to face several operational challenges. Exchange rate fluctuations had an impact on import costs, making procurement planning more difficult. In addition, global supply chain issues such as shipping delays and occasional shortages of raw materials required close monitoring to avoid disruptions.

Although the availability of imported goods improved compared to the previous year. Variations in demand and timing of imports also contributed to this situation.

To manage these challenges, CGE focused on improving operational efficiency and ensuring a steady supply of goods. Inventory planning was strengthened to better match supply with demand, while alternative sourcing options were explored where necessary.

Warehouse and silo facilities were effectively utilised to support bulk storage and maintain the quality of raw materials for both internal use and external customers. Overall, these efforts helped the segment to operate smoothly while adapting to changing market conditions.

Capital	KPIs	2025	2024
Financial	Revenue (Rs. Mn)	1380.9	777.8
	Contribution to Group Revenue (%)	4	3
	Segment Profit (Rs. Mn)	336.0	146.0
Manufactured	Total Investment in Manufactured Capital (Rs. Mn)	-	-
	Capacity Utilisation	<80%	<60%
Human	Employee Engagement Score	4.46	4.45
	Training Hours per Employee	6.16	6.15
Social and Relationships	Customer Satisfaction Index (%)	94.6	94.5
	Farmer Training & Development Programmes (No. of Beneficiaries)	311	163
Intellectual	Supplier Partnerships	14	12
	No. of Trademarks Registered	01	01
Natural	Accredited Quality Certifications	Yes	Yes
	Water Consumption per Rs. one-million Turnover (m^3)	Implementation is in progress	Implementation is in progress
	Energy Consumption per Rs. one-million Turnover (GJ)	0.04	0.08
	Carbon emission to generate Rs. one-million turnover (tCO_2e)	Implementation is in progress	Implementation is in progress

Review of Group Operations

SDG	CGE's Contribution
Decent Work and Economic Growth	❍ Creating job opportunities in supporting sectors such as logistics, distribution and retail. ❍ Promoting a diverse and inclusive work environment.
Industry, Innovation and Infrastructure	❍ Developing modern facilities with sustainable construction practices. ❍ Investing in research and innovation for business expansion and sustainability initiatives.
Responsible Consumption and Production	❍ Enhancing supply chain sustainability by promoting ethical sourcing, waste reduction, and eco-friendly packaging.
Climate Action	❍ Implementing ESG frameworks to monitor and reduce greenhouse gas emissions across all business operations.

Sustainability and Climate-Related Risk

The risks and opportunities associated with the Other Revenue Scheme segment are detailed on page 238.

Impacted Strategic Pillars

- ❍ Sustainable Value Creation, Cost Optimisation & Efficient Operations
- ❍ Customer-Centric Value Delivery

Outlook and Strategic Priorities

Short Term

- ❍ Improve operational efficiency across all activities
- ❍ Optimise warehouse and silo utilisation
- ❍ Strengthen supplier networks to ensure uninterrupted supply
- ❍ Enhance inventory planning and demand management

Medium Term

- ❍ Invest in technology to improve logistics and service delivery
- ❍ Implement automation and digital solutions in inventory and supply chain management
- ❍ Improve cost efficiency and operational accuracy
- ❍ Strengthen overall supply chain resilience

Long Term

- ❍ Embed sustainability and ESG practices across all operations
- ❍ Invest in renewable energy and infrastructure upgrades
- ❍ Leverage innovation and advanced technologies for long-term efficiency
- ❍ Strengthen market position and drive sustainable growth

Financial Capital



CGE's financial capital forms the backbone of its operations, enabling the Group to invest in sustainable growth, modernise its facilities, and maintain resilience in an increasingly dynamic market environment. Robust financial management and strategic allocation of resources allow CGE to support its core milling and poultry farming operations while exploring diversified revenue streams. By effectively mobilising and deploying financial resources, the Group ensures stability, operational efficiency, and the capacity to respond proactively to both market opportunities and external challenges.

Strengths

Strong operational integration across business segments enhances efficiency and contributes to financial resilience

Weaknesses

Dependency on supply chain (local & import RM) create increase in unit cost and foreign currency exposure risk

Opportunities

Strategic focus on growth, sustainability and cost efficiency to improve profitability

Threats

Over 35% of wet market (informal market) create price competitions. / availability of substitute product such as other meats and fish, fuel price fluctuations and regulatory changes impacting costs

Management Approach

CGE financial capital is manage based on three strategic pillars, namely strategic prioritisation, risk mitigation and sustainable growth. The Group ensures that resources are efficiently deployed to support core operations, invest in long-term initiatives, and maintain financial resilience. Regular monitoring, prudent budgeting, and informed investment decisions enable CGE to create value while navigating market challenges.

Financial Capital

Key Actions for FY 2025

Rs. 497.2 Mn in capital expenditure	Rs. 2,229.0 Mn tax expense	Rs. 13,782.2 Mn undistributed earnings	Total dividend paid Rs. 782.2 Mn.	Operating profit reached Rs. 5,568.9 Mn	Net asset Group value per share Rs. 246.67

Value Created

Output for CGE

- Year-on-year Revenue Growth – 24% (2024-22%)
- NPAT - Rs. 4.12 Bn (2024- 3.14 Bn)
- Total Assets Rs. 25.89 Bn (2024 - Rs. 23.11 Bn)

Outputs for Stakeholders

- Group earnings per share (EPS) - Rs. 57.68 (2024 - Rs. 40.28)
- Dividend per share - Rs. 15.00 (2024 - Rs. 23.00)
- Dividend payout ratio (%) - 30.33 (2024 - 74.58)
- Taxes paid – Rs. 1,100.5 Mn (2024 - Rs. 1,164.1 Mn)
- ROE – 23.89% (2024 - 20.90%)
- Investment on local training and development programmes – Rs. 1.4 Mn

Stakeholder Outcomes

- **Shareholders -** Reliable dividends and attractive returns on investment reinforcing investor trust in CGE's sustainable financial performance and future growth.
- **Customers -** Higher levels of customer satisfaction achieved through ongoing upgrades to production and packaging facilities.
- **Employees -** Job security, regular salary enhancements and strengthened benefit schemes supporting employee satisfaction and morale.
- **Suppliers -** Steady market demand for their goods and services.
- **Community/Environment -** Enhanced community engagement and funding for sustainability and environmental programmes.

Material Matters

- Sustainable Earnings
- Economic Performance
- Operational Efficiency, Productivity and Innovation
- Regulations and Compliance
- Transparency, Accountability And Governance
- Micro and Macro-Economic Factors
- Supply Chain Management

Impact on Other Capital

Human Capital	Strengthened employee benefits through salary increases, bonuses, and allowances. Ongoing training and development initiatives enhance workforce wellbeing and competence.
Natural Capital	Investment in sustainable production practices, efficient use of energy, water, and raw materials. Waste reduction initiatives and support for sustainable agriculture and livestock practices help minimise environmental impact and promote long-term sustainability.
Intellectual Capital	Regular dividend payments and attractive returns on investment reinforce trust in CGE's financial stability and future growth.

Sustainable Development Goals

	❍ Target 8.2 – Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors. ❍ Target 8.4 – Improve progressively, through 2030, global resource efficiency in consumption and production and endeavor to decouple economic growth from environmental degradation.
	❍ Target 9.1 – Develop quality, reliable, sustainable and resilient infrastructure to support economic development and human well-being, with a focus on affordable and equitable access for all. ❍ Target 9.4 – Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes.
	❍ Target 12.6 – Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.
	❍ Target 13.2 – Integrate climate change measures into national policies, strategies and planning. ❍ Target 13.b – Promote mechanisms for raising capacity for effective climate change-related planning and management.

Governance of Financial Capital

Oversight

- ❍ Board of Directors
- ❍ Board Audit Committee
- ❍ Group Management Committee
- ❍ General Manager
- ❍ Financial Controller

Compliance

- ❍ Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995
- ❍ Companies Act No. 07 of 2007
- ❍ Inland Revenue Act No. 24 of 2017
- ❍ Colombo Stock Exchange (CSE) Listing Rules
- ❍ Code of Best Practice on Corporate Governance 2023

Internal Mandates and Commitments

- ❍ Accounting Policies & Procedure manuals
- ❍ CSE 9.2 Amendment-Related Policies
- ❍ Enterprise Risk and Opportunity Management Framework

Monitoring and Reporting

- ❍ Evaluating Financial KPIs
- ❍ Budgetary Control

Strengthening Financial Capital in FY 2025

In FY 2025, CGE focused on strengthening its financial capital by optimising internally generated funds and effectively leveraging shareholder contributions. Amid a dynamic business environment, the Group prioritised financial resilience, efficient capital allocation, and sustainable returns, ensuring resources were strategically deployed to support growth, operational efficiency, and long-term value creation for stakeholders.

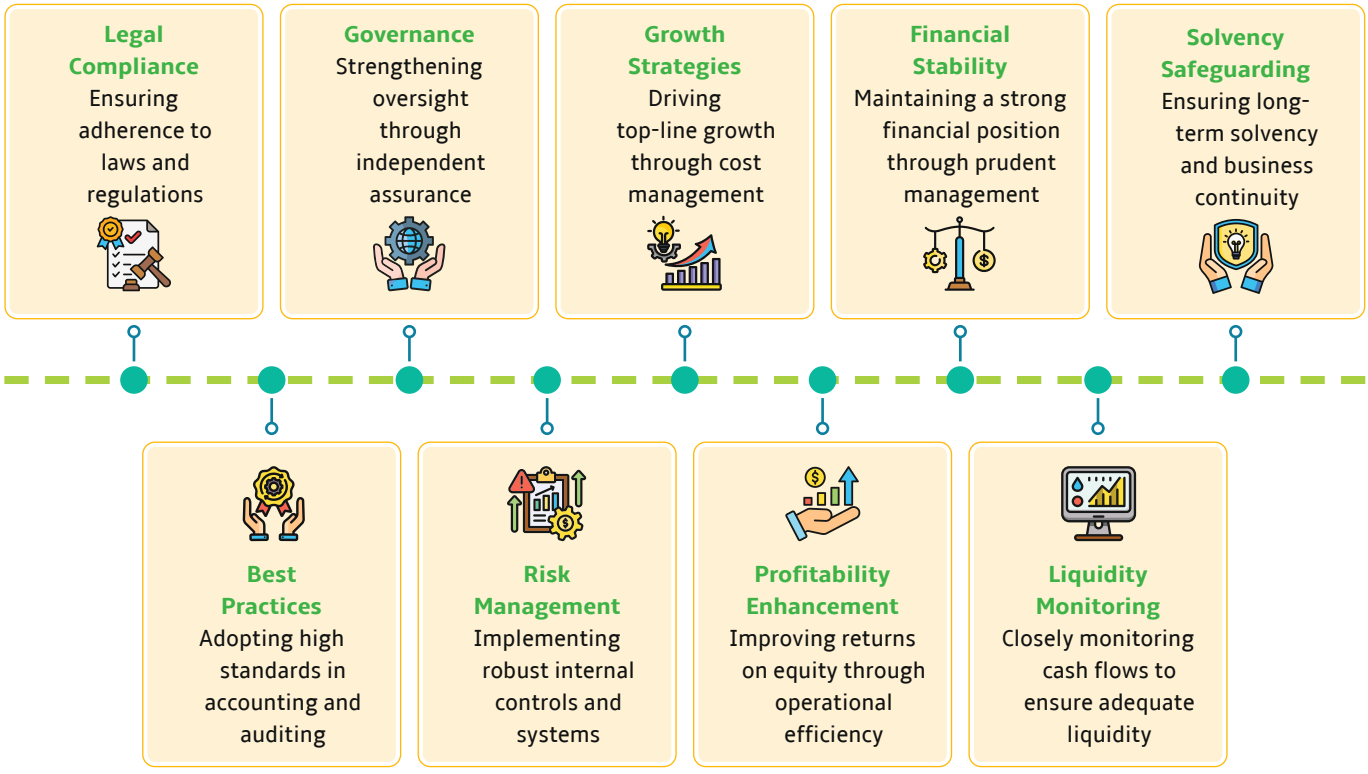
The Group successfully operated in a volatile business environment while balancing the deployment of shareholders' funds with the implementation of its strategic initiatives. It transformed challenges into opportunities using the financial strength to build resilience, drive efficiency and invest in future-ready initiatives. From empowering their people to enhancing the operations, every decision reflects group's commitment to purposeful growth.

Group's performance was accomplished through agility and quick adaption to changing conditions and responding proactively and decisively. The management team played a crucial role in these efforts, enabling excellent financial planning, risk management and working capital management in a dynamic corporate environment.

Financial Capital

The declaration of a substantial dividend for the year highlights the Group's financial resilience and reflects the robustness of its financial strategy, the strength of its operations, and its commitment to achieving a balance between growth, sustainability, and shareholder returns.

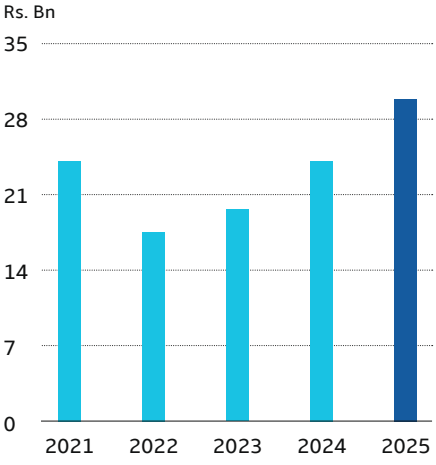
CGE Financial Capital Management



Revenue

CGE recorded total revenue of Rs. 29,767.4 Mn in 2025, representing a 24% increase from Rs. 23,993.3 Mn recorded in 2024 reflecting group's commitment to consistently delivering high-quality products that align with customer preferences, despite challenges on both the supply and demand fronts. This growth was supported by increased sales volumes across several segments. Feed volumes grew as a result of external sales to tenders, fixed-term contracts and promoting cattle feed. Despite rising local material costs, consistency in quality of our feed, resulting to capture informal market (self-mixtures) and key processors. Sales of layer DOCs declined due to excess egg supply in the market. Improved demand for chicken resulting increase in contribution from chicken and broiler DOCs while production optimisation.

Group Revenue



Group Gross Profit

In 2025, CGE achieved a gross profit of Rs. 6,418.7 Mn, marking a significant 55% increase from Rs. 4,142.6 Mn in the previous year. This growth was largely driven by higher sales volumes during the year.

The volatility of global commodity markets, coupled with limited availability of certain locally sourced inputs, resulting to pressure on profitability despite improve in sales volumes. To mitigate the impact of these challenges, the Group implemented a series of strategic measures. Priority was given to price negotiations with suppliers, leveraging long-standing partnerships and economies of scale to secure more favourable terms. In parallel, efforts were accelerated to identify and develop

viable local alternatives to imported materials, reducing dependence on foreign supply chains and shielding operations from currency volatility. This strong performance highlights the effectiveness of CGE's competitive pricing, proactive sourcing, and disciplined focus on cost management and operational efficiency.

Operating Expenses

The Group recorded a notable increase in operating expenses during the year under review, reflecting the scale-up of operations and prevailing macroeconomic pressures. Selling and distribution expenses rose by 28% to Rs. 392.6 Mn from Rs. 306.5 Mn, primarily driven by elevated fuel and logistics costs, alongside the expansion of distribution networks to better serve evolving market demands. Volatility in market conditions further added complexity to distribution management, necessitating adaptive and responsive operational strategies.

Administrative expenses increased by 25% to Rs. 774.8 Mn from Rs. 621.0 Mn, influenced by administrative costs, inflationary pressures, and continued investments in strategic priorities. These included technology enhancements, process optimisation initiatives, and compliance with evolving regulatory requirements. In response, the Group implemented a series of proactive cost management measures, focusing on reducing non-essential energy consumption, streamlining distribution channels, and improving overall operational efficiency. While these initiatives partially mitigated cost escalations, the overall increase in expenditure reflects the Group's commitment to maintaining operational resilience and supporting long-term growth.

Importantly, the rise in operating expenses is aligned with the Group's strong revenue performance during the year. Accordingly, the cost growth observed is indicative of the Group's continued expansion and its ability to respond effectively to increasing demand.

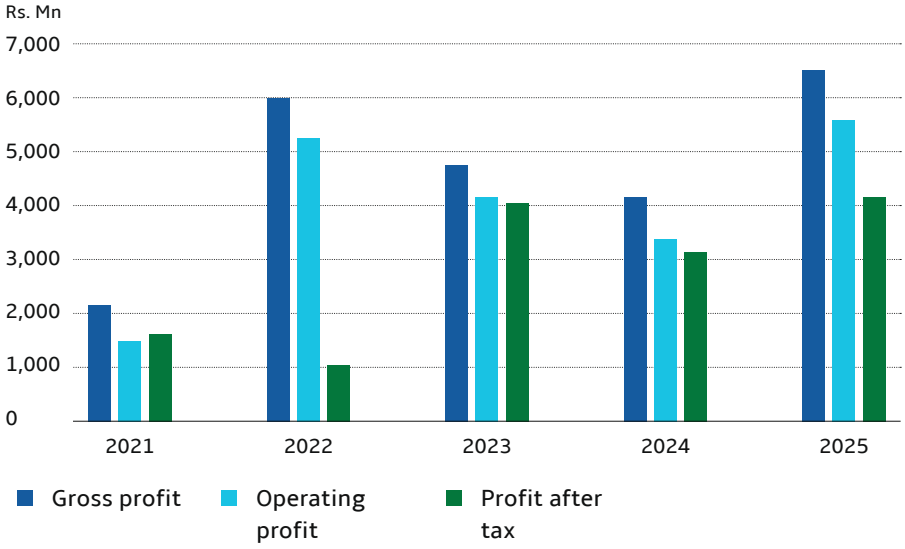
Other operating income recorded a significant growth of 84% year-on-year, largely attributable to fair value gains on biological assets.

Consequently, operating profit increased by 64% to Rs. 5,568.9 Mn from Rs. 3,387.4 Mn, reflecting improved operational performance and enhanced earnings capacity.

Looking ahead, CGE remains focused on managing margin pressures through strengthened operational efficiencies, disciplined cost management, and the continued integration of ESG principles. The planned rollout of the Group's digital transformation initiatives is expected to further enhance resource optimisation and drive sustainable value creation over the medium to long term.

Year	Gross Profit (Rs. '000)	Operating Profit (Rs. '000)	Profit After Tax (Rs. '000)
2021	2,203,838	1,461,114	1,707,690
2022	6,094,681	5,258,022	1,017,015
2023	4,704,705	4,131,207	4,047,872
2024	4,142,589	3,387,353	3,144,932
2025	6,418,667	5,568,897	4,119,576

Gross Profit



Despite a challenging and volatile operating environment, the Group remained firmly profitable, exceeding internal expectations for the year under review. This performance reflects the effectiveness of timely strategic interventions, disciplined cost management, and the ability to adapt swiftly to changing market conditions.

Financial Capital

The Group's resilience was further supported by its diversified operating model, strong supplier relationships, and continued focus on operational efficiency. These strengths enabled the business to navigate external pressures, including cost fluctuations and market uncertainties, while maintaining stable performance.

Ultimately, the ability to sustain and grow profitability under such conditions underscores the agility of the Group's business model and reinforces confidence in the robustness of its long-term strategic direction.

Taxation

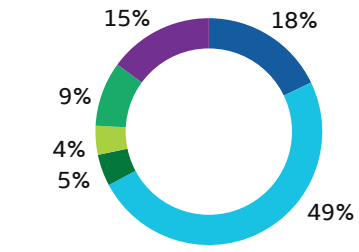
GRI 207-1, 207 -2

Income tax remained the principal component of the overall tax charge, amounting to Rs. 1,947.7 Mn, calculated at the standard corporate tax rate of 30%. This increase is largely a direct result of the higher level of taxable profits generated during the year. As profitability improved significantly compared to the previous period, the corresponding income tax liability also increased, in line with the Group's stronger earnings performance.

In addition, final tax on inter company dividend payments contributed Rs. 290.1 Mn to the total tax expense. by the subsidiaries reporting higher profits, dividend distributions within the Group also increased, resulting in a higher final tax charge on such payments. CGE has maintained an attractive dividend payout policy, demonstrating its dedication to delivering value to its shareholders while fostering long-term growth. Accordingly, both the rise in current tax and the higher dividend-related tax outflow reflect the Group's improved financial performance rather than an adverse tax impact.

Overall, the increase in taxation is closely linked to the strong growth in profitability, demonstrating the Group's enhanced earnings capacity during the year.

Capital Allocation and Investments



- Breeder farms
- Commercial farms
- Feed mill & warehousing
- Chicken processing plant
- IT-upragde
- Motor vehicles

CGE continues to uphold strong governance and transparency across all investment decisions, ensuring that each capital allocation undergoes rigorous technical and financial evaluation supported by structured approval processes. This disciplined approach enables the Group to align its investments with strategic priorities while maintaining prudent financial management.

During the year under review, the Group invested approximately Rs. 497.2 Mn in capital expenditure, adopting a focused and operationally driven investment strategy. A significant portion of this investment was directed towards strengthening the Group's core farming operations, with commercial farms accounting for 43.2% of total capital expenditure and breeder farms representing a further 18%. These investments were primarily aimed at capacity optimisation, improving farm efficiency, and enhancing biosecurity and production standards.

In addition, 5% of the investment was allocated to feed milling and warehousing facilities to support improved storage, handling, and feed production efficiency across the value chain. The chicken processing plant accounted for 4% of the total investment, reflecting targeted upgrades to maintain quality standards and operational reliability.

Supporting infrastructure also remained a key focus area, with 15% of the total capital expenditure invested in motor vehicles to strengthen distribution and logistics capabilities, ensuring timely and efficient delivery across expanding market networks. Meanwhile, 9% was allocated towards IT upgrades, underscoring the Group's commitment to digitalisation, process integration, and enhanced data-driven decision-making.

In light of prevailing macroeconomic conditions, CGE adopted a cautious approach to capital allocation, prioritising operational efficiency, asset enhancement, and infrastructure strengthening over aggressive expansion. This measured investment strategy enables the Group to improve productivity, optimise costs, and reinforce resilience across its integrated poultry value chain.

Looking ahead, CGE will continue to focus on selective, high-impact investments, particularly in technology, automation, and sustainable practices, ensuring long-term value creation while maintaining financial stability.

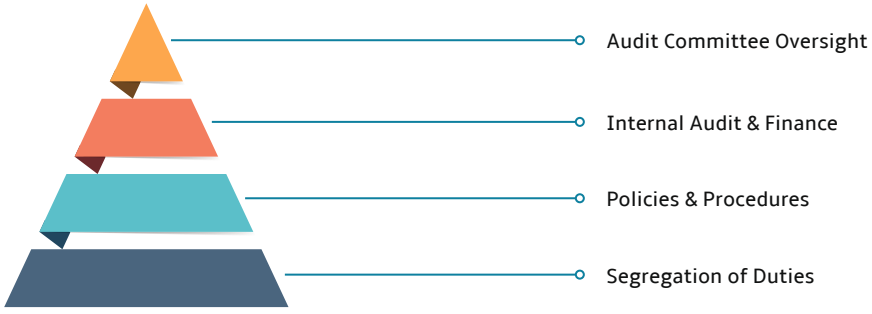
CGE's Commitment to Financial Governance and Transparency

The safeguarding the integrity of financial reporting is a top priority at CGE . The Group has implemented a comprehensive internal control framework designed to ensure that all financial statements are accurate, reliable, and reflective of true performance. By embedding these controls into everyday operations, CGE not only mitigates potential risks but also strengthens operational efficiency and reinforces stakeholder trust in the Company's financial management.

A key pillar of this framework is the strict segregation of duties. By ensuring that no single individual oversees a financial transaction from start to finish, CGE minimises the risk of errors or fraudulent activities. Every transaction is carefully recorded with precision, providing transparency and a clear audit trail that supports accountability at every level.

CGE's internal control environment is further reinforced through well-defined policies and procedures across all business units. These measures are designed to protect the Group's financial resources, preventing any intentional or inadvertent actions that could compromise its assets. The internal audit and finance teams play a central role in this process, rigorously monitoring compliance with control procedures. Their evaluations and insights are submitted to the Group's Audit Committee on a quarterly basis, ensuring continuous oversight and improvement of the Company's financial governance.

CGE's Financial Integrity Pyramid



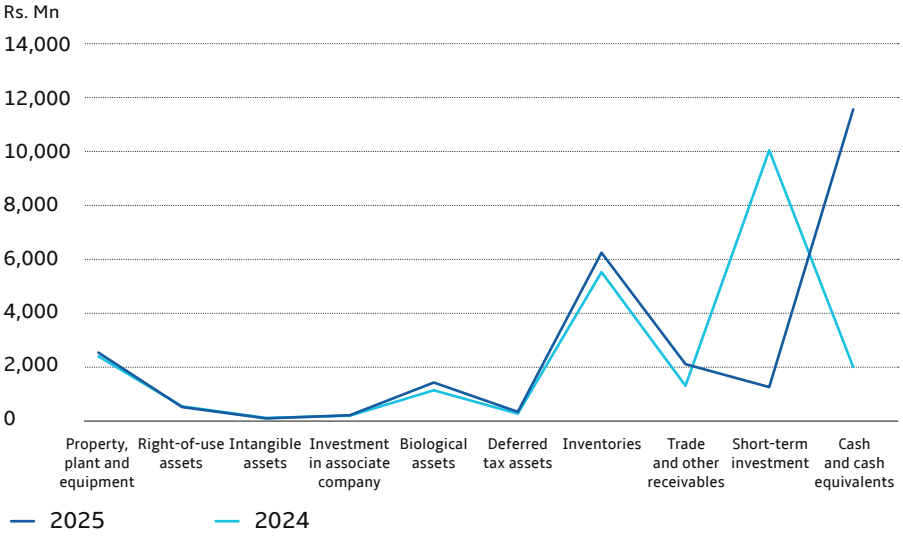
Financial Position Performance

CGE's Asset Growth and Financial Strength in 2025

In 2025, CGE strengthened its financial foundation, with non-current assets reaching Rs. 4,700.6 Mn, up from Rs. 4,221.0 Mn the previous year. This growth was largely driven by an increase in fair value of biological assets, which rose to Rs. 1,261.2 Mn from Rs. 962.6 Mn in 2024, reflecting the future demand expectation on agricultural produce. The value of investments in associate company has grown to Rs. 133.5 Mn, compared to Rs. 113.0 Mn in 2024, underscoring the Group's strategic long-term investments. Overall, the expansion of CGE's fixed asset base highlights both strong performance and the resilience of its financial position.

Current assets similarly exhibited positive growth, reaching Rs. 21,186.2 Mn in 2025, up from Rs. 18,884.3 Mn in the previous year. Inventories increased significantly to Rs. 6,227.7 Mn, in order to while trade and other receivables rose to Rs. 2,047.8 Mn, primarily driven by trade receivables, Which was rose due to adjust into market parameters to sustain the customer base.

Asset Base 2025 vs 2024



Financial Capital

This robust asset base has been critical in sustaining CGE's leadership in the integrated poultry sector, even amidst a highly competitive market environment. By focusing on strategic capital investment, infrastructure development, and efficient asset management, CGE has maintained a strong liquidity position and solid financial footing. These efforts position the Group for continued growth, operational excellence, and readiness to seize emerging opportunities in a recovering economy.

CGE's Equity Position and Value Creation

CGE's equity base, comprising stated capital, retained earnings, and non-controlling interests, recorded a notable expansion during the year, increasing from Rs. 15,583.4 Mn to Rs. 18,900.4 Mn. This upward movement reflects the Group's disciplined financial management, effective deployment of resources, and a consistent focus on reinvesting earnings to support long-term growth.

The Group's stated capital remained unchanged at Rs. 1,018.0 Mn, highlighting its ability to sustain both operations and expansion initiatives without reliance on additional capital infusion. This stability underscores CGE's strong internal funding capacity. In contrast, retained earnings demonstrated significant growth, raising to Rs. 13,782.2 Mn from Rs. 10,820.5 Mn in the previous year an increase of 27%. This performance was largely supported by strong profitability and prudent earnings retention, reinforcing the Group's ability to generate and preserve value within the business while paying significant return to the shareholders as a dividend.

Non-controlling interests also showed steady growth, increasing by around 10% to Rs. 4,100.2 Mn from Rs. 3,744.9 Mn in 2024. This indicates improved value generation across subsidiary operations, benefiting minority shareholders and reflecting the overall strength of the Group's portfolio.

The continued expansion of equity provides CGE with a solid financial platform to support future growth. A strong equity base not only enhances financial resilience but also enables the Group to navigate market uncertainties while capitalising on emerging opportunities. This sustained strength reinforces CGE's position within the integrated poultry sector and supports its ability to deliver long-term value to all stakeholders.

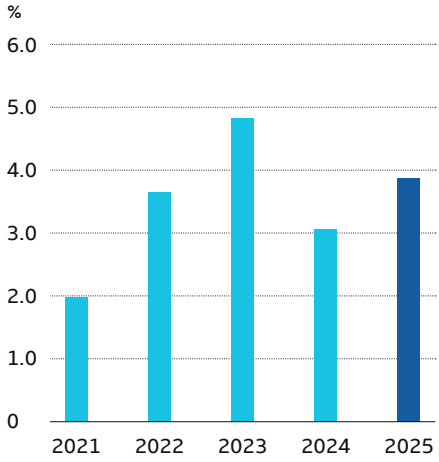
CGE's Liquidity and Short-Term Financial Strength

CGE continued to demonstrate a sound liquidity profile in 2025, underpinned by disciplined financial management and a clear focus on maintaining operational flexibility. As at year-end, current assets recorded a 12% increase over the previous year, reflecting the Group's ability to effectively manage its short-term resources while supporting both day-to-day operations and strategic priorities.

The Group's current ratio improved to 3.88 from 3.08 in 2024, representing stronger liquidity coverage and a well-managed balance between current assets and liabilities. This level remains comfortably above typical industry benchmarks, highlighting CGE's capacity to meet its short-term obligations without strain.

Supported by a robust asset base and prudent treasury practices, CGE's liquidity position provides a strong buffer against market uncertainties. This financial strength enables the Group to respond confidently to evolving business conditions while continuing to invest in growth opportunities and sustain operational momentum.

Current Ratio



Cash Flow

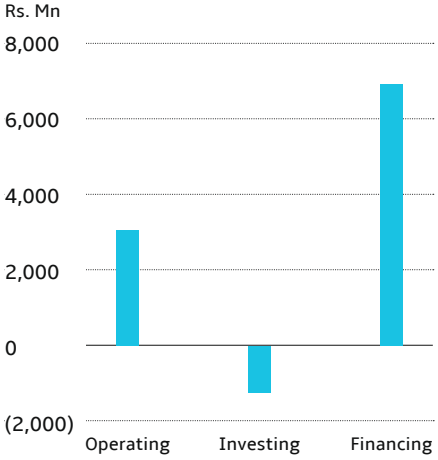
During the year ended 31 December 2025, CGE generated net cash inflows from operating activities amounting to Rs. 3,113.9 Mn from Rs. 7,111.8 Mn in 2024. The decline was primarily due to changes in working capital.

Net cash used in investing activities increased to Rs. 1,457.4 Mn, compared to Rs. 1,170.1 Mn in 2024, primarily driven by higher capital expenditure and continued investments in biological assets to support future growth.

Financing activities recorded a net inflow of Rs. 7,998.5 Mn, compared to a net outflow of Rs. 11,393.2 Mn in 2024, mainly due to movements in short-term investments, reflecting active and effective capital management during the year.

Overall, cash and cash equivalents increased significantly to Rs. 9,655.0 Mn, compared to a Rs. 1,945.7 Mn in 2024, resulting in classification from short-term investments to cash and cash equivalents.

CGE Cash Flow Comparison



Shareholder Returns

Dividend

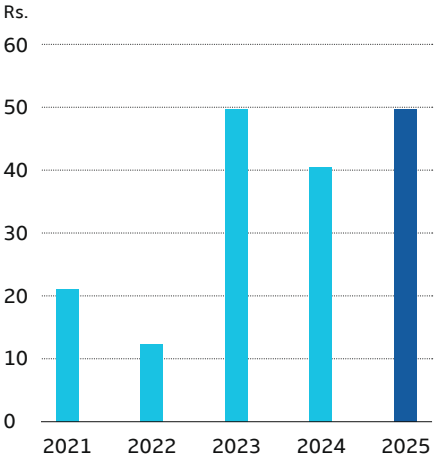
CGE has a proud legacy of delivering consistent and substantial returns to its shareholders through a combination of healthy dividends. Despite unprecedented economic challenges in the country, CGE demonstrated resilience and remained profitable during the year.

For the year under review, the Board of Directors declared a final dividend of Rs. 15.00 per share subsequent to the reporting date. This approach enhances investor confidence in CGE's ability to navigate economic uncertainties while maintaining long-term financial stability and future expansion.

Earnings per Share (EPS)

In 2025, the Group recorded earnings per share of Rs. 57.68, reflecting a 43% increase compared to Rs. 40.28 in 2024. This growth was driven by improved profitability during the year, mainly supported by higher revenue generated by the Group. The significant increase in earnings per share highlights the Company's prudent financial management and disciplined operational practices, which have enabled continued investment in growth opportunities while maintaining resilience in its core operations. Overall, this demonstrates CGE's ability to effectively navigate challenging market conditions.

Earnings Per Share



CGE's Shareholder Value and Market Performance

The Group recorded a notable enhancement in shareholder value during 2025, with Net Asset Value (NAV) per share increasing to Rs. 246.67 from Rs. 197.31 in the previous year. This growth reflects the Group's ability to strengthen its financial position while consistently generating value for shareholders, even amid a challenging economic landscape.

Market performance mirrored this positive trajectory, with the share price rising significantly from Rs. 189.50 in 2024 to Rs. 400.00 in 2025. This sharp increase signals strong investor confidence and an increasingly optimistic outlook on the Company's future prospects.

The share structure remained unchanged throughout the year, ensuring equitable participation for all shareholders in the Group's growth and returns. The overall improvement in share performance was further supported by the gradual recovery of the broader economy, alongside CGE's resilience and strategic initiatives aimed at reinforcing its leadership in the integrated poultry sector. These factors collectively contributed to strengthening market sentiment and investor trust in the Company during the year.

Creating Sustainable Shareholder Value

CGE's approach to shareholder value creation is anchored in a balance of financial strength, strategic foresight, and responsible business practices. The Group continues to deliver sustainable returns by integrating performance-driven strategies with a structured approach to managing environmental, social, and governance (ESG) risks.

Through its embedded sustainability and risk management frameworks, CGE actively identifies and responds to Sustainability-Related Risks and Opportunities (SRROs), ensuring alignment with the principles of double materiality and the requirements of SLFRS S1 and S2. This alignment strengthens the link between financial performance and long-term sustainability outcomes.

The Group's commitment to future-ready growth is further supported by ongoing investments in innovation, modernisation, and digital transformation, all guided by strong governance standards. By maintaining discipline in capital allocation and optimising resource utilisation, CGE enhances operational efficiency while responsibly managing its environmental and social impact.

This integrated approach not only reinforces resilience in a dynamic operating environment but also strengthens CGE's ability to deliver consistent, long-term value to its shareholders.

Financial Capital

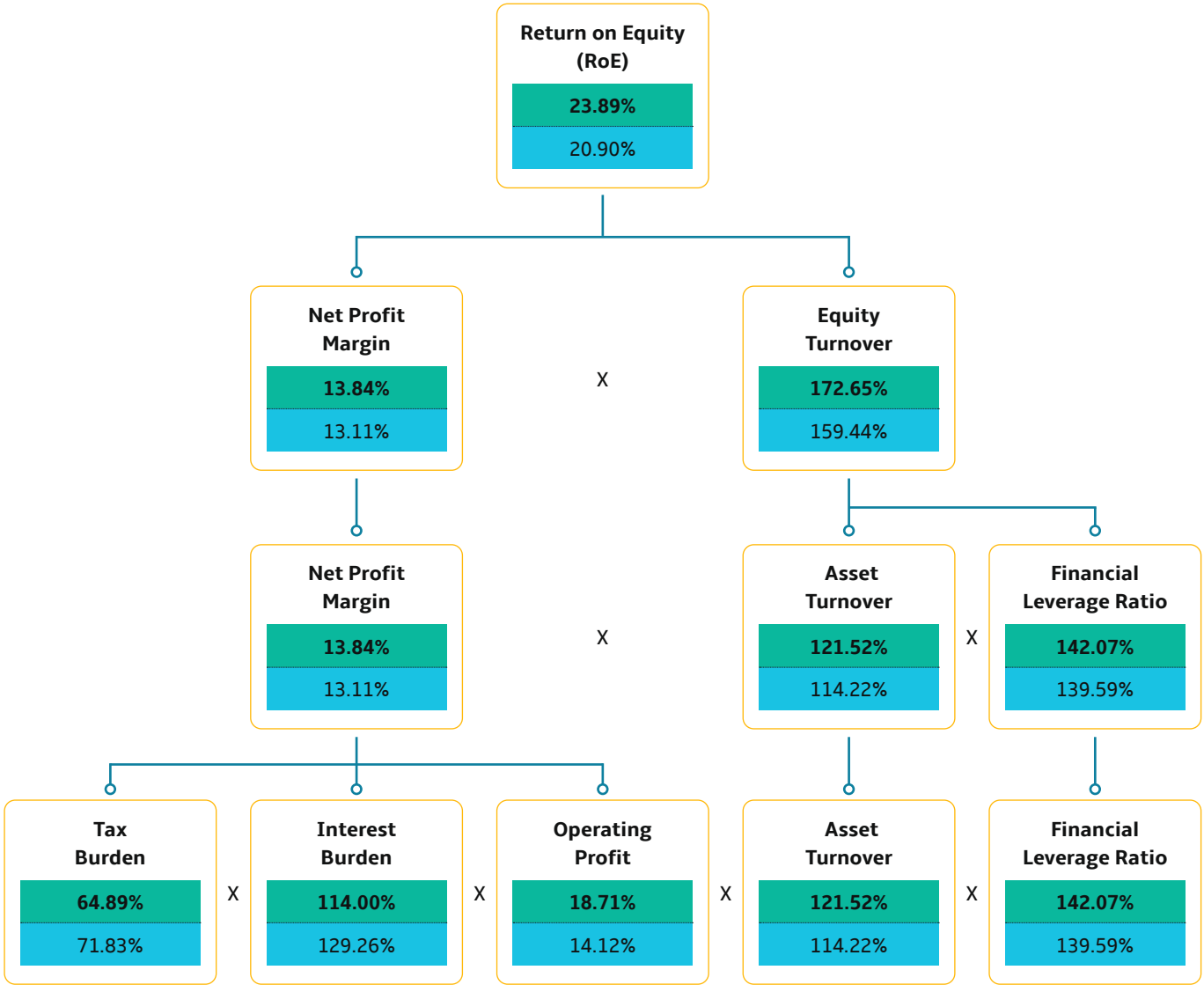
Return on Equity (ROE)

Return on Equity (ROE) is a key indicator of CGE's ability to generate returns from the capital invested by its shareholders. It reflects how effectively the Group utilises its equity base to deliver profits and create value.

During the year under review, CGE maintained a strong ROE, supported by improved profitability and efficient capital management. The increase in earnings, coupled with disciplined reinvestment strategies, enabled the Group to optimise returns while strengthening its equity position.

CGE's focus on operational efficiency, cost management, and strategic investments has contributed to sustaining healthy returns, even in a challenging economic environment. At the same time, the growth in equity—driven by retained earnings - has been carefully balanced to ensure that returns remain attractive while supporting long-term expansion.

DuPont Analysis – ROE



Addressing Sustainability and Climate-Related Financial Risks

CGE addresses sustainability and climate-related financial risks through a structured and forward-looking approach, integrating factors such as extreme weather events, resource scarcity, and evolving carbon pricing mechanisms into its enterprise-wide risk management framework. This is further supported by internal scenario analyses , enabling the Group to assess potential financial impacts under different climate pathways and strengthen its resilience.

In navigating these risks, CGE continues to implement targeted initiatives, including adaptive risk mitigation measures, energy efficiency improvements, and investments in sustainable and climate-resilient operations. The Group also places increasing emphasis on optimising resource use and exploring renewable energy solutions, supporting both cost management and environmental performance.

CGE's approach extends beyond risk management to capturing emerging opportunities linked to the transition toward a low-carbon economy. By aligning operational strategies with sustainability objectives, the Group enhances its ability to remain competitive while responding to changing regulatory and market expectations.

Reinforcing its commitment to transparency and high-quality reporting, CGE has undertaken the adoption of Sri Lanka Financial Reporting Standards (SLFRS) S1 and S2. This enables the systematic identification, measurement, and disclosure of material sustainability-related financial information, ensuring consistency with global best practices and strengthening stakeholder confidence.

Collectively, these efforts position CGE to better manage climate-related uncertainties while supporting long-term financial stability and sustainable value creation.

A detailed breakdown is provided in the SLFRS Disclosures section on page 262

Value Creation Linked to Strategic Pillars

Strategic Pillar	Financial Capital Contribution	Key FY 2025 Actions	Value Created
❍ Sustainable Value Creation, Cost Optimisation & Efficient Operations	❍ Upgrade towards feed milling plants, chicken processing facilities, and farm infrastructure	❍ Investments in feed milling equipment and processing technologies	❍ Improved feed conversion ratios and bird performance
	❍ Investments in automation, preventive maintenance, and process optimisation across operations	❍ Continuously maintaining Yield & improvements in hachability.	❍ Enhanced processing efficiency and product quality
	❍ Focus on cost control and efficient utilisation of feed, utilities, and other inputs	❍ Strengthened inventory and input management to minimise wastage	❍ Lower unit production costs and improved operational margins
❍ Customer-Centric Value Delivery	❍ Strengthening the supply of high-quality poultry products and animal feed	❍ Procurement of quality raw materials for feed and processing	❍ Reliable supply of safe, high-quality poultry products and feed
	❍ Maintaining price stability through effective cost management	❍ Maintaining consistent product quality and pricing despite input cost fluctuations	❍ Strengthened customer confidence and loyalty
	❍ Investment in logistics, cold chain, and distribution infrastructure	❍ Enhancements in delivery coordination and distribution efficiency	❍ Improved service levels and market competitiveness

Financial Capital

Strategic Pillar	Financial Capital Contribution	Key FY 2025 Actions	Value Created
❍ Human Capital & Workplace Wellbeing	❍ Budget allocation for employee safety, farm facilities, and processing environments	❍ Training on farm management practices, processing standards, and equipment handling	❍ Improved workforce productivity, skills, and operational efficiency
	❍ Investment in workforce training across feed milling, processing, and farming operations	❍ Improvements to workplace safety and operational supervision	❍ Safer working environment with reduced disruptions
	❍ Employee compensation, incentives, and welfare initiatives	❍ Implementation of performance-based incentives and staff development programmes	❍ Higher employee motivation, retention, and engagement
❍ Environmental Sustainability & Climate Action	❍ Investment in energy-efficient feed mills, farms, and processing facilities	❍ Adoption of energy-efficient machinery and utilities across operations	❍ Reduced environmental footprint and regulatory risk
	❍ Funding for waste management, effluent treatment, and litter handling systems	❍ Strengthening waste, water, and environmental management practices	❍ Improved efficiency in energy, water, and resource utilisation
	❍ Financial commitment towards biosecurity, animal welfare, and environmentally compliant assets	❍ Enhancing biosecurity measures and sustainable farming practices	❍ Strengthened sustainability performance and stakeholder trust

Risks and Opportunities Relating to Financial Capital

Risk	Description
❍ Market & Financial Risks	Exposure to market volatility, interest rate fluctuations, and foreign exchange movements may impact the Company's financial performance and investment returns.
❍ Regulatory & Compliance Risks	Changes in regulatory frameworks, tax policies, or compliance requirements could increase operational costs and affect profitability.
❍ Investment & Capital Allocation Risks	Ineffective allocation of capital or suboptimal investment decisions may limit returns on equity and reduce long-term shareholder value.
❍ Operational & Reputational Risks	Financial losses or reputational risks may arise from insufficient risk management, including credit, liquidity, and operational risks.

Opportunity	Description
❍ Strategic Investment & Capital Allocation	Strategic capital allocation and prudent investment planning can enhance returns and support sustainable growth.
❍ Digital & Process Efficiency	Adoption of digital financial management tools and process automation can improve efficiency, accuracy, and decision-making.
❍ ESG Integration in Financial Planning	Integrating ESG considerations into financial planning strengthens resilience, mitigates risks, and enhances investor confidence.
❍ Innovation & Sustainable Growth Funding	Leveraging financial resources to fund innovation, modernisation, and sustainable projects can drive long-term profitability and value creation.

Risks and Responses Relating to Financial Capital

- During the year, CGE faced multiple challenges in managing its financial capital.

For further details, refer to Risk and Opportunity Management Report page 231.

Future Roadmap



Short Term

- Optimise operational costs across operations.
- Strengthen working capital management for improved liquidity and cash flow.
- Enhance financial monitoring, reporting, and control processes
- Improve cost efficiency through targeted initiatives and process reviews.



Medium Term

- Expand automation and digital capabilities across financial and operational management.
- Leverage data analytics to support strategic investment, risk management, and operational decisions.
- Integrate ESG considerations into financial planning, reporting, and operations.
- Streamline financial and operational processes to support scalability and resilience.



Long Term

- Drive sustainable growth and consolidate market leadership in poultry, feed, and farming operations.
- Maintain robust risk management and governance frameworks.
- Invest strategically to maximise long-term shareholder value.
- Align financial performance with environmental stewardship, social responsibility, and operational excellence.

Manufactured Capital



Strengths

Fully fledged physical infrastructure to support integrated operations in the polutry value chain

Weaknesses

No significant weaknesses

Opportunities

Pursue external partnerships to access the technical knowledge to carry out in-house machinery upgrades

Threats

High Cost of upgraded technology

Management Approach

CGE manages its Manufactured Capital through a capital management framework designed to support operational resilience, efficiency, and long-term value creation. CGE directs investments toward strengthening and optimising its physical infrastructure to ensure consistent performance across its manufacturing operations.

Assets such as factories, plant, machinery, and production lines are developed and maintained with a lifecycle-based approach. This ensures that current production needs are met while preserving flexibility for capacity expansion, technological upgrades, and changing market requirements.

To support its sustainability objectives, CGE integrates decarbonisation considerations into asset planning and investment decisions. Priority is given to renewable energy adoption, energy-efficient equipment, and process improvements aimed at reducing energy consumption and associated emissions.

In parallel, CGE continues to enhance its IT and digital infrastructure to improve process integration, monitoring, and data-driven decision-making. Together, these measures enable us to maintain a resilient, efficient, and environmentally responsible manufacturing base aligned with our long-term strategic objectives.

Key Actions for FY 2025

Approx. **Rs. 3.0 Bn** Investment in chicken processing plant automation	Approx. **Rs. 600.0 Mn** Investment in New GP Farm	**Rs. 42.0 Mn** Invested in Solar Energy at Bulathsinhala Farm	**Rs. 47.0 Mn** Invested in IT System Upgrade	**Rs. 77.0 Mn** Invested to Acquire New Vehicles	**Rs. 215.0 Mn** Invested in Constructing EC Houses

Value Created

Output for CGE

Asset turnover ratio – 1.22

Capacity utilisation – < 83%

Plant utilisation – < 60%

Energy consumption reduced in feed mill

Assets downtime reduced

Stakeholder Outcomes

Customers
- Consistent Product Quality
- Consistent product standards and improved service levels

Farmers & Growers
- Access to efficient processing and input infrastructure
- Improved productivity and reduced operational constraints

Employees
- Safer, modernised workplaces with improved operational tools
- Enhanced efficiency supporting skill development and job stability

Shareholders
- Improved asset utilisation and capital efficiency
- Stronger returns through cost optimisation and operational scalability
- Suppliers & business partners
- Stable demand supported by dependable processing and logistics capacity
- Long-term partnerships enabled by infrastructure reliability

National Economy
- Strengthened local manufacturing capability
- Reduced dependency on imports through domestic value addition

Material Matters

- Asset Availability and Operational Efficiency
- Capital Investment and Capacity Expansion
- Asset Integrity, Maintenance, and Workplace Safety
- Food Safety And Processing Infrastructure Reliability
- Supply Chain, Warehousing, and Logistics Infrastructure Efficiency
- Climate Resilience of Physical Assets
- Technological Obsolescence and Need for Automation
- Compliance With Regulatory and Operational Standards

Impact on Other Capital

Financial Capital	Improved financial performance and profitability; increased return on investment due to operational efficiencies and better asset utilisation.
Human Capital	Safer and more efficient work environments; enhanced productivity and skill development through modernised facilities.
Intellectual Capital	Strengthened operational know-how, process optimisation, technology adoption, and food safety systems.
Social & Relationship Capital	Guarantee of safe and best-quality products; assurance of uninterrupted product availability, strengthening trust with customers, suppliers, and communities.
Natural Capital	Energy, water, and material use impacts; opportunities for efficiency improvements, emissions reduction, and waste minimisation.

Manufactured Capital

SDGs

- Target 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix
- Target 7.3: By 2030, double the global rate of improvement in energy efficiency.

- Target 8.2: Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value-added and labor- intensive sectors.
- Target 8.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity, and innovation.

- Target 9.1: Develop quality, reliable, sustainable, and resilient Infrastructure, including regional and transborder infrastructure, to support economic development and human well-being.
- Target 94: By 2030, upgrade Infrastructure and retrofit industries to make them sustainable, with Increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and Industrial processes

- Target 12.2: By 2030, achieve the sustainable management and efficient use of natural resources.
- Target 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

- Target 13.2: Integrate climate change measures into national policies strategies, and planning.
- Target 13.3: Improve education, awareness-raising and human and Institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning.

Manufacturing Capital as a Strategic Driver

Portfolio Expansion & Product Excellence

Strengthens the Group's ability to deliver a board portfolio of high-quality, innovative and nutrtion-optimised feed and poultry products that cater to evolving market demand across multiple business segments.

Empowered & Engaged Workforce

CGE provides teams access to cutting-edge, secure and encouraging work environments that foster skill growth, operational excellence and a sense of pride and ownership among staff members.

Customer-Driven Value Creation

Increased apotability to quickly evolving customer demands by ongoing advancements in product development, service effectiveness, and tailored solutions for farmers, distributors and retailers.

Strategic ESG Alignment

Incorporates resource-efficient production techniques, reduces environmental impact, enhances energy and waste management performance, and supports the Group's long- term ESG goals in order to integrate sustainability into core operations.

Inclusive Value Chain Development

Supports efficient and scalable production models that integrate smallholder farmers, contract growers and rural suppliers, generating wider economic opportunities within local communities and strengthening supply chain resilience.

Investing in PPE

In 2025, CGE continued to strengthen its position as one of Sri Lanka's few fully integrated poultry value chain operators through strategic investments in Property, Plant, and Equipment (PPE). The Group's extensive physical infrastructure including advanced feed mills, breeder and broiler farms, hatcheries, and modern chicken processing facilities remained central to sustaining operational efficiency and supporting its core business activities. During the year, CGE undertook several capacity-enhancement initiatives, upgrading key machinery, expanding storage facilities, and integrating new automation technologies to improve productivity and food safety standards.

CGE also enhanced its operational footprint in 2025 with targeted investments in hatchery and breeder operations. These upgrades included environmentally controlled housing systems and state-of-the-art incubation technology, further reinforcing CGE's capabilities as a fully integrated poultry solutions provider in the country.

CGE's diversified motor vehicle fleet continued to play a critical role in logistics and distribution. In 2025, additional vehicles including tractors, trailser, vans, cabs and a bus were added to optimise delivery efficiency and ensure uninterrupted supply across its regional operations.

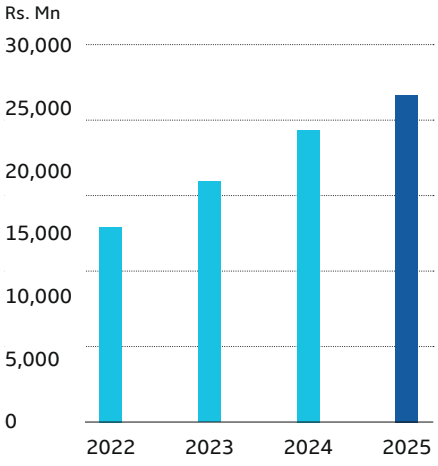
Capital Expenditure (CAPEX) planning remained structured and forward-looking. For 2025, departmental CAPEX submissions were reviewed with greater emphasis on productivity gains, sustainability alignment, and long-term ROI. Large-scale investments underwent Board-level scrutiny to ensure strategic compatibility and financial prudence. The Group maintained a robust procurement framework throughout the year, with all machinery and equipment acquisitions conducted via a transparent tendering process. Consistent with CGE's commitment to quality and sustainability, preference continued to be given to international equipment manufacturers with globally recognised certifications, including ISO 9001 for quality and ISO 14001 for environmental management.

It is confirmed that, 2025 PPE investments strengthened CGE's manufacturing capital base, enhancing operational resilience, supporting growth plans, and reinforcing its leadership in Sri Lanka's poultry industry.

No. of Own buildings – 624

Total Area of Freehold Land – 327 Acres

Total Assets



New Investments (Rs. Mn)	Consolidated Value of Property, Plant and Equipment (Rs. Mn)		
	31 December 2025	31 December 2024	31 December 2023
Buildings	235.4	18.1	159.6
Leasehold buildings and improvements	-	45.1	14.6
Plant and machinery, electrical and farm equipment	105.7	304.1	72.0
Furniture, fittings and office equipment	18.4	20.2	18.9
Motor vehicles	76.5	50.2	67.8
Capital work-in-progress	61.2	(237.5)	46.8
Total	497.2	200.2	379.7

Manufactured Capital

CAPEX Management Process

Start of the Financial Year

- **Needs Assessment** – Identity assets requirements based on production and market needs.
- **Budgeting** – Develop CAPEX budget aligned with revenue projections.

Throughout the Financial Year

- **Approval Process** – Proposals checked by Tender Committee, Evaluated by Senior Management and approved by Board of the Directors.
- **Implementation** – Procurement and Engineering teams acquire and install the assets.

End of the Financial Year

- **Monitoring & Evaluation** – Post-Investment analysis ensures expected returns and efficiency.

Total Investment in capacity Expansion –
Rs. 497.2 Mn
(Excluding the land cost)

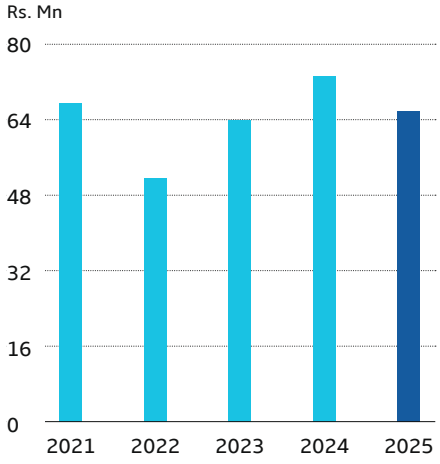
Key Initiatives 2025

- Upgraded New EC Houses
- Installation of Solar decks
- Commenced the New Chicken processing Plant
- Increased Live birds Trucks feet
- IT Data center server upgrade
- Construction of New EC Houses

Asset Maintenance and Upkeep

In order to preserve optimal performance and operational continuity throughout our fully integrated poultry and feed operations, Ceylon Grain Elevators PLC maintained a strong and organised approach to the maintenance of its fleet of vehicles, machinery and equipment in 2025. Preventive, condition-based, and corrective maintenance were the three main pillars under which maintenance operations were carried out.

Plant & Machinery Maintenance Expenses – CGE Group



Preventive Maintenance

The core of CGE's asset management strategy remained preventive maintenance in 2025. Feed mills, farms, hatcheries, processing facilities, and the Group's large fleet of vehicles all underwent regular servicing, planned inspections, lubrication programmes, and component replacements. In order to ensure equipment longevity, improved performance, and lower lifecycle costs, the Group persisted in using Original Equipment Manufacturer (OEM) spare parts and closely following OEM-recommended repair intervals. Additionally, CGE digitalised a number of maintenance schedules throughout the year, which enhanced traceability, compliance tracking, and early servicing need identification.

Condition-Based Maintenance

Condition-based maintenance was expanded in 2025 to cover more critical machinery in feed production and hatchery operations. Advanced diagnostic tools such as vibration monitoring, thermal imaging, and real-time performance sensors were utilised to detect early warning signs of equipment stress or degradation. These data-driven insights enabled targeted interventions that minimised downtime and enhanced operational precision.

Corrective Maintenance

By using quick response methods to handle unanticipated equipment failures, corrective maintenance continued to support continuous production. With better diagnostic instruments and replacement components readily available, technical personnel were able to quickly restore equipment and minimise production schedule interruptions.

Achieving Operational Excellence – 2025

CGE maintained its dedication to operational excellence in 2025, acknowledging the vital connection between sustainable corporate growth and optimal asset performance. CGE strictly adhered to all local fire safety, disaster management, and occupational health regulations at every facility. To protect animals and ensure production continuity, advanced lighting, surge protection, and power backup systems were further improved, and fire detection and suppression systems were routinely inspected and upgraded.

The Group's dedication to global standards remained a cornerstone of operations, with continued compliance with ISO 9001 (Quality Management System), ISO 22000 (Food Safety Management), HACCP, and Good Manufacturing Practices (GMP). These certifications reflect CGE's focus on quality, food safety, and efficiency across the entire poultry and feed value chain. Also this year company obtained FSCC 22000 (Food safety system Certification) which is a globally recognised food safety standard, benchmarked by the GFSI, that provides a framework for managing food safety across the supply chain, combining the core ISO 22000 standard with industry-specific Prerequisite Programs (PRPs).

In 2025, CGE strengthened its biosecurity protocols, integrating best-in-class practices to mitigate disease risks and prevent contamination. Fully automated climate control systems across farms and hatcheries were upgraded to optimise temperature, humidity, and ventilation, preserving poultry health, ensuring product quality, and upholding high standards of animal welfare.

IT Infrastructure and Technology Support System

Cyber security and Information Security

In 2025, Ceylon Grain Elevators PLC strengthened its cyber security posture through enhanced governance, advanced security technologies, and improved monitoring capabilities. The Group utilised next-generation firewalls. Regular access audits, vulnerability assessments, and independent external reviews ensured compliance with global best practices and reinforced data security across all operations.

CGE's Business Continuity and Disaster Recovery (BCP & DR) framework was further enhanced through structured risk assessments, updated response protocols, and periodic testing. Well established strong controls included IT system ensures the accuracy, real-time information access, and compliance with established policies. The IT environment also includes secure network connectivity, backup solutions, and user-access controls to uphold operational integrity and support effective decision-making across the organisation.

In FY 2025, a sum of Rs. 47.0Mn was incurred to boost Group-wide IT systems. Notable developments included calibrating the server storage systems & network equipment to reduce downtime and increase data processing capacity. The ERP system was also upgraded with the introduction of new features and data enhancements to improve report quality and seamless integration of business processes.

Manufactured Capital

Sustainable manufacturing

Manufacturing excellence remained a core strategic priority for CGE in 2025, guiding the Company's commitment to operational efficiency, technological advancement, and sustainable value creation. Throughout the year, CGE made planned investments in cutting-edge quality-control systems, digital process efficiency, and contemporary gear to improve its manufacturing facilities. Increased collaborations with technology suppliers and industry professionals significantly strengthened capacity building and ongoing enhancement throughout all production facilities.

In order to ensure that teams are prepared to function in the manufacturing sector that is becoming more and more dependent on technology, CGE also placed a high priority on employee empowerment through technical training, skill development, and process-innovation efforts. Together, these initiatives increased output, increased cost effectiveness, and allowed the business to constantly supply stakeholders and the public with higher value.

CGE furthered its decarburisation efforts in 2025 in accordance with its sustainability targets by increasing the use of renewable energy, improving energy efficiency, and continuing the shift to low-impact production techniques. These programmes improve long-term operational resilience and encourage healthier operations.

Lean Manufacturing

In 2025, CGE strengthened operational efficiency by embedding Lean principles across its feed mills, hatcheries, farms, and processing operations. Workflow optimisation, waste reduction, value stream analysis, and kaizen events are examples of initiatives that have increased output, improved quality, and decreased bottlenecks. CGE empowered its employees, increased customer value, and strengthened robust and effective manufacturing operations by cultivating a culture of continuous improvement.

Carbon-Neutral infrastructure Base

CGE has established clear greenhouse gas (GHG) reduction targets to be achieved by 2030. The Group's operational planning and performance monitoring systems incorporate these goals, and action plans are put into place on all production lines.

Energy Efficiency in Production Facilities

- Upgrades to feed mills, hatcheries, and processing plants to reduce electricity and fuel consumption.
- Installation of energy-efficient motors, lighting, and climate control systems.

Carbon Emission Monitoring and Management

- Continuous tracking of greenhouse gas emissions from manufacturing and farming operations.
- Integration of emission reduction targets into operational KPIs.

Investment in Energy Efficient Infrastructure FY 2025

Rs. 10.3 Mn

15%

Reduced Scope 02 Emission in 2025

Value Creation Linked to Strategic Pillars

Strategic Pillar	Manufactured Capital Contribution	Key FY 2025 Actions	Value Created
Sustainable Value Creation, Cost Optimisation & Efficient Operations	❍ Continuous upgrading and optimisation of feed mills, poultry processing plants	❍ Investment in plant and machinery, electrical and farm equipment to improve throughput and efficiency	❍ Improved operational efficiency and asset utilisation
	❍ Improved asset reliability through preventive maintenance and automation	❍ Process automation initiatives reducing downtime and wastage	❍ Lower unit production costs and improved margins
	❍ Expansion and modernisation of logistics and storage facilities	❍ Rationalisation of capital work-in-progress aligned with operational priorities	❍ Enhanced scalability and resilience of core operations
Customer-Centric Value Delivery	❍ Modern processing facilities enabling consistent quality, hygiene, and traceability	❍ Upgrades to poultry processing facilities	❍ Consistent product quality and food safety assurance
	❍ Cold chain, storage, and logistics infrastructure supporting timely and reliable delivery	❍ Investments in motor vehicles and logistics assets to strengthen distribution reach	❍ Improved delivery reliability and customer satisfaction
	❍ Manufacturing flexibility to support product innovation	❍ Facility modifications to support new poultry product variants	❍ Faster response to market demand and product customisation
Human Capital & Workplace Wellbeing	❍ Safe, and well-maintained production environments	❍ Investments in safer machinery and improved plant layouts	❍ Safer and more efficient work environments
	❍ Mechanisation reducing manual handling and occupational risk	❍ Upgrading facilities to comply with food safety, occupational health, and safety standards	❍ Improved workforce productivity and morale
	❍ Infrastructure supporting training, supervision, and compliance	❍ Maintenance and refurbishment of employee-related infrastructure	❍ Reduced accident risk and operational disruptions
Environmental Sustainability & Climate Action	❍ Energy-efficient machinery and infrastructure reducing resource intensity	❍ Capital investments supporting energy efficiency and improved process control	❍ Reduced environmental footprint and compliance risk
	❍ Facilities designed to support waste reduction, effluent management, and responsible resource use	❍ Infrastructure enhancements to support waste management and environmental standards	❍ Improved energy and resource efficiency
	❍ Physical assets aligned with environmental compliance and climate resilience	❍ Asset upgrades aligned with ESG, animal welfare, and sustainability policies	❍ Strengthened long-term asset sustainability and investor confidence

Risks and Opportunities Relating to Manufactured Capital

Risk	Description
Physical Asset Damage & Security Risks	Damage to buildings, plant, machinery, and logistics assets due to strikes, riots, or civil commotion, leading to operational disruptions, repair costs, legal disputes, and financial losses.
Operational Disruptions & Asset Reliability	Machine breakdowns and system failures causing unplanned downtime, reduced capacity utilisation, higher maintenance costs, and interruptions to production and supply commitments.
Spare Parts & Maintenance Risks	Non-availability or delays in procuring critical spare parts for specialised equipment, extending downtime and affecting continuity of operations.
Energy Supply & Cost Risks	Energy price volatility and supply instability impacting energy-intensive manufacturing assets, operational efficiency, and overall cost structures.

Manufactured Capital

Opportunity	Description
Renewable Energy Initiatives	Transition to renewable energy sources and energy-efficient technologies to enhance asset resilience, reduce operating costs, and lower environmental impact.
Asset Modernisation & Automation	Investment in modern plant, machinery, and automation systems to improve efficiency, reduce downtime, enhance asset utilisation, and support scalable operations.
Resilient Infrastructure & Business Continuity	Strengthening physical infrastructure, preventive maintenance, and continuity measures to minimise disruptions and extend asset life cycles.
Sustainable Manufacturing Practices	Adoption of environmentally responsible manufacturing assets and processes supporting waste reduction, regulatory compliance, and long-term sustainability of manufactured capital.

Risks and Responses Relating to Manufactured Capital

- During the year, CGE faced multiple challenges in managing its Manufactured capital.

Further details, refer to Risk and Opportunity Management page 240.

Future Roadmap



Short Term

- Strengthen preventive and predictive maintenance programmes to minimise machine breakdowns and unplanned downtime.
- Improve spare parts inventory management for critical equipment to ensure operational continuity.
- Enhance physical asset security and contingency planning for risks related to strikes, riots, and civil commotion.
- Monitor energy consumption and implement quick-win energy efficiency measures across manufacturing facilities.



Medium Term

- Upgrade and modernise plant, machinery, and processing facilities to improve efficiency, safety, and asset utilisation.
- Increase automation and process control to reduce manual intervention and operational variability.
- Invest in energy-efficient equipment and optimise manufacturing layouts to lower operating costs.
- Strengthen infrastructure resilience through planned capital investments and business continuity enhancements.



Long Term

- Transition towards renewable energy solutions to reduce long-term energy risks and carbon footprint.
- Embed climate resilience and sustainability considerations into long-term capital investment planning.
- Develop future-ready manufacturing infrastructure aligned with ESG, regulatory, and market expectations.
- Continuously optimise asset lifecycle management to support scalable and sustainable growth.

Intellectual Capital



Strengths

Brand Equity, Consistency of quality

Weaknesses

Evolving industry standards, and regulatory requirements

Opportunities

Early access to advanced technology and global standards through the association with Prima-Singapore

Threats

Operational strategies being copied or misused by competitors

Management Approach

CGE adopts a comprehensive approach to strengthening its intellectual capital through continuous investment in dependable and high-performance infrastructure that is designed for resilience and long-term reliability. This is complemented by structured preventive maintenance practices to sustain asset functionality and extend useful life. In addition, the adoption of manufacturing best practices and targeted investments in technology support enhanced operational knowledge and efficiency, collectively improving the overall performance of the Company's physical assets.

Intellectual Capital

Key Actions for FY 2025

FSSC 22000 Certification	Introduced two new products	Initiatives for Business Continuity Management System (BCMS) aligned with ISO 22301:2019	Introduced A new Weighing System which reduces manual intervention

Value Created

Output for CGE

- Strengthened operational know-how through continuous process optimisation in grain handling, feed manufacturing, and logistics, improving efficiency, quality consistency, and cost competitiveness.
- Enhanced data-driven decision-making enabled by ERP systems, digital reporting tools, and internal controls, supporting accurate forecasting, traceability, and timely management insights.
- Improved product and process innovation driven by in-house technical expertise in feed formulation, quality assurance, and supply chain optimisation.
- Robust governance and compliance frameworks, including internal policies, standard operating procedures (SOPs), and risk management systems, strengthening organisational resilience and regulatory adherence.
- Institutionalised ESG and sustainability knowledge, integrating material topics, climate-related risk assessment, and double materiality considerations into strategic planning and reporting.
- Preservation of organisational knowledge through documentation, training manuals, and succession planning, reducing dependency on individuals and supporting long-term continuity.

Stakeholder Outcomes

- Customers benefit from consistent product quality, food safety assurance, and reliable supply, supported by strong quality management systems and technical expertise.
- Employees gain access to structured knowledge, training, and systems that enhance skills development, productivity, and career progression.
- Suppliers and farmers experience improved engagement through transparent processes, technical guidance, and consistent quality standards.
- Investors receive greater confidence through improved disclosures, reliable data, and strengthened governance and risk management practices.
- Regulators benefit from accurate, timely, and compliant reporting supported by sound internal systems and controls.
- Communities and society gain from CGE's improved capacity to embed sustainability, responsible sourcing, and climate-related considerations into business decisions.

Material Matters

- Knowledge Management and Retention
- Digital Systems and Data Integrity
- Process Excellence and Operational Know-How
- Innovation and Product Development Capability
- Governance, Policies, and Ethical Frameworks
- ESG and Sustainability Knowledge Integration
- Training and Capability Development
- Quality, Food Safety, and Compliance Systems

Impact on Other Capital

Financial Capital	Improved financial performance and profitability driven by enhanced operational efficiency and increased returns on investment.
Human Capital	Safer and more conducive working environments created through modernised facilities and improved operational practices.
Social and relationship capital	Consistent delivery of safe, high-quality products and assurance of uninterrupted product availability, strengthening customer trust and stakeholder relationships.

SDG's

- Target 4.4: Increase skills for employment, decent jobs, and entrepreneurship
- Target 8.2: Achieve higher productivity through diversification, technological upgrading, and innovation
- Target 95: Enhance scientific research and upgrade industrial technologies
- Target-12.2: Achieve sustainable management and efficient use of natural resources
- Target - 13.3: Improve education, awareness, and capacity for climate change mitigation and adaptation
- Target-17.16: Strengthen global partnerships for sustainable development through knowledge sharing

Competitive Brand Strength

CGE has been a major player in Sri Lanka's economic development and food security for more than 40 years. As one of the few completely integrated poultry producers in the nation, CGE is essential to the local market's supply of reliable, nutritious, high-quality, and reasonably priced poultry products under the reputable Prima brand. Also the brand is known as the leading company of high standards of food safety, product reliability and affordability which enables to maintain a competitive position in the local market. According to brand valuation rankings, Prima is placed among Sri Lanka's valuable brands with an AA rating and significant brand value, reflecting solid consumer trust and market presence.

Prima's excellent brand equity gives CGE an edge in the food and beverage sector when compared to competitors. As an illustration of the competitive dynamics of the industry.

Prima's brand strength is further supported by CGE's vertically integrated business model. Spanning feed milling, breeding, hatchery, and distribution which enables strict quality control throughout the value chain. Consistent product excellence, ethical business practices, and strategic marketing have reinforced customer loyalty and sustained long-term relationships with distributors, retailers, and consumers. This strong brand reputation not only underpins CGE's current market position but also supports future growth opportunities and resilience amid competitive and economic challenges.

Invested in Branding & Marketing 2025 – Rs. 392.6 Mn

Invested in R & D 2025 – Rs. 54.4 Mn

New Product Launch

Introduction of new chicken product variants including cut pieces, skinless 10-piece cuts, skinless whole chicken without wings, and boneless drumsticks with skin on.



Intellectual Capital

Customised Feed Category

Expansion of the customised feed portfolio to include high-yield dairy products, alongside the reintroduction of calf starter, swine, and horse feed solutions for key customers.



Ethics and Values

CGE's operations are guided by a strong ethical framework that underpins all aspects of its day-to-day activities. These principles shape decision-making processes, define standards of conduct, and influence how employees, partners, and stakeholders are treated across the organisation, ensuring responsible and transparent business practices at every level. The corporate values of the parent company, Prima Limited, Singapore, which focusses on the 3H principles of creating a 'Healthy Organisation,' 'Honourable Winner,' and 'Honest Fortune,' acts as the basis for CGE's business ethics. Moreover, all newly recruited employees receive comprehensive training on ethical standards, including anti-corruption practices. The Company is equally committed to addressing any reported ethical breaches in a timely and transparent manner through established whistleblowing mechanisms, in line with recognised best practices.

These values enter all aspects of CGE's activities and motivate the dedication to conducting business ethically.

Animal Health and Welfare (Sector Topic Disclosures)

GRI 13.11

CGE Group Animal Welfare Policy

CGE is committed to the ethical treatment and wellbeing of animals. This Animal Welfare Policy outlines our dedication to promoting responsible and compassionate care for animals in all aspects of our operations.

This policy applies to all employees, contractors and partners associated with our organisation. It covers our interactions with animals in research, testing, production, transportation and any other activities involving animals. We ensure that all animals under our care are treated with respect, kindness and compassion. Any uses of animals are conducted in a manner that minimises stress and discomfort. Further, we comply with all applicable local, national and international laws and regulations governing the treatment of animals. We obtain and maintain all necessary permits and approvals for activities involving animals. For example, we provide animals with appropriate housing, nutrition, veterinary care and environmental enrichment to ensure their well-being. Our facilities designed to promote natural behaviours and allow for adequate space. Animal transportation is in a manner that ensures their safety and minimises stress. Adequate provisions for food, water and rest will be made during transportation. We adopt sustainable practices that reduce the environmental impact of our activities and promote the well-being of both domestic and wild animals.

An Animal Welfare Committee is established to oversee and review the implementation of this policy. The committee includes representatives from relevant departments, veterinary professionals and external experts. Employees involved in activities with animals receive appropriate training to ensure they are aware of and adhere to this policy.

While ensuring full regulatory compliance across all aspects of the business forms the foundation of CGE's governance approach, the Group's commitment to ethics extends well beyond compliance to embody excellence in conduct.

A comprehensive ethics framework provides clear guidance and reinforces the principle that ethical behaviour is not merely an obligation, but a defining characteristic of the CGE Group. This framework comprises the Code of Conduct, together with policies on Occupational Health and Safety, Food Safety, Quality Management, Environmental Management, and Animal Welfare, Material and Waste Policy , Energy Policy, Cyber Security and protection Policy , AI Governance and Responsible Use Policy . Business continuity Management systems Policy as well as the recently introduced Anti-Bribery and Corruption and Whistleblowing policies including CSE Listing rule 9.2 amendment related policy and procedures . Collectively, these instruments are designed to empower employees to uphold appropriate standards of behaviour in both internal operations and interactions with external stakeholders, acting on behalf of the Group.

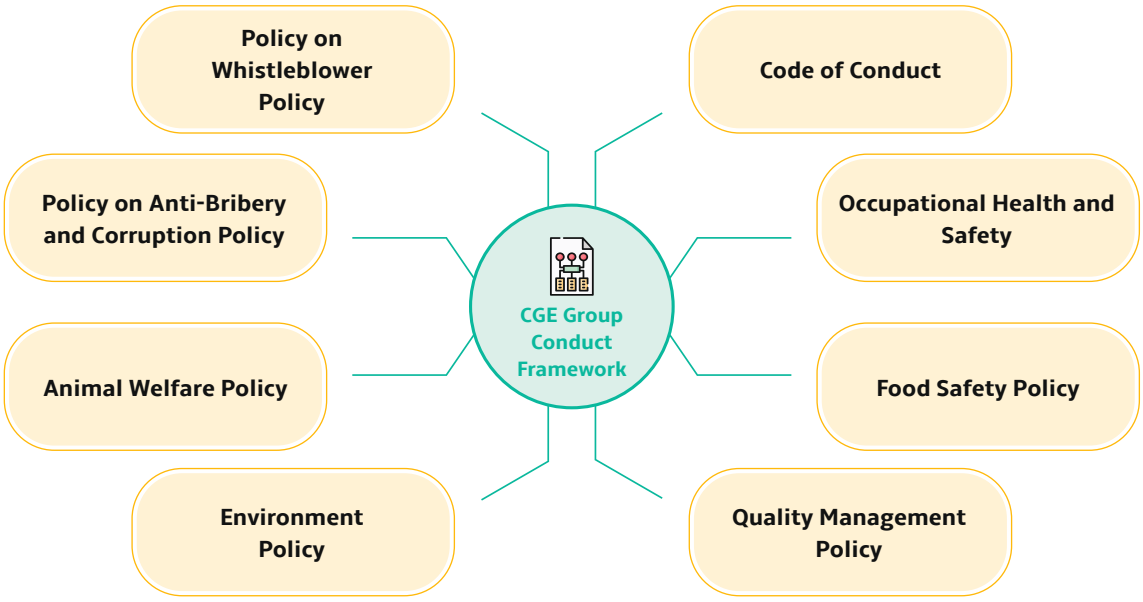
To embed these values across the organisation, all employees participate in regular ethics-related training programmes, ensuring consistent understanding and application of ethical principles. In addition, the internal audit function

performs periodic due diligence and reviews to assess the effectiveness of the ethics framework and to ensure adherence across the Group.

Intellectual Capital – Policies & Frameworks

Policy / Framework	Purpose / Scope	Related GRI Standard
Information Security & Cyber Security Policy	Safeguards data assets, IT infrastructure, and intellectual property against cyber threats, ensuring confidentiality, integrity, and availability of critical information.	GRI 418 (Customer Privacy & Data Breaches)
AI Governance and Responsible Use Policy	Establishes principles for the ethical, transparent, and responsible use of artificial intelligence and automated decision-making tools, ensuring compliance, data integrity, and risk mitigation.	GRI 103-2 (Management Approach)
Business Continuity Management Systems Policy	Ensures resilience of critical business operations through structured continuity planning, disaster recovery, and crisis management mechanisms.	GRI 103-2 (Management Approach)
Brand & Reputation Management Guidelines	Protects and enhances brand equity through quality standards, ethical marketing practices, customer engagement strategies, and consistent market positioning.	GRI 103-2 (Management Approach) GRI 206 (Anti-competitive Behaviour)
Employee Learning & Development Policy	Promotes continuous learning, skills development, and knowledge retention through structured training programmes, knowledge sharing, and career development initiatives.	GRI 404 (Training and Education)
Code of Conduct	Defines ethical standards, values, and expected behaviours to guide employee conduct and decision-making across all operations and stakeholder interactions.	GRI 102-16 (Values, Principles, Standards of Behaviour)
Anti-Bribery and Corruption Policy	Prevents bribery, corruption, and unethical practices through clear guidelines, controls, and reporting mechanisms.	GRI 205 (Anti-corruption)
Whistleblowing Policy	Provides secure and confidential mechanisms for reporting unethical behaviour, misconduct, or regulatory breaches without fear of retaliation.	GRI 102-17 (Mechanisms for Advice and Concerns)
Occupational Health and Safety Policy	Ensures a safe and healthy working environment through risk identification, controls, and continuous improvement in workplace safety practices.	GRI 403 (Occupational Health and Safety)
Food Safety Policy	Ensures product safety and compliance with food safety standards across processing, storage, and distribution activities.	GRI 416 (Customer Health and Safety)
Quality Management Policy	Maintains consistent product quality through standardised processes, certifications, and continuous improvement mechanisms.	GRI 103-2 (Management Approach)
Environmental Management Policy	Guides the management of environmental impacts, including resource efficiency, emissions control, and regulatory compliance.	GRI 103-2 (Management Approach) GRI 302 / 303 / 305
Energy Policy	Promotes efficient energy use, conservation measures, and integration of energy management practices across operations.	GRI 302 (Energy)
Material and Waste Management Policy	Ensures responsible material usage and waste management practices, including reduction, recycling, and disposal in compliance with regulations.	GRI 306 (Waste)
Animal Welfare Policy	Ensures ethical treatment of animals across the value chain in line with recognised welfare standards and best practices.	GRI 416 (Customer Health & Safety – Product Responsibility)
CSE Listing Rule 9.2 Compliance Policy and Procedures	Ensures compliance with Colombo Stock Exchange Listing Rule 9.2 amendments, strengthening disclosure, governance, and transparency practices.	GRI 103-2 (Management Approach)

Intellectual Capital



Knowledge –based Assets

The collective knowledge, technical expertise, and innovative capability of CGE's workforce are fundamental to the Group's ability to deliver consistent performance across all its business segments. CGE benefits from a strong, Group-wide knowledge base supported by a diverse pool of talent, including experienced professionals, technical specialists, and industry experts, whose insights and skills contribute directly to operational excellence, efficiency, and informed decision-making. This depth of expertise enables the Group to respond effectively to industry developments, regulatory changes, and evolving market expectations, thereby sustaining its leadership position in Sri Lanka's poultry industry. To ensure continuous enhancement of these knowledge-based assets, CGE makes ongoing investments in learning and development initiatives each year. These include structured training programmers, leadership development, mentorship and coaching arrangements, as well as exposure to global best practices and emerging industry trends. Through these efforts, CGE strengthens employee competencies, fosters innovation, and builds organisational resilience, supporting long-term strategic growth and value creation.

Industry specific Memberships and affiliations with the following entities also add further value to the Group's knowledge enhancement initiatives:

GRI 2-28

- World Poultry Science Association
- Lanka Poultry Producers Forum
- All-Island Poultry Association
- Sri Lanka Veterinary Association

Research and Development (R&D) Capability

As one of Sri Lanka's top integrated poultry and animal feed companies, CGE continues to place a high priority on research and development as an essential source of innovation and an advantage in a fast-paced market. By expanding its committed team of food scientists, nutritionists, technicians, and industry experts focused on improving feed and premix formulations, improving nutritional performance, and creating solutions that address changing customer demands and raw material constraints, the Group continued its dedication to research and development in 2025. Collaboration with industry partners, such as its strategic partner Prima Group of Singapore, which provides technical expertise and global insights, further strengthens CGE's R&D activities.

In line with the Group's strategic focus on measurable outcomes, CGE achieved notable R&D-related performance indicators in 2025, including:





R&D Strategic Focus – 2025

Enhanced Feed Efficiency and Performance	Enhancing nutrition absorption and feed efficiency to boost output and optimise costs.
Advanced Feed and Premix Formulation Development	Improving feed formulas to satisfy different needs for development and production.
Product Quality, Safety and Compliance	To guarantee constant safety and quality compliance, testing procedures should be improved.
Sustainable and Cost-Optimised Raw Material Usage	Improving the use of raw materials to reduce supply and cost volatility and enhance nutrition.

These R&D investments and outcomes contribute to CGE's innovation pipeline, support sustainable operational performance, and reinforce the Company's leadership position in Sri Lanka's poultry and animal feed sector. The focus on measurable improvements in production and nutritional performance underscores CGE's commitment to delivering enhanced value to customers, farmers, and the broader agricultural value chain.

Standard and Certifications

By implementing globally recognised concepts into the Company's operational structures, standards and certifications are essential for strengthening our intellectual capital. These frameworks enable the analytical identification, evaluation, and reduction of risks in important domains like workplace safety, ethical sourcing, environmental stewardship, and product quality. Adopting globally accepted standards and obtaining the required permits and licenses proves the company's process architecture's resilience and strengthens its continuous improvement culture. These certifications improve corporate expertise, guarantee regulatory compliance, and promote operational efficiency by establishing best practices and protecting intellectual property.

In order to guarantee quality, safety, and consistency across its poultry processing processes, including frozen and refrigerated whole chicken, chicken parts, and mechanically deboned meat, the Group has continuously pursued internationally recognised certifications. CGE's devotion to strict regulatory and customer standards is demonstrated by its certifications, which include ISO 9001 for quality management, ISO 22000 and HACCP for food safety, GMP for operational best practices, and HALAL certification. CGE enhanced its quality assurance system in 2025 when its Microbiology Laboratory received ISO 17025 certification, confirming the technical expertise of its testing procedures and strengthening trust in the Group's poultry products' quality and safety.

Intellectual Capital

Additionally, this year the Company received FSSC 22000 (Food Safety System Certification), a globally recognised food safety standard that is benchmarked by the GFSI and offers a framework for managing food safety throughout the supply chain by combining industry-specific prerequisite programmes with the core ISO 22000 standard.

- ISO 9001 – Quality Management System
- ISO 22000 – Food Safety Management System
- HACCP – Hazard Analysis and Critical Control Points
- GMP – Good Manufacturing Practices
- HALAL Certification
- ISO 17025 – Testing and Calibration Laboratories

Sustainable Sourcing of Soy-Based By-Products

CGE sources soy and other by-products exclusively from certified sustainable suppliers. This approach ensures that raw materials are produced without contributing to deforestation, habitat loss, or other environmental harm.



Awards

- CA Sri Lanka TAGS Awards (Food & Beverage Sector): CGE – Silver Award; TAF – Bronze Award
- ACCA Sustainability Reporting Awards: TAF – Runner-Up
- SLAAQP Green Productivity Awards: Gold Award (Food & Beverage Sector)
- NCPC Awards 2025 – Merit Recognition

Partnerships and Collaborative Networks

CGE continues to establish strategic partnerships with organisations both locally and globally to support initiatives that are in line with the Prima Group's corporate philosophy of fostering a "Healthy Corporation," being a "Honorable Winner," and creating a "Honest Fortune." This approach is based on the idea that strong collaborations create shared and sustainable value. In order to improve its operational capabilities, CGE has formed partnerships with regional and international experts. For example, it collaborated with Better Pharma Co. Ltd. to acquire specialised breeding equipment and with Elanco Animal Health (USA) to obtain cutting-edge chicken Immunisation..

Furthermore, CGE's access to crucial imported raw materials, nutritional supplements, spare parts, and other inputs has been improved by the collaboration with Hapiways Management Services Pte Ltd System (HMS), which also offers significant technical assistance. Together, these partnerships improve CGE's technological know-how, operational resilience, and capacity to provide excellent results within our chicken value chain.

Digital Solutions

CGE's strategic investments in contemporary digital technologies demonstrate its ongoing dedication to innovation, operational efficiency, and elevated service outcomes. As part of the Group's digital transformation agenda, it has progressively increased investments in advanced digital platforms over recent years to drive workflow automation which are machines or software systems or technologies that can handle complex tasks, such as managing production, supply chains, or sales. , smarter resource utilisation to help the Company to use its resources like raw materials, machines or staff- more efficiently and evidence based decision making to better business outcomes.

A cornerstone of this effort is the Prima Integrated Control (PIC) System, an intelligent automation platform tailored to streamline feed mill operations. By embedding automated routine and complex controls and real time monitoring, the PIC System not only enhances throughput but also reflects CGE's broader pursuit of technological excellence in smooth manufacturing operations.

Another critical technological asset is CGE's outgrower Management System, a structured digital solution that manages contract farming activities which is closely works with independent farmers (Out growers) who grow crops or raise poultry according to specific guidelines, and then supply them to the Company. This system reinforces the Group's commitment to operational excellence and strengthens supply chain sustainability by improving traceability and farmer engagement through digitised processes.

In the sales domain, the adoption of Sales Force Automation (SFA) has transformed how the Group conducts customer engagement and sales operations. This dynamic software automates routine tasks, including tasks like recording orders, updating customer records, or generating sales reports are done automatically, saving time and reducing errors offers real time access to sales analytics, and promotes higher productivity across field teams. With SFA, CGE has achieved more precise sales forecasting which uses historical sales data and real-time analytics. Optimised routing, and richer customer insight to provide detailed information about customer preferences, buying patterns, and feedback, helping enabling data driven planning, faster response times, and tighter integration with other digital systems across the value chain.

Together, these digital platforms position CGE to leverage emerging technologies such as intelligent automation, predictive analytics, and cloud–enabled integration, ensuring resilience and competitive advantage in an era where digital transformation continues to accelerate industry wide innovation and efficiency gains.





BCP & DR Systems

CGE has a robust BCP framework which is a strategic framework that ensures the Company's continuity and its crucial operations during and after unexpected disruptions. There are mainly consists with natural disasters, cyber-attacks, equipment failures or any other events that interrupts normal business functions. When conducting the business procedures CGE has exercised the Emergency response procedures, Alternative work arrangements (e.g., remote work or backup locations), and Communication plans for employees, customers, and stakeholders etc. to minimise the downtime, maintain service levels and protect the Company's reputation and revenue.

CGE implementing several strategies including the Risk Assessment, Business impact Analysis, Recovery strategies, Contingency planning and communication plans for implementing and communication plans for implementation, testing and training, all designed to maintain critical operations and protect employee safety.

In 2025, the group further strengthened its BCP framework by expanding its scope and refining key responses procedure to address an increasingly complex risk landscape. The BCP was comprehensively reviewed and updated to reflect emerging external risk, technological advancements, regulatory expectations, and evolving operational dynamics.

- Alternative Sourcing
- Inventory Management
- Storage Optimisation and Sales Prioritisation

Intellectual Capital

- Agreements with alternative dealers
- Sustainability aspects, particularly manufactured waste
- Biosecurity and Animal welfare

BCM Policy

Ceylon Grain Elevators PLC is committed to ensuring the continuity of its critical business operations across the integrated poultry value chain, including feed milling, breeding, hatching, broiler farming, processing, and distribution, during and after any disruptive event. The Company shall implement and maintain a Business Continuity Management System (BCMS) in line with ISO 22301:2019 to minimise the impact of potential disruptions on people, operations, assets, supply chains, and stakeholders.

The Company aims to maintain uninterrupted supply of poultry products and feed to customers, safeguard employee welfare, protect company assets and reputation, ensure timely recovery of critical operations, comply with all relevant legal, regulatory, and customer requirements, and foster a culture of preparedness and resilience across all operations.

Ceylon Grain Elevators PLC will identify and assess risks that may threaten business continuity, develop, test, and maintain effective continuity and recovery plans, ensure clear communication and coordination during emergencies, provide adequate training and awareness to all employees, and continually review and improve the BCMS to enhance organisational resilience.

During the year 2025 Company has established several policies which aligned with BCM (Business Continuity Management) ISO 22301- 2019 standard.

CGE conducted multiple Business Continuity Plan (BCP) simulations to assess the effectiveness of its responses protocols. These exercises tested operational readiness under varying scenarios, including production scale-down during low-demand periods and the management of excess inventory through efficient storage, reallocation, and market-based disposal strategies. BCP ensures the business keeps running a crisis, while DR systems make sure the IT backbone supporting the business is restored quickly.

The Disaster Recovery (DR) function at CGE forms a critical component of the Company's resilience strategy, complementing its broader Business Continuity Management (BCM) framework 'The incorporation of two new modules strengthened CGE's DR architecture substantially. These include a Simulation Recovery and Recall Procedure, which was created to guarantee end-to-end traceability of raw materials, packaging materials, and finished goods in the event of a product recall, and an Emergency Preparedness and Response Procedure, which is intended to effectively manage potential emergency situations and incidents that might present a risk to food safety. These actions improve reliability in operation and reinforce CGE's commitment to food safety and legal compliance.

Key Pillars of CGE's Disaster Recovery Architecture



Disaster Recovery site

A secondary location that can be activated to restore business operations in the event the primary site is inaccessible



Testing

Regular testing of disaster recovery procedures to ensure effectiveness and identify potential issues.



Data Backup

Regularly data backup and secure storage off-site



Recovery Procedures

Detailed steps to restore data. software and IT systems after a failure.

Intellectual Capital – Value Creation Linked to Strategic Pillars

Strategic Pillar	Intellectual Capital Contribution	Key FY 2025 Actions	Value Created
Sustainable Value Creation, Cost Optimisation & Efficient Operations	❍ Strengthened operational know-how across grain handling, feed manufacturing, poultry processing, and logistics through continuous process optimisation ❍ Institutionalised process excellence via SOPs, automation, and reduced manual intervention ❍ Enhanced organisational resilience through robust governance, internal controls, and Business Continuity Management Systems (BCMS)	❍ Implemented A new Weighing System, significantly reducing manual intervention and process variability ❍ Implemented BCMS aligned with ISO 22301:2019 ❍ Achieved FSSC 22000 certification, strengthening food safety and process maturity	❍ Improved production efficiency and cost competitiveness ❍ Reduced operational disruptions and downtime ❍ Strengthened reliability, continuity, and scalability of operations
Customer-Centric Value Delivery	❍ In-house technical expertise in feed formulation, quality assurance, and product development ❍ Strong R&D capability supported by global Prima Group technical collaboration ❍ Robust food safety, quality management, and traceability systems supporting consistent product delivery	❍ Introduced four new poultry product variants (cut pieces, skinless 10-piece cuts, skinless whole chicken without wings, boneless drumsticks with skin on) ❍ Expanded customised feed portfolio, including high-yield dairy feed and re-introduction of calf starter, swine feed, and horse feed	❍ Enhanced customer choice, quality consistency, and nutritional performance ❍ Strengthened market differentiation and responsiveness to evolving customer needs ❍ Reinforced customer trust and brand loyalty
Human Capital & Workplace Wellbeing	❍ Preservation of organisational knowledge through structured documentation, training manuals, and succession planning ❍ Continuous investment in learning, leadership development, and technical capability building ❍ Strong ethics, governance, and safety frameworks promoting a positive workplace culture	❍ Ongoing training on ethics, food safety, digital systems, and operational excellence ❍ Strengthened Code of Conduct, Anti-Bribery & Corruption, and Whistleblowing policies ❍ Active participation in industry bodies and professional associations	❍ Improved workforce capability, safety, and productivity ❍ Reduced dependency on individuals and enhanced knowledge retention ❍ Strengthened employee engagement, wellbeing, and long-term continuity
Environmental Sustainability & Climate Action	❍ Embedded ESG and sustainability knowledge across strategy, risk management, and reporting ❍ Integration of double materiality and climate-related risk considerations into planning ❍ Sustainable sourcing knowledge and responsible supply chain practices	❍ Institutionalised ESG knowledge into strategic planning and annual reporting ❍ Continued sustainable sourcing of soy-based by-products from certified suppliers ❍ Alignment of policies with environmental management, energy efficiency, and animal welfare standards	❍ Reduced environmental and supply chain risks ❍ Improved regulatory alignment and climate resilience ❍ Strengthened long-term sustainability and investor confidence

Intellectual Capital

Risks and Opportunities Related to Intellectual Capital

Risks	Description
Human Capital & Workforce Risks	Labor unrest, high turnover, workplace safety issues affecting continuity and reputation.
Operational & IT Systems Risks	IT downtime, production interruptions, and failure to maintain critical infrastructure leading to business disruption.

Opportunity	Description
Strategic Partnerships & Collaboration	Collaborative work with stakeholders, regulators, and the community to drive climate action and operational improvements.
Brand & Reputation	CSR initiatives, community engagement, awards/certifications
Technological Advancements	Automation, smart farming, digital supply chain tracking
Strategic Partnerships & Collaboration	Collaborative work with stakeholders, regulators, and the community to drive climate action and operational improvements.
Brand & Reputation	CSR initiatives, community engagement, awards/certifications
Technological Advancements	Automation, smart farming, digital supply chain tracking

Risks and Responses Relating to Intellectual Capital

- During the year, CGE faced multiple challenges in managing its Intellectual capital.

Further details, refer to Risk and Opportunity Management Report Page 231.

Future Roadmap



Short Term

- Enhanced product and process innovation.
- Strengthen digital knowledge management
- Advanced sustainability-Driven innovations
- Improve data – driven decision making.
- Uphold and strengthen brand value.



Medium Term

- Strengthen market and consumer intelligence
- Establish a group-wide regulatory intelligence framework.
- Expand innovation and R&D capabilities.
- Deepen strategic partnership
- Enhance cyber security and data protection.



Long Term

- Strengthen local and regional supply chain capabilities.
- Position CGE as a leader in sustainable agribusiness food safety.
- Develop centres of excellence.
- Expand innovation and knowledge partnership.
- Build a future - Ready digital knowledge ecosystem.

Social and Relationship Capital



At CGE, building strong and responsible relationships with our stakeholders is fundamental to delivering sustainable value. Our Social and Relationship Capital reflects the trust, collaboration, and partnerships we maintain with farmers, suppliers, customers, regulators, communities, and other stakeholders across our value chain.

As a leading player in Sri Lanka's poultry and feed industry, we recognise that long-term business success is closely linked to the wellbeing and resilience of the communities and partners we work with. Accordingly, we actively engage with stakeholders to understand their expectations, promote responsible business practices, and strengthen mutually beneficial relationships.

Strengths

Strong captive market share supported by strong customer loyalty

Weaknesses

Rapid advancement in global food standards and practices

Opportunities

Innovation and enhancement of the product portfolio based on customer feedback

Threats

Lack of awareness of local Suppliers about social and environmental Practices

Management Approach

The Group regularly engages with stakeholders through formal and informal channels to understand their expectations, address concerns, and identify opportunities for collaboration and improvement. These engagements support informed decision-making and help strengthen trust, accountability, and transparency across our operations.

CGE also promotes responsible supply chain practices by working closely with suppliers and Out grower farmers to ensure product quality, food safety, and sustainable agricultural practices. In parallel, the Group continues to support community development initiatives, contribute to local economic growth, and promote responsible corporate citizenship in areas where we operate.

Through these initiatives, CGE aims to strengthen stakeholder confidence, enhance long-term partnerships, and create shared value for both the organisation and society while supporting the Group's broader sustainability agenda.

Social and Relationship Capital

Key Actions for FY 2025

Obtained FSSC 22000 for Food safety	Customer Satisfaction surveys	**Rs. 1.9 Mn** spent on community Initiatives	**Rs. 23.58 Bn** paid to suppliers (Rs. 16.85 Bn - 2024)	**44** Local Suppliers added to the database	**<100** beneficiaries from community initiatives

Value Created

Output for CGE

- 95% Customer Satisfaction Index
- ZERO incidents of non-compliance related to marketing communications were reported in 2025

Stakeholder Outcomes

Customers
- Strong engagement, responsible sourcing practices, and transparent communication strengthen customer trust while ensuring consistent product quality, reliability, and long-term partnerships.

Employees
- A culture of collaboration, mutual respect, and open dialogue strengthens internal relationships, encourages teamwork, and fosters a positive and inclusive workplace environment.

Investors
- Transparent disclosures, ethical conduct, and effective stakeholder engagement enhance investor confidence and support sustainable long-term value creation.

Suppliers & Business Partners
- Fair business practices, responsible procurement, and long-term partnerships promote mutual growth, operational reliability, and value creation across the supply chain.

Communities
- Meaningful community engagement, local partnerships, and social development initiatives contribute to community wellbeing and strengthen CGE's social licence to operate.

Regulators & Society
- Compliance with regulatory requirements, responsible governance, and adherence to ethical business standards reinforce CGE's reputation as a responsible corporate citizen.

Material Matters

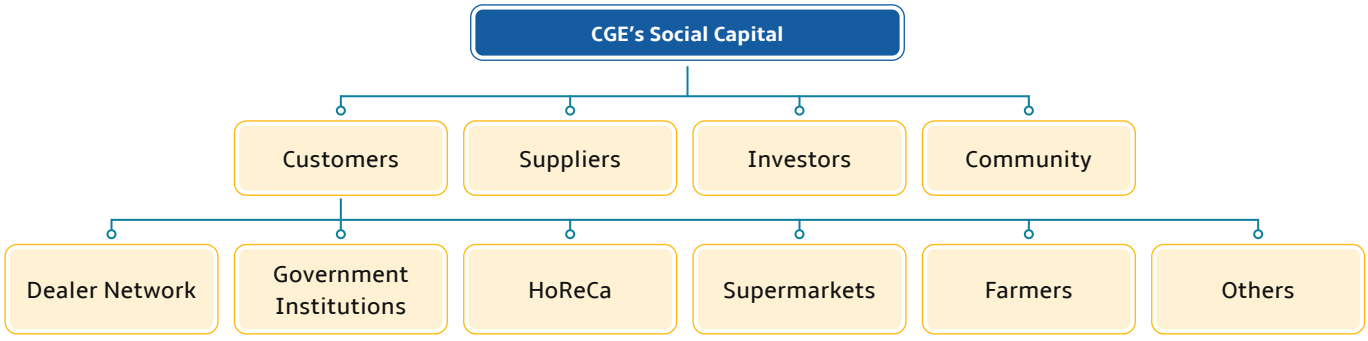
- Customer Trust and Product Responsibility
- Responsible Supply Chain Management
- Community Engagement and Social Development
- Stakeholder Engagement and Transparency
- Ethical Business Conduct and Corporate Reputation

Impact on Other Capital

Financial Capital	Strengthens revenue stability, investor confidence, and long-term value creation through enhanced customer trust, strong stakeholder relationships, and responsible business practices.
Human Capital	Fosters an ethical and collaborative workplace culture, encouraging employees to uphold responsible conduct, stakeholder engagement, and quality standards.
Manufactured Capital	Supports improvements in operational processes, quality assurance systems, and supply chain coordination through strong relationships with customers and suppliers.
Intellectual Capital	Enhances organisational knowledge, governance frameworks, and decision-making through stakeholder feedback, partnerships, and transparent communication.
Natural Capital	Encourages environmentally responsible practices within the supply chain and promotes greater awareness of sustainable resource use among business partners.

SDG

	❍ Target 1.2: Reduce by half the proportion of people living in poverty in all its dimensions. ❍ Target 1.4: Ensure all men and women have equal rights to economic resources, basic services, and ownership.
	❍ Target 2.1: End hunger and ensure access to safe, nutritious, and sufficient food. ❍ Target 2.2: End all forms of malnutrition, particularly among children and vulnerable groups.
	❍ Target 3.4: Reduce mortality from non-communicable diseases through prevention and treatment. ❍ Target 3.8: Achieve universal health coverage and access to quality essential healthcare services.
	❍ Target 4.1: Ensure all children complete free, equitable, and quality primary and secondary education. ❍ Target 4.4: Increase the number of youth and adults with relevant skills for employment and entrepreneurship.
	❍ Target 5.1: End all forms of discrimination against all women and girls everywhere. ❍ Target 5.5: Ensure full participation of women in leadership and decision-making.
	❍ Target 6.1: Achieve universal and equitable access to safe and affordable drinking water. ❍ Target 6.2: Improve sanitation and hygiene, especially for women and girls.



Over **900** Suppliers	Over **40** Out Grower Farmers	Over **100** Distributors

At CGE, our customers, suppliers, and broader stakeholder network are central to the strength of our Social & Relationship Capital. We believe that long-term business success is built on meaningful relationships grounded in trust, transparency, and shared value. By actively engaging with our stakeholders, we strive to enhance customer satisfaction, maintain resilient and efficient supply chains, and contribute positively to the communities connected to our operations.

Our approach focuses on creating mutually beneficial partnerships, where collaboration, respect, and integrity guide every interaction. As an integrated solutions provider managing an end-to-end supply chain, we continuously work to strengthen these relationships while promoting responsible and sustainable business practices across our value chain.

Social and Relationship Capital

In a year marked by evolving market conditions and economic uncertainty, the strength of our partnerships remained a key driver of our success. In 2025, the Company achieved its highest profit to date, reflecting not only operational excellence but also the enduring trust, collaboration, and strong relationships we have built with our customers, suppliers, and business partners.

Building Trust and Value: Our Resilient Strategies in 2025

CGE continued to demonstrate its unwavering commitment to sustainability, resilience, and shared value creation. Through agile and forward-looking strategies, we not only ensured seamless business continuity but also strengthened the trust and collaboration we share with our key stakeholders including suppliers, customers, and local communities. These efforts reinforced the foundation of our social & relationship capital, highlighting how resilient relationships and purpose-driven actions underpin both our profitability and long-term success.

Strategies for Business Resilience

Freezer Capacities
Maintaining large stockpiles of chicken meat

Cost-Saving Initiatives
Implementing strategies to reduce expenses



Flexible Payment Solutions
Offering payment terms to support customers

Support for Local SMEs
Reinforcing partnerships with local businesses

These strategic responses underscored our ability to adapt, innovate and maintain strong social capital, ensuring that CGE remained a trusted and reliable partner despite external challenges.

Customers

GRI 2-6 , 416-1, 416-2
GRI Topic Standard 13.10.1, 13.10.2, 13.10.3



95% **Customer Satisfaction Index**

Strengthening Market Reach Through Diverse Customers

We strategically serve a diverse range of customers, tailoring our offerings to meet distinct market needs while ensuring seamless access to our high-quality products.

- **General Trade Segment** – Encompasses dealers and government institutions who receive our products directly, enabling broad market reach and widespread availability.
- **Modern Trade Segment** – Includes supermarkets, hotels, restaurants, and cafeterias (HoReCa), catering to the growing demand for premium-quality poultry products and superior service.
- **Feed Milling and Farming Segment** – Supports dealers and farmers with our expert solutions, including Feed and Day-Old Chicks (DOCs), helping them strengthen and grow their livestock and poultry operations.

Through this targeted segmentation, CGE continues to enhance customer satisfaction, strengthen relationships, and drive sustainable growth across all channels.

General Trade

- Dealers
- Bulk buyers
- Direct sales

Modern Trade

- Supermarkets
- HoReCa
- Gov. institutional buyers
- Food services
- Vap customer and processors
- Others

Diverse Solutions for Poultry & Livestock

We provide a wide-ranging portfolio of products and services tailored to the poultry, livestock, and aquaculture industries:

- Chicken Products – High-quality, fresh, and hygienically processed poultry under the Prima brand, including over 40 offerings such as whole chicken range, chicken parts, and customised products.
- Animal Feed – A complete selection of feeds for poultry, cattle, and aquaculture, carefully formulated to promote animal health and maximise productivity.
- Day-Old Chicks (DOCs) – Premium-quality chicks designed to support the growth and success of poultry farmers.
- Poultry Equipment, Drugs & Vaccines – Essential supplies to maintain optimal poultry health and enhance farm efficiency.
- Laboratory Services – Advanced testing and diagnostic services to ensure feed quality and safeguard poultry health.
- Warehousing Facilities – Efficient storage solutions that preserve product integrity and strengthen supply chain reliability.



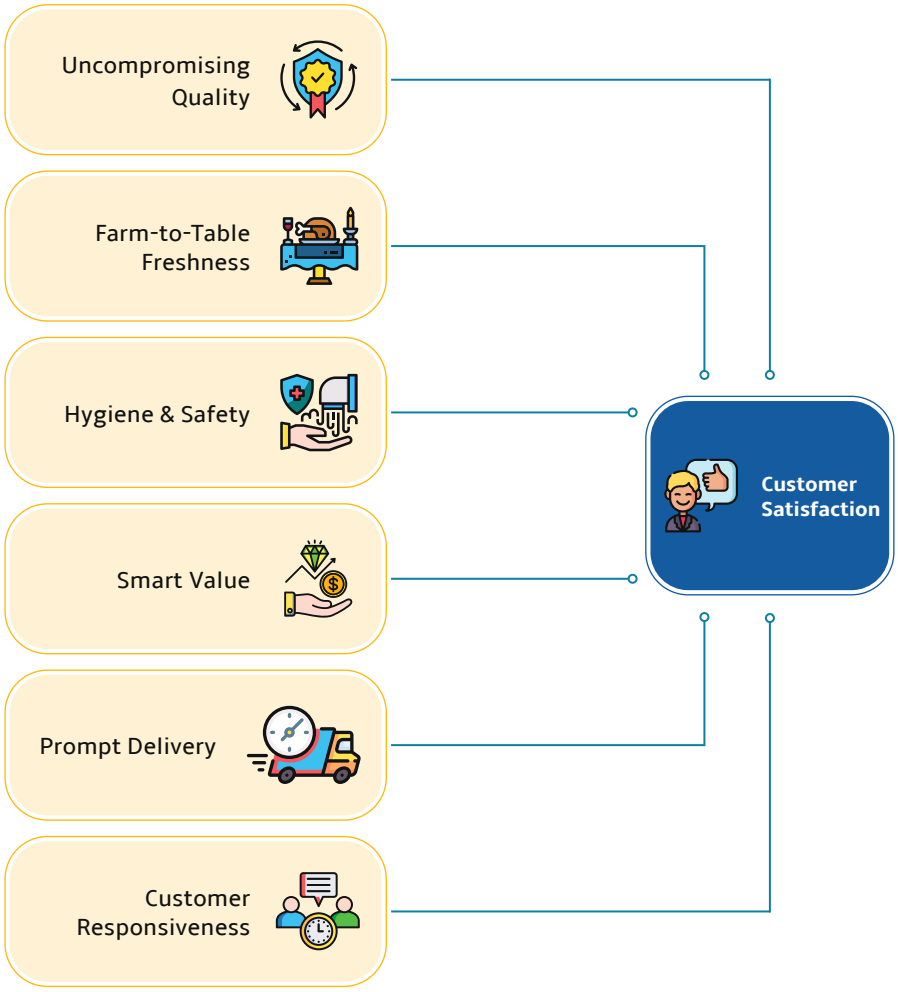
Social and Relationship Capital

The Prima Promise: Creating Value, Every Step of the Way of Product Responsibility

GRI 416-1, 416-2

CGE doesn't just deliver products , we deliver a promise. Our range is distinguished by a commitment to excellence, reliability, and innovation:

Pillars of Customer Delight



- Uncompromising Quality – Every product undergoes stringent quality checks to ensure it meets the highest standards.
- Farm-to-Table Freshness – Carefully managed logistics guarantee that our products reach customers at peak freshness.
- Hygiene & Safety – Adhering to the strictest food safety and hygiene protocols, protecting both our products and consumers.
- Smart Value – Premium quality meets competitive pricing, giving customers the best of both worlds.
- **Prompt & Reliable Delivery** – Timely deliveries build trust, ensuring our customers always receive what they need, when they need it.
- **Customer-Centric Responsiveness** – Our dedicated teams listen, respond, and resolve swiftly, fostering long-term relationships.
- **Seamless Supply Chain** – An integrated, end-to-end system ensures operational efficiency and consistent product availability.
- **Value-Added Innovation** – Beyond basic products, we develop enhanced and customised solutions tailored to evolving customer needs.
- **Sustainable & Smart Packaging** – Eco-friendly solutions that enhance convenience while caring for the planet.
- **Knowledge & Expertise** – We empower our customers through training, technical support, and expert guidance, sharing insights to optimise operations and drive growth.

Prima is more than a brand it's a promise of quality, trust, and innovation at every touchpoint.

Product Stewardship

Our product stewardship is at the heart of our operations, guided by a commitment to full regulatory compliance and adherence to the highest quality standards, aligned with the benchmarks set by our parent company, Prima-Singapore.

In line with the CGE Group Food Safety and Quality Policy, we maintain strict compliance with the Sri Lankan Food Act No. 26 of 1980, which governs food safety, hygiene, and handling across all our food processing operations.

Our commitment goes beyond compliance. International certifications including ISO 9001 (Quality Management), ISO 22000 (Food Safety Management), HACCP, GMP, FSSC 22000, and Halal serve as independent validations of our unwavering focus on quality, safety, and sustainable practices.

Building Confidence and Trust Through Quality

Colour, flavour and texture cold chain management efficient blast freezing technologies storing and logistics

Steps to prevent cross contamination and maintain product intergrity trained employees and staff



Full control of the value chain consistent quality, justifies extra value

Food safety from farm to fork bio-diversecurity practices vendor verification

Healthfulness and delivery of nutritional values

Ensuring Quality, Safety, and Trust

At CGE, quality is more than a standard it is a promise. In line with our established internal quality procedures, 100% of our products undergo rigorous testing, reflecting our commitment to delivering safe, high-quality poultry products that earn the trust of consumers and stakeholders alike.

Our internal audit teams conduct regular compliance checks, complemented by external audits from certification bodies, creating a robust platform for continuous improvement of our quality and safety systems. This dual approach ensures that every product leaving our facilities meets the highest standards of excellence.

Delivering Product Diversity to Meet Every Customer's Needs

CGE takes pride in offering a diverse portfolio of high-quality poultry products designed to cater to the varying preferences and lifestyles of our customers. From whole chicken to carefully prepared cut pieces, with or without skin, and value-oriented packs that suit different household budgets, our product range ensures that every customer segment—households, food service providers and institutional buyers can find products that match their needs with convenience and confidence.

Innovation remains at the heart of our product development strategy. Supported by a dedicated, full-time Research and Development team, CGE continuously explores new product variations while enhancing the quality, taste and convenience of our existing offerings. By closely monitoring evolving consumer preferences and market trends, we strive to deliver products that combine nutrition, reliability and value.

Through this commitment to product excellence and innovation, CGE continues to strengthen its position as a trusted provider of poultry products, delivering variety, quality and consistency to customers across the markets we serve.

Eco-Friendly Bags
Introduction of eco-friendly bags in line with government regulations.





Dealer Engagement
Implemented a dealer incentive programme offering Tour sponsorships

Farmer Engagement
Offer technical services to conduct workshops and seminars to farmers

Social and Relationship Capital

Market Strategies

New Pack Sizes
Introduction of user- friendly packaging

Customised Feed Packaging
Supplied bulk bags to key customers

Customised Feed Category
Developed and customised feed products

New Product Launch
Introduction of new chicken product variants

Product Pricing and Discounts
Offered attractive pricing and fair discounts

Key Activities in 2025



Feed

- The total feed sales increased to a 35% growth.
- Reintroduced and upgraded product offerings to better align with customer requirements and improve performance outcomes.
- Obtained institutional orders to support entry into new business segments.
- Enhanced packaging formats to meet customer needs and improve accessibility and usage efficiency.
- Supplied dairy feed to a national institution based on short term demand and initiated the supply of layer feed range to private sector.
- High-quality fish feed positioned the Company as the sole local supplier to National institutes .
- Leveraged bulk purchasing strategies aligned with customer orders to enhance revenue.
- Generated a net additional income drying maize to outside



Chicken

- Total sales volume increased to a 4% growth.
- Overall average selling price increased to a 3% increase
- Supplies to HoReCa sector increased to a 14% growth.
- Increase in supplies to modern trade to a 29% growth.
- Profitability significantly improved in 2025, recording a profit after tax of Rs. 795.0 Mn
- Increase in indirect export of unprocessed feet in 2025
- Successfully positioned as the sole bidder to supply specialised products to National institution.
- Sales volumes of dressed chicken to HoReCa sector was maintained in 2025 despite significant price revisions by implementing customised pricing and production strategies to remain competitive in a challenging market environment.



Commercial Farms

- Input increased to a 15% growth.
- Broiler Performance Index increased to 3% increase.



Breeder Farms

- The sales of Broilr DOCs increased to a 13% growth.
- Construction of EC Houses and Open houses.
- The average selling price of a Layer DOC significantly decreased to a 54% drop.
- PS DOC sale to local suppliers increased to a 24% growth.

Understanding Changing Consumer Expectations

Consumer expectations within the poultry industry continue to evolve rapidly, influenced by global food trends, increasing health awareness and changing economic realities. Modern consumers are becoming more mindful of what they consume, showing a growing preference for nutritious, organic and non-genetically modified food options that meet higher standards of quality and safety. At the same time, the prevailing economic environment in Sri Lanka has heightened the demand for affordable, value-driven food choices that allow households to maintain quality nutrition within limited budgets.

Recognising this shift, CGE adopts a proactive and market-responsive approach to understanding consumer needs. Through continuous market intelligence, customer engagement and industry trend analysis, we closely monitor evolving preferences to ensure our products remain relevant, accessible and aligned with consumer expectations.

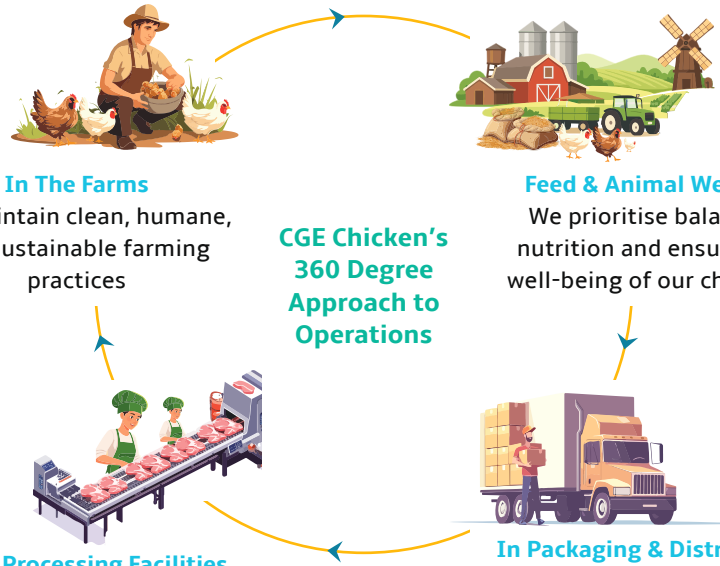
This insight-driven approach enables CGE to respond swiftly to emerging opportunities while strengthening our ability to deliver value across diverse customer segments. By balancing quality, innovation and affordability, we continue to reinforce our position as a trusted partner to both businesses and end consumers, while maintaining our reputation as a forward-looking and customer-focused organisation.

Further strengthening our commitment to addressing varied customer requirements, CGE has successfully introduced customised premix feed packs, specifically designed to meet the unique nutritional needs of different poultry farming operations. This tailored solution supports farmers in optimising feed efficiency and productivity, while ensuring consistent quality across the poultry value chain.

Social and Relationship Capital

Creating Value Beyond Products: Strengthening Customer Partnerships

At CGE, our relationship with customers extends far beyond simply supplying products. We believe in building long-term partnerships by delivering comprehensive solutions that support the growth, productivity and sustainability of the poultry industry.



Comprehensive Support for Poultry Farmers

Farmers who choose CGE's premium feed benefit from a broader ecosystem of support designed to enhance farm performance and poultry health. Alongside high-quality feed, farmers are provided access to a range of essential veterinary products, including vaccines and other healthcare solutions that help safeguard flock health and maintain high production standards.

Complementing these services, CGE's advanced laboratory facilities offer diagnostic expertise, enabling early detection and effective management of disease outbreaks. Through continuous research and development, our technical teams also provide valuable insights that help farmers improve productivity, strengthen biosecurity and ensure consistent product quality. This integrated approach positions CGE as a trusted, end-to-end solutions partner for poultry farmers.

Strengthening Rural Farming Through Knowledge Partnerships

Recognising the vital role small-scale farmers play in strengthening Sri Lanka's agricultural landscape, CGE continues to support rural farming communities through knowledge-sharing initiatives and collaborative engagement. During the year, CGE organised a series of training programmes for small-scale poultry and cattle farmers in rural regions, conducted in partnership with Area Government Veterinary Surgeons.

These interactive sessions provided farmers with practical guidance on improved farming techniques, effective disease prevention methods and responsible livestock management practices. By combining technical expertise with on-ground agricultural knowledge, the programmes were designed to equip farmers with the skills needed to enhance productivity while maintaining animal health and farm sustainability.

Through such initiatives, CGE seeks to empower rural farmers, contribute to the development of sustainable agricultural practices and play a meaningful role in supporting rural livelihoods and local economic growth.

Training Programme – on 'Concentrate Feeding'

A Training Programme on "Concentrate Feeding" was conducted at the central Province Veterinary Office with the participation of dairy farmers. The programme was organised with the objective of enhancing farmers' knowledge on the importance of proper concentrate feeding practices in dairy farming. Resource persons from the Veterinary Office together with representatives from Prima facilitated the session, providing technical guidance on balanced feeding methods, appropriate quantities of concentrate feed, and its impact on improving milk production and animal health. The session also included practical recommendations on efficient feed management and cost-effective feeding strategies. This initiative contributed to strengthening farmers' capacity to adopt improved dairy management practices and enhance overall farm productivity.



A Technical Discussion at one of the central province farm

The session focused on technical discussions related to farm management practices, feeding strategies, and improving dairy productivity. The active participation of the technical team facilitated and practical insights, supporting the adoption of improved farming practices.



A Few Community Engagements with Our Customers

The below events provided an opportunity to connect with local communities, celebrate cultural traditions, and highlight our commitment to supporting agricultural development and rural engagement.

New year Festival with farmers





We contributed by providing knowledge to dairy farmers at the Sabaragamuwa Veterinary Office, engaging 220 dairy farmers from the Rathnapura district. The initiative focused on promoting particularly the calf starter, and aiming to enhance farmer awareness and adoption of quality feed products.



Strengthening brand awareness and fostering connections with key stakeholders in the dairy industry more than 300 members at Kandy



Supported a donation programme organised by our customer to assist dairy farmers affected by the Ditwah Cyclone in the North Western, Central, and North Central regions.



Awareness Sessions with DAPH

Our Sales Department conducted awareness sessions with the Provincial Department of Animal Production and Health (DAPH). These sessions focused on sharing best practices in poultry production and promoting quality standards. Through these efforts, CGE supports knowledge sharing and strengthens relationships with industry stakeholders.

Some highlights from our visits to customer sites





Social and Relationship Capital

Ensuring Accessibility and Strong Customer Connections

At CGE, ensuring that customers have consistent and convenient access to our products is a key priority. Through a well-established distribution network that reaches dealers, retailers, supermarkets and the HoReCa sector, we ensure that our high-quality poultry products are delivered efficiently across the market. This strong supply and distribution framework enables us to maintain reliability while meeting the diverse needs of customers in both urban and regional markets.

Building Meaningful Engagement with Customers

Strong relationships with customers form the foundation of CGE's continued growth. We actively engage with both business partners and end consumers through a range of initiatives, including dealer conventions, product demonstrations, marketing campaigns and exclusive engagement events for the HoReCa sector. These platforms allow us to connect directly with stakeholders, gather valuable feedback and gain insights that help us continuously refine our products and services.

Standing by Customers during Economic Challenges

Amid a challenging economic environment, CGE remained mindful of the financial pressures experienced by many of our customers and business partners. As part of our commitment to social responsibility and long-term partnerships, we introduced flexible payment arrangements that helped ensure uninterrupted product supply while supporting the operational continuity of our customers' businesses.

By fostering strong partnerships, maintaining reliable product availability and supporting our stakeholders through challenging times, CGE continues to strengthen its reputation as a trusted partner in the poultry industry while driving innovation, resilience and sustainable value creation.



Frozen Skinless Whole Chicken



Frozen Whole Chicken Without Giblet



Chilled Whole Chicken With Skin


Frozen Home Chefs' 12 Piece Cut



Frozen Chicken Whole Leg



Frozen Chicken Wings



Frozen Chicken Drumsticks



Frozen Quarter Chicken


Frozen Pre-Cut Chicken Parts



Frozen Whole Chicken With Skin



Frozen Half Chicken



Frozen Chicken Breast


Layer Feed


Crumble Feed


Breeder Feed


Broiler Feed


Cattle Feed


Fish Feed Floating

Responsible Labeling and Ethical Marketing

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

Integrity and compliance form the foundation of how we present our products to the market. Guided by a strict zero-tolerance approach to regulatory non-compliance, the Group ensures that all product labels meet mandatory requirements and provide consumers with clear and reliable information. This includes the accurate disclosure of ingredients, nutritional values, and expiration dates, enabling customers to make informed choices with confidence. Our labelling practices are aligned with the provisions of the Sri Lankan Food Act No. 26 of 1980, which serves as the principal regulatory framework governing food labelling standards across our operations.

Beyond regulatory compliance, CGE is committed to responsible and transparent marketing practices. Our marketing communications are designed to be clear, truthful, and reflective of the genuine quality and value of our products. By adhering to established regulatory and ethical standards, we ensure that every message shared with our customers is both credible and meaningful. Through a combination of traditional and digital platforms, we continuously explore innovative communication channels that enable us to effectively engage diverse customer segments while maintaining cultural relevance and authenticity.

In addition, inspired by Prima Singapore's commitment to transparency and fair competition, CGE actively promotes ethical market conduct. We believe that a healthy and competitive marketplace encourages innovation, strengthens partnerships, and creates sustainable value for all stakeholders. Accordingly, the Group maintains a firm stance against anti-competitive behaviour and monopolistic practices, reinforcing our commitment to fostering a fair, responsible, and dynamic business environment.

Social and Relationship Capital

Sampling and Testing

- Conducted regular quality, feed safety and food safety audits across feed mills, farms and processing facilities during the year.
- Strengthened internal laboratory testing to ensure feed ingredients and poultry products comply with national food safety standards.
- Implemented random sampling and independent verification for poultry feed, raw materials and processed chicken products.
- Enhanced facility-level sampling at feed mills and processing plants to detect and eliminate potential contamination before market distribution.
- Maintained internal and external audit reports covering food safety, hygiene and operational compliance.
- Performed traceability audits across feed sourcing, farming and processing stages to identify and manage potential risks.

Quality Assurance & Certifications

GRI 2-27, 206-1, 417-2, 417-3

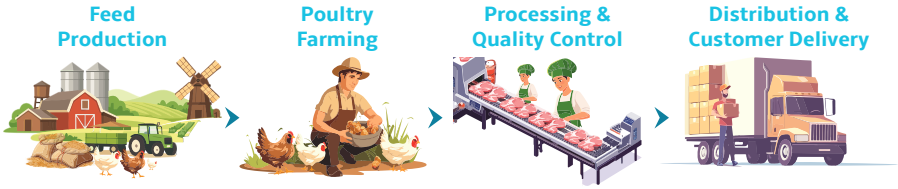
CGE maintains stringent quality assurance systems across its feed production, farming and poultry processing operations to ensure the highest standards of food safety and product integrity. Our facilities operate under well-established internal quality protocols supported by regular internal and external audits. These practices enable continuous monitoring of hygiene, processing efficiency and compliance with regulatory requirements. Through consistent adherence to recognised standards and best practices, we strive to deliver safe, high-quality poultry products that customers can trust.

Farm-to-Fork Traceability

Traceability is a key component of CGE's commitment to food safety and transparency. Our integrated poultry value chain allows us to monitor every stage of production, from feed formulation and farm management to processing, packaging and distribution. Robust record-keeping and monitoring systems enable the tracking of raw materials, feed inputs and finished products, ensuring accountability and rapid response in the event of quality concerns. This farm-to-fork approach strengthens consumer confidence and reinforces CGE's commitment to responsible and reliable food production.

Farm-to-Fork Traceability

Ensuring Safe and Traceable Poultry Products



Monitoring Every Stage of Production with Rigorous Record-Keeping and Safety Standards



Supporting transparency and accountably from feed mill to final delivery

- No legal actions relating to anti-competitive behaviour, antitrust, or monopolistic practices were recorded during the reporting year 2025
- No instances of non-compliance with product labelling regulations were reported in 2025
- No incidents of non-compliance related to marketing communication regulations were reported during the year under review, reaffirming our dedication to ethical and responsible marketing practices.

Food Safety Policy

GRI 13.10 Food Safety (Sector Topic Disclosures)

We believe that success depends on the supply of high quality products that exceeds customer and consumer expectations by ensuring the food safety of all products that the Company manufactures.

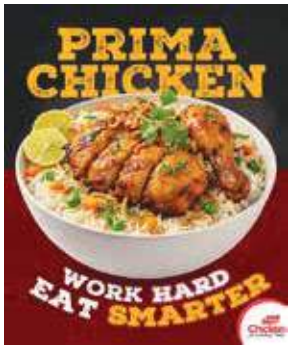
We expect to achieve our goals by:

- Producing safe products to our consumers.
- Implementing effective good hygienic practices in all areas of production.
- Committed to continual Improvement of FSMS.
- Controlling likelihood of occurrence of food safety hazards in our products.
- Compliance with both local and international food-related statutory and regulatory requirements.
- Communicating with all employees regarding the system by continuous training and via displays in production areas.
- Establishment of better traceability procedure.

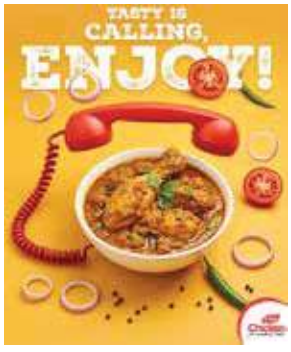
Connecting with Customers Through Digital Platforms

To strengthen brand visibility and connect with a wider consumer base, CGE actively engages in digital marketing and promotional campaigns across social media platforms. showcasing our diverse range of poultry products, quality assurance and commitment to delivering freshness to our customers. These campaigns play a vital role in enhancing customer awareness, promoting our brand presence and reinforcing CGE's position as a trusted provider of high-quality chicken products.

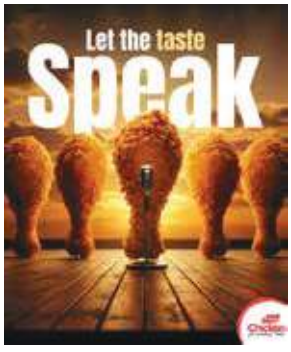












Customer Feedback and Complaint Handling

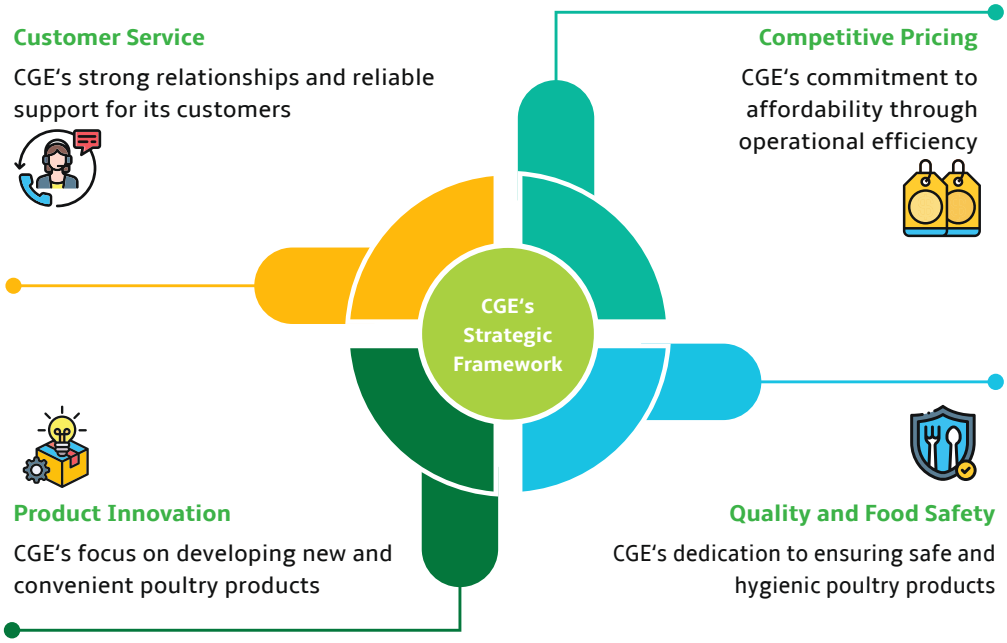
GRI 2-25, 2-26

Customer feedback and complaints are regarded as essential insights that help us strengthen product quality, service delivery, and overall customer satisfaction. We encourage open dialogue with our customers and actively seek their views to identify potential gaps and opportunities for improvement.

As part of this approach, the Group regularly engages with customers to obtain post-sales feedback, particularly from key accounts. We also interact directly with customers at trade events and regional forums, allowing us to gather real-time insights and better understand evolving consumer expectations. In addition, continuous analysis of sales performance and market trends enables us to monitor shifts in purchasing behaviour and proactively refine our product offerings to meet emerging demands.

To ensure concerns are addressed promptly and effectively, CGE maintains a structured complaint management system that records, tracks, and resolves customer complaints in a systematic manner. Clear escalation procedures are in place to ensure complex issues are addressed swiftly and resolved through appropriate management oversight.

Social and Relationship Capital



Enhancing Customer Experience and Trust

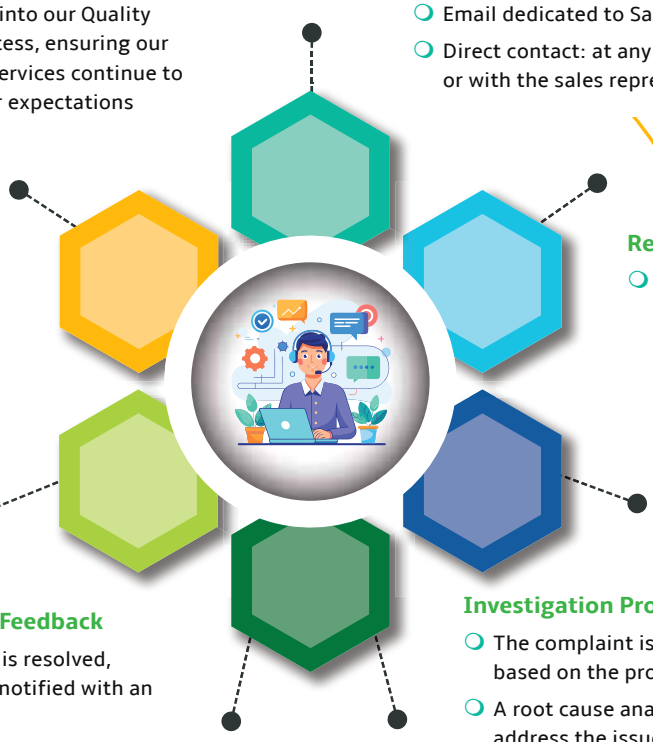
At CGE, customer feedback is more than a performance indicator, it is a catalyst for continuous improvement and long-term value creation. We actively listen to our customers and welcome their insights on product quality, service experience, and opportunities for enhancement, ensuring our offerings remain aligned with their evolving needs.

Responsiveness to customers is deeply embedded within our organisational culture. Our teams are trained to effectively capture, analyse, and respond to customer feedback, enabling us to deliver timely solutions while maintaining our competitive advantage. Importantly, customer insights are not merely collected; they are integrated into management discussions and strategic planning, helping shape business decisions and operational improvements.

Customer surveys play a key role in monitoring satisfaction levels and identifying areas for improvement. In 2025, CGE recorded a Customer Satisfaction Index exceeding 90%, reflecting our commitment to:

- Encouraging open and transparent communication
- Acting decisively on customer feedback
- Continuously improving our products and services

By placing customers at the centre of our operations, we strengthen relationships, enhance brand trust, and reinforce our reputation for reliability and quality. Ultimately, our unwavering focus on customer satisfaction supports sustainable growth while ensuring excellence across every aspect of our business.



Channels for Complaints

- General Numbers
- Email dedicated to Sales
- Direct contact: at any of the branches or with the sales representatives

Recording the Complaint

- Each complaint is logged and assigned to a relevant department based on the nature of the issue (e.g., product quality, delivery, or customer service)

Investigation Process

- The complaint is forwarded to the QA department based on the product or customer involved.
- A root cause analysis is conducted to identify and address the issue effectively
- The relevant team is required to ensure the investigation is completed within 5 business days

Resolution and Feedback

- Once the issue is resolved, customers are notified with an action plan

Escalation Mechanism

- Customers who are unsatisfied with the resolution, can escalate the matter to higher management via email

Continuous Improvement

- Insights from complaint data are integrated into our Quality Assurance process, ensuring our products and services continue to meet customer expectations

Commitment to Customer Health and Safety through Wholesome and Hygienic Products

GRI 416-1, 416-2, 13.10: Food Safety (Sector Topic Disclosures)

At CGE, food safety is a fundamental priority that underpins every aspect of our operations. We are committed to delivering products that meet the highest standards of quality, hygiene, and safety, ensuring the wellbeing of our consumers at all times. As part of our continuous improvement journey, CGE is obtained FSSC 22000 certification in 2025, further strengthening our commitment to globally recognised food safety standards.

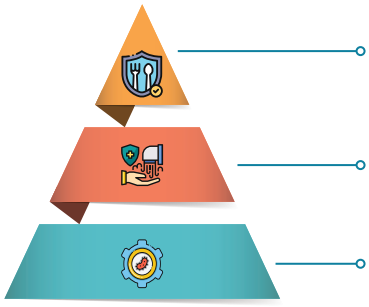
Upholding the Highest Food Safety Standards

Our operations are guided by rigorous food safety and hygiene protocols designed to minimise contamination risks across the entire production process. These measures include:

- Comprehensive allergen management systems to prevent cross-contamination
- Strict sanitation and hygiene practices maintained at every operational level

Social and Relationship Capital

Food Safety Hierarchy



Food Safety Standards
Guides operations to minimise contamination risks

Sanitation & Hygiene
Maintains cleanliness at all operational levels

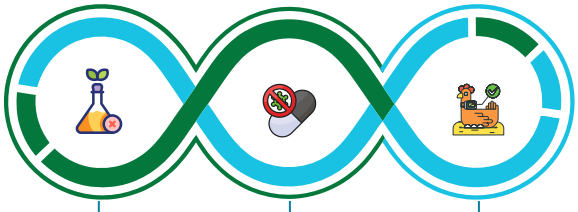
Allergen Management
Prevents cross-contamination of allergens

With ISO 22000 certification already in place, CGE has fostered a strong culture of food safety where employees across the value chain remain vigilant and accountable for maintaining the highest levels of product integrity from farm to table.

Safeguarding the Integrity of Our Food Supply Chain

CGE remains firmly committed to ethical farming and responsible food production practices. We ensure that every product delivered to our customers is wholesome, natural, and produced with the utmost care. Our approach emphasises:

CGE's Commitment to Food Integrity



No Artificial Growth Substances

No Antibiotics

100% Originally Raised Chicken

In addition, all our processes adhere strictly to Halal standards, with operations supervised by trained personnel accredited by the Halal Accreditation Council. This ensures compliance with internationally recognised practices while maintaining the trust and confidence of our diverse customer base.

Through these efforts, CGE continues to reinforce its dedication to protecting consumer health, ensuring food safety, and delivering products that meet the highest standards of quality and integrity.

Customer Data Privacy and Protection

GRI 418-1

Safeguarding customer information is an essential part of maintaining the trust that underpins our business relationships. We recognise that our responsibility to customers extends beyond delivering high-quality products to ensuring that their personal and business information is handled with the utmost care and confidentiality. Accordingly, CGE has established robust data protection practices aligned with recognised privacy standards to ensure secure and responsible management of customer data.

Our approach to customer data privacy includes:

- Strict internal policies and controls designed to protect customer information from unauthorised access or misuse
- Ongoing staff awareness and training programmes to reinforce responsible data handling and confidentiality practices
- Zero reported breaches of customer data during the reporting year 2025

Customer Data Privacy Framework

Breach Prevention
Zero reported breaches in the reporting year 2025



Internal Policies
Strict controls to prevent unauthorised access and misuse of data

Staff Training
Ongoing programmes to ensure responsible data handling and confidentiality

Through these measures, CGE remains committed to strengthening stakeholder confidence and upholding the highest standards of integrity, transparency, and accountability. By combining strong data protection practices with our dedication to food safety and ethical production, we continue to reinforce our reputation as a trusted and responsible partner within the poultry industry.

Supplier

GRI 2-6, 204-1

GRI 13.23.1, 13.23.2, 13.23.3, 13.23.4 – Supply Chain Traceability (Sector Topic Disclosures)

Supply Chain Management

Suppliers are more than just providers,they are strategic partners essential to the CGE Group's ability to deliver high-quality products and services to our customers. During the current financial year, the Group experienced no major changes in its supply chain, reflecting the stability and effectiveness of our procurement strategies.

To ensure the Group works with the right supply chain partners, CGE follows a rigorous onboarding process for all suppliers, particularly those overseas. The process begins with a comprehensive background check, reviewing the supplier's credentials, reputation, creditworthiness, and delivery track record. This is followed by sample testing, where product samples are evaluated against CGE's strict quality standards. Only when samples meet specifications do price negotiations begin, and upon successful conclusion, a formal contract agreement is executed.

For suppliers of machinery and spare parts, additional certifications from internationally recognised independent certification bodies are required, reinforcing the Group's commitment to quality, safety, and compliance.

CGE adopts a centralised procurement model, which streamlines sourcing, strengthens oversight, and ensures consistency in supply chain management. Supported by comprehensive procedures and robust controls, this approach guarantees transparency, traceability, and reliability across our supplier network, while fostering long-term, collaborative partnerships that strengthen the resilience of our operations.

Local Supplier Management

Local suppliers form an integral part of the CGE Group's supply chain. All local vendors are systematically onboarded into the Group's supplier database, which is reviewed and updated annually. This update process not only allows the Group to evaluate the performance of existing suppliers but also provides opportunities for new supplier registrations.

To attract potential partners, CGE places targeted newspaper advertisements, inviting applications for specific categories such as construction contractors, raw materials, and packaging materials. Each applicant undergoes a rigorous evaluation process, closely aligned with the procedures followed for overseas suppliers. Those who meet CGE's standards are formally added to the supplier database, ensuring a robust pool of reliable local partners.

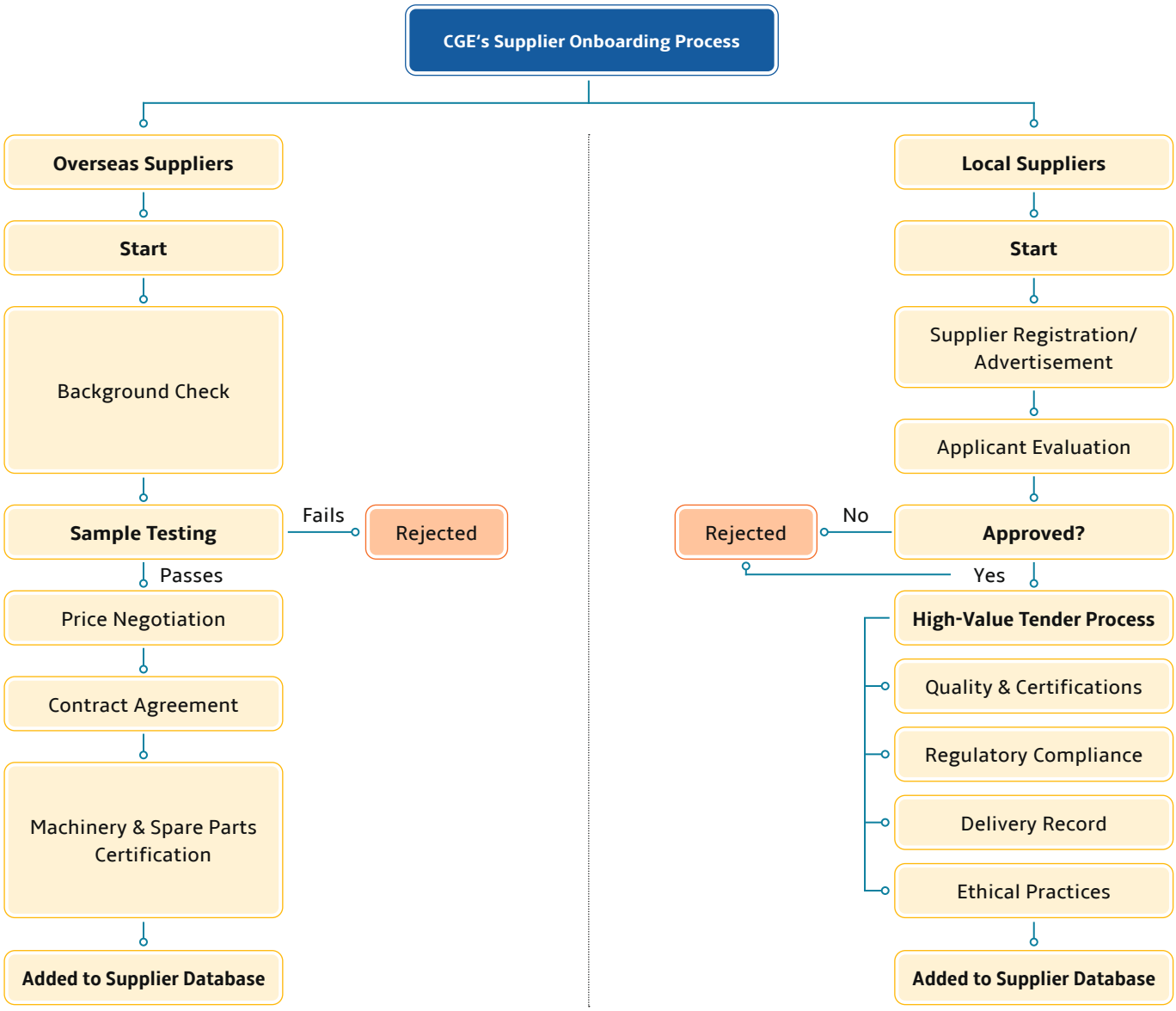
While most local purchases are sourced from small-scale suppliers and traders meaning social screening is not routinely applied high-value contracts are subject to a structured tender process. In these cases, an independent committee or the tender board evaluates suppliers against predefined criteria, maintaining fairness and transparency.

All suppliers, whether onboarded through the database or selected via tender, are assessed on key parameters, including:

- Quality standards and certifications
- Regulatory compliance and licences
- Delivery efficiency and track record
- Ethical business practices and reputation

Through these measures, CGE ensures that local supply chain partners uphold the Group's commitment to quality, reliability, and ethical operations while fostering long-term collaboration.

Social and Relationship Capital



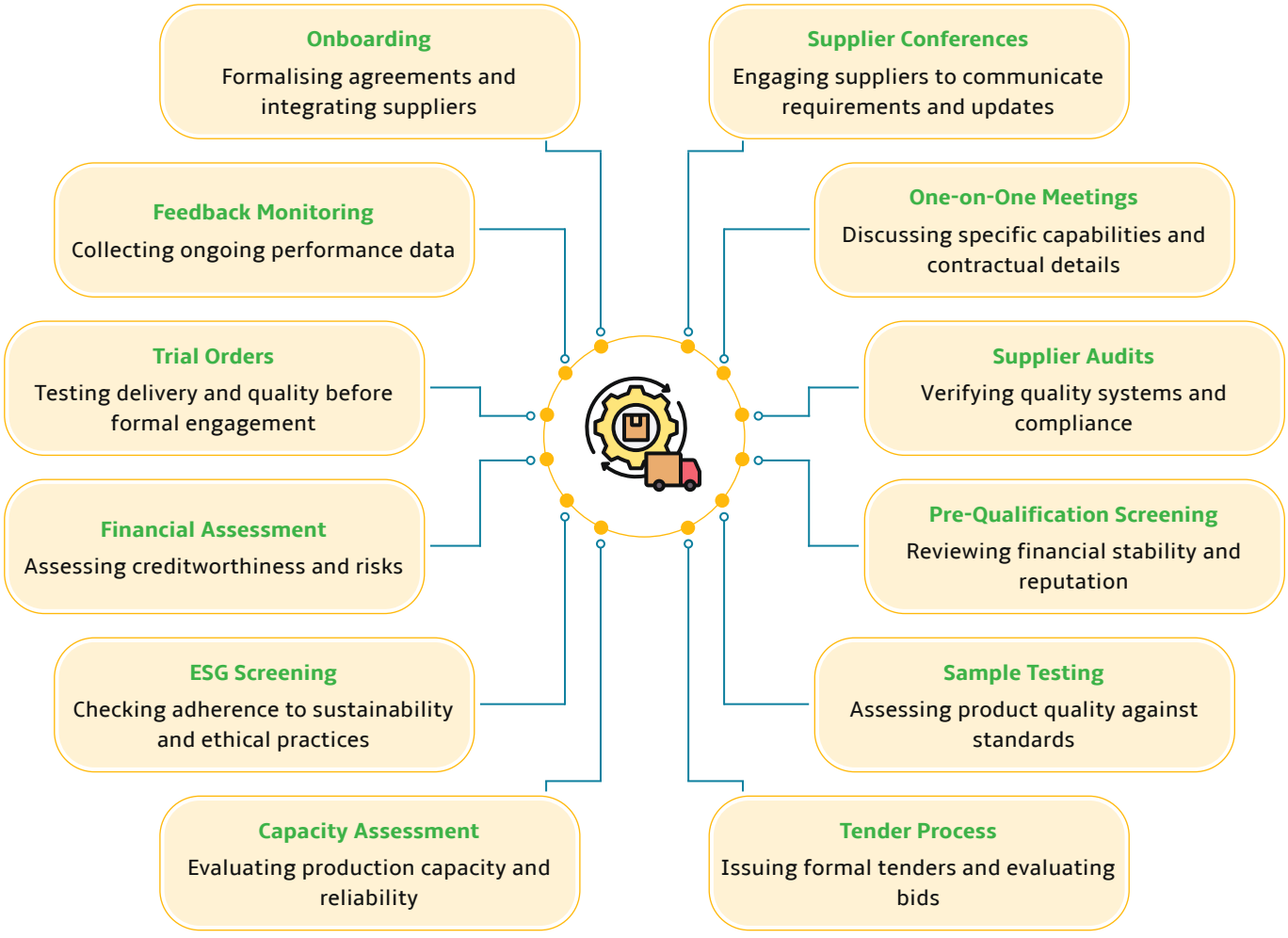
Supplier Relations

In a globalised supply chain, the strength of relationships with suppliers is critical to the continuity and success of CGE's operations. Recognising this, our central procurement team actively engages with supplier networks to build trust, foster collaboration, and promote the sharing of best practices, including sustainability initiatives.

While a formal Supplier Code of Conduct is still under development, CGE prioritises strategic engagement with its partners. For every new overseas consignment, pre-shipment sample testing is conducted to ensure adherence to our stringent quality standards. All shipments are further subjected to rigorous quality checks before arrival at our warehouse, safeguarding product integrity and reliability.

To reinforce compliance and safety, each shipment is accompanied by mandatory phytosanitary, health, non-GMO, and fumigation certificates, reflecting CGE's commitment to responsible sourcing and operational excellence. Through these measures, we strengthen supplier relationships while ensuring that every product delivered meets the highest standards of quality, safety, and sustainability.

Comprehensive Supplier Selection Process



Sustaining the Local Economy through Responsible Sourcing

GRI 204-01

CGE is dedicated to strengthening the local economy by building sustainable partnerships with our suppliers. Our approach goes beyond procurement it is about creating shared value that supports communities and drives long-term resilience.

Key Initiatives:

- **Supporting Small-Scale Farmers:** We offer guaranteed buyback at fair market prices, providing local farmers with financial stability and security while encouraging sustainable agricultural practices.
- **Prioritising Local Sourcing:** A significant portion of raw materials for feed milling is sourced from local suppliers, reducing import dependency and fostering growth in domestic agriculture.

Social and Relationship Capital

CGE's Local Economy Strategy through Responsible Sourcing

Supporting Small-Scale Farmers
Providing financial stability and encouraging sustainable practices for local farmers

Prioritising Local Sourcing
Reducing import dependency and fostering domestic agricultural growth

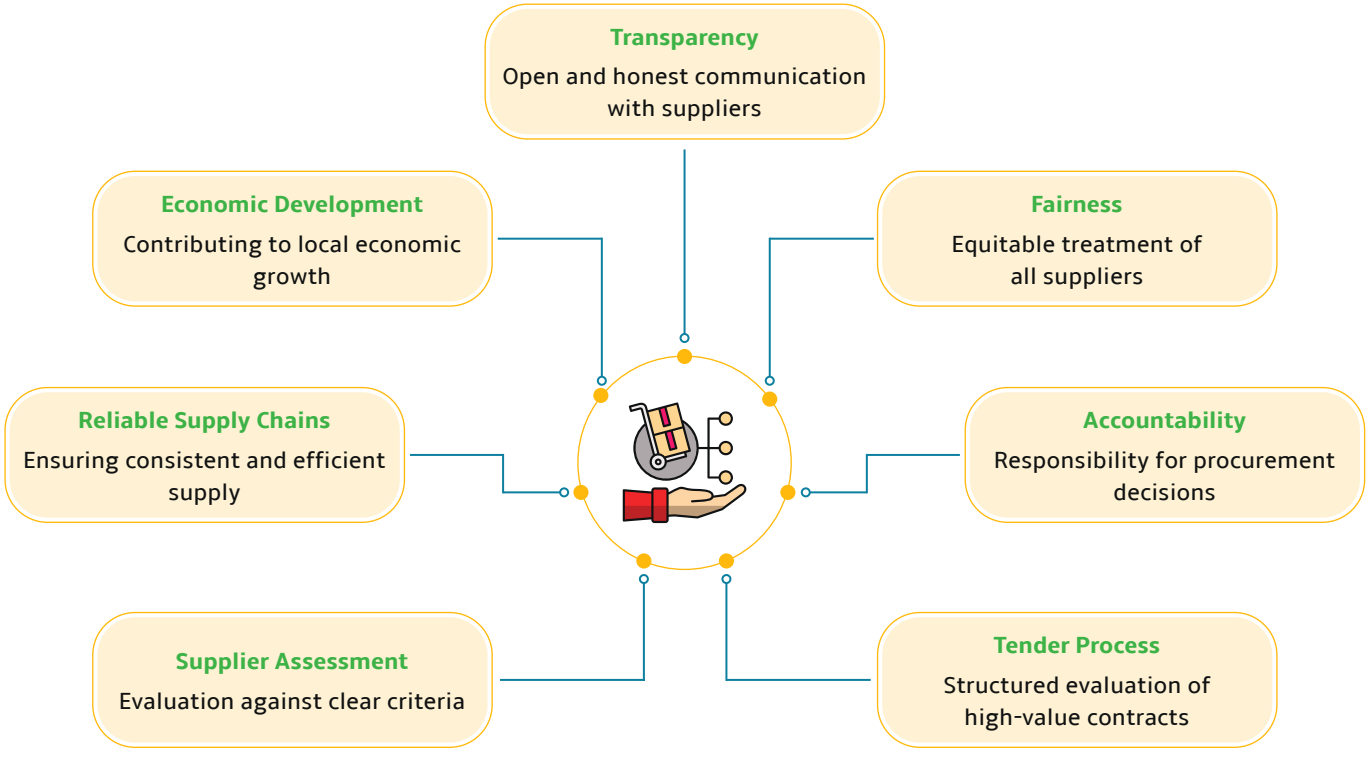
Strengthening Supplier Relationships amid Economic Challenges

Transparency, fairness, and accountability guide our procurement practices. High-value contracts are subject to a structured tender process, evaluated by an independent committee or tender board. Suppliers are assessed against clear criteria, including:

- Quality standards and certifications
- Regulatory compliance and licences
- Delivery efficiency and track record
- Ethical business practices and overall reputation

Through these initiatives, CGE not only ensures reliable supply chains but also contributes to local economic development, creating a sustainable ecosystem where both the Group and our partners thrive.

CGE's Procurement Cycle



Adding Value to Our Suppliers

Beyond transactional relationships, we believe in empowering our suppliers through additional support mechanisms, including:



Storage Rentals

Provided storage facilities to farmers for raw materials, helping to reduce harvest losses



Technical Advisory Services

Expert guidance on milling techniques to optimise efficiency and yield



Corn Dryer Facility

Enhancing the quality and shelf-life of harvested maize

Supporting transparency and accountability from feed mill to final delivery.

Upholding the Highest Standards of Ethics and Transparency

At CGE, our procurement philosophy is rooted in two guiding principles:

- Fair and Equitable Procurement: Every supplier is evaluated against the same criteria, ensuring a level playing field and fostering trust across our supply chain.
- Continuous Engagement: Through open communication and long-term collaboration, we strengthen relationships and promote mutual growth.

Empowering Business Partners through Shared Value

For over four decades, CGE's pioneering role in Sri Lanka's poultry industry has been supported by the expertise and dedication of our business partners. Their contributions are essential in maintaining high-quality standards and driving industry innovation. Key initiatives include:

- Timely Supplier Settlements: Adhering to agreed credit periods and fair payment practices to support supplier cash flow.
- Creating Self-Employment Opportunities: Enabling poultry farmers to build sustainable business models and livelihoods.
- Dynamic Stakeholder Ecosystem: Many of our customers for feed products also participate in our poultry operations, fostering an interdependent network that strengthens the industry as a whole.

Strengthening Sri Lanka's Poultry Industry



Timely Supplier Settlements
Support supplier cash flow



Create Self-Employment
Enable sustainable farmer livelihoods



Dynamic Stakeholder Ecosystem
Foster interdependent industry network

Social and Relationship Capital

Building Sustainable Supplier Relationships

CGE is committed to cultivating resilient, ethical, and long-term supplier partnerships through:

- Comprehensive Due Diligence: Conducting regular audits and ISO-compliant reviews to ensure compliance and quality.
- Procurement Best Practices: Following industry-leading processes to guarantee ethical sourcing.
- Ongoing Supplier Engagement: Maintaining close collaboration with both existing and prospective partners.
- Integrated Manufacturing Support: Providing suppliers with additional benefits and guidance throughout our value chain.
- Proactive Issue Resolution: Quickly identifying and addressing procurement challenges to enhance efficiency and reliability.

Foundations of Sustainable Supplier Relationships

Comprehensive Due Diligence
Regular audits and ISO-compliant reviews to ensure compliance and quality

Procurement Best Practices
Following industry-leading processes to guarantee ethical sourcing

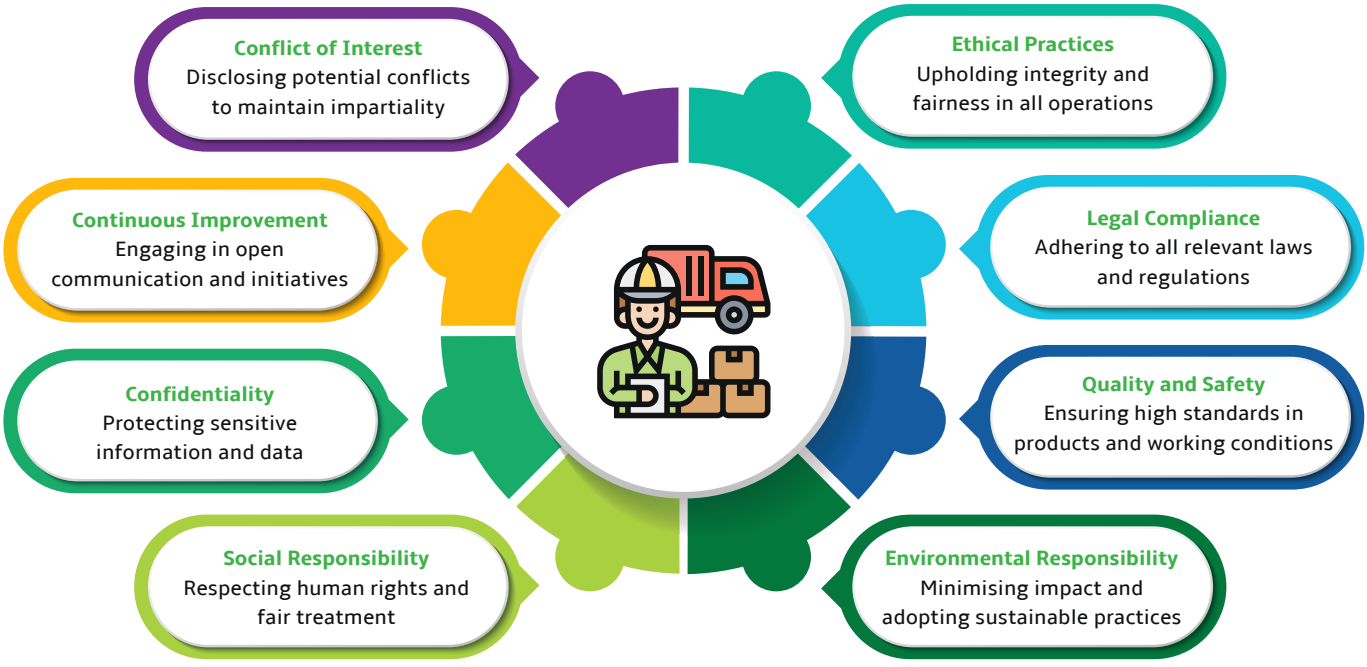
Ongoing Supplier Engagement
Maintaining close collaboration with both existing and prospective partners

Integrated Manufacturing Support
Providing suppliers with additional benefits and guidance throughout our value chain

Proactive Issue Resolution
Quickly identifying and addressing procurement challenges to enhance efficiency and reliability

Our partnership with HMS, one of our longest-standing suppliers, has endured for over 40 years, exemplifying CGE's commitment to sustainable, trusted, and mutually beneficial relationships.

CGE Supplier Code of Conduct



Supplier Due Diligence and Procurement Best Practices

GRI 204-1, 407-1,408-1,409-1, GRI 13.18.2

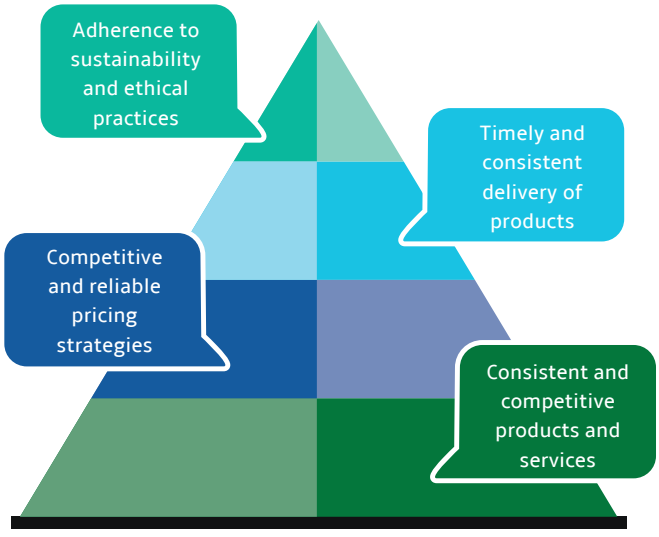
At CGE, our commitment to ethical sourcing and sustainable procurement is firmly anchored in our ESG framework and core values. We uphold the highest standards of integrity in all supplier engagements, fostering trust, transparency, and accountability across our supply chain.

Our non-discriminatory procurement approach ensures that every new supplier is assessed using the CGE Supplier Evaluation Checklist, a tool aligned with global best practices and industry benchmarks. This structured evaluation safeguards the quality, reliability, and sustainability of our operations while strengthening long-term partnerships.

Key Screening Criteria:

- Quality, Pricing, and Delivery Standards: Ensuring suppliers offer competitive, reliable, and consistent products and services.
- Environmental and Social Responsibility: Requiring adherence to sustainability protocols, ethical practices, and responsible business conduct.

Supplier Evaluation Pyramid



Through this rigorous due diligence process, CGE not only mitigates supply chain risks but also reinforces its commitment to building a resilient, sustainable, and responsible supplier network.

Responsible Procurement and Supplier Assessments

In line with the principles of our Procurement Policy, CGE conducts all supplier dealings with the highest standards of professionalism and transparency. We strictly adhere to payment terms and contractual obligations, do not engage in monopolistic or anti-competitive practices, and are committed to providing fair opportunities for all qualified suppliers.

Anti-Corruption Measures

CGE takes a proactive approach to managing corruption risks within the supply chain:

- Suppliers assessed for corruption risks: Data calculation process is underway.
- Suppliers benefiting from anti-corruption training and awareness: 0% (currently under development).
- Incidents of corruption detected: 0
- Actions taken: N/A

Supplier Environmental Assessment

GRI 308-1, 308-2

Our environmental screening process ensures that suppliers meet CGE's sustainability standards:

- New suppliers screened using environmental criteria: Data calculation process is underway.
- Suppliers identified with significant negative environmental impacts: 0

Supplier Social Assessment

GRI 414-1, 414-2

Social responsibility is integral to our procurement strategy:

- New suppliers screened using social criteria: 80%
- Suppliers identified with significant negative social impacts: 0

Through these structured assessments, CGE ensures that its supply chain remains ethical, sustainable, and socially responsible, reinforcing our commitment to transparency, ESG compliance, and long-term partnerships with trusted suppliers.

Social and Relationship Capital

Community

GRI 3-3, 203-1, 413-1, 413-2, 13.12.1, 13.12.2, 13.221, 13.22.3 Sector Topic Standard

CGE and the Community – Creating Shared Value

GRI 413-1, 413-2, 203-1, 203-2

Building Strong Community Relations

CGE goes beyond business to create meaningful impact in local communities:

- Employment Opportunities: Generating jobs and supporting livelihoods
- Economic Growth: Stimulating local businesses through procurement and operations
- Nutrition Access: Providing high-quality, protein-rich poultry products at affordable prices

Responsible Operations

We actively minimise environmental and social risks from our operations:

- Monitoring emissions, waste, water quality, noise, and disease control
- Ensuring compliance with environmental laws and regulations
- Open dialogue with communities
- Engaging stakeholders to hear concerns and resolve issues transparently
- Maintaining continuous communication for mutual trust and accountability

The Company did not identify any operations with significant actual or potential negative impacts on local communities.

Community Development Projects

GRI 203-1, 203-2

In 2025, several new Group-level projects were launched, including a rural school improvement initiative that provided educational resources to schools at rural areas and a healthcare outreach programmes focused on preventive health education for employees and the wider community.

Community Project Implementation Procedure

Identification
Potential projects are identified via stakeholder feedback.

↓

Approval
Project proposals are reviewed and approved by the top management based on alignment with the Group's sustainability objectives.

↓

Resourcing and Execution
Allocates financial and human resources for implementation of projects.

Empowering Communities through Sustainable Development

Our commitment to corporate social responsibility (CSR) extends far beyond day-to-day operations. We actively invest in the well-being and growth of the communities we serve, creating lasting impact through:

- Education: Supporting schools, scholarships, and learning initiatives
- Culture and Sports: Sponsoring local events and promoting community engagement
- Social Welfare: Driving targeted projects that address critical needs

Through donations, sponsorships, and purposeful programmes, CGE fosters sustainable development and long-term positive change, empowering communities to thrive alongside our business.

Empowering Tomorrow's Children Project

Led by the CGE Sports & Recreational Club, the "Empowering Tomorrow's Children" initiative was designed to enhance educational access for rural children while embedding principles of Green Productivity and Resource Efficient Cleaner Production (RECP). This project combined social upliftment with environmental stewardship, delivering sustainable improvements to school infrastructure, eco-conscious educational support, and active community participation.

Project Objectives

- Sustainable Educational Infrastructure: Upgrade school facilities using resource-efficient and environmentally responsible methods.
- Rehabilitation of Play Areas: Restore and enhance student play spaces by reusing and repairing existing equipment.
- Eco-Conscious Educational Materials: Provide essential learning resources with a focus on sustainability and reusability.
- Employee Engagement: Encourage staff participation in sustainable community development initiatives.
- Greening the School Environment: Promote tree planting and develop green spaces to create a healthier, inspiring learning environment.

Through this initiative, CGE demonstrates its commitment to empowering the next generation while fostering sustainable practices that benefit both communities and the environment.







Repair of Damaged Bridge and Access Road – Kosgama

As part of CGE's ongoing commitment to community support and infrastructure development, the damaged bridge and access road at Kosgama Farm were repaired and restored. This project not only improved safe and reliable connectivity for farm operations but also enhanced access for local communities and transport of agricultural produce, reinforcing CGE's dedication to sustainable development and shared value creation.



Social and Relationship Capital



Katina Donation – Rock House Temple

As part of CGE's commitment to preserving cultural traditions and supporting local communities, the Group proudly contributed to the Katina Ceremony at Rock House Temple. This initiative reflects CGE's dedication to fostering spiritual well-being, cultural heritage, and community cohesion.

Through the donation, CGE supported the monastic community, helping sustain temple activities and ceremonies that are central to the social and cultural fabric of the surrounding community. This effort underscores our belief in giving back to society, nurturing local traditions, and promoting shared values beyond our business operations.



Workshops for Undergraduates – Promoting Sustainable Practices

As part of CGE's commitment to knowledge sharing and community development, the Group conducts free educational sessions for university students, providing complementary training on our best practices and operational insights.

In 2025, CGE organised a sustainability and industrial-technical awareness workshop for undergraduates, aimed at inspiring the younger generation to adopt environmentally responsible habits. The session covered key topics such as:

- Waste reduction strategies
- Energy conservation measures
- Protection of natural resources

The workshop was met with enthusiastic participation and received very positive feedback for its engaging content and practical, hands-on insights.

This initiative reflects CGE's dedication to raising environmental awareness, fostering sustainability-focused mindsets, and nurturing the next generation of responsible industry leaders.





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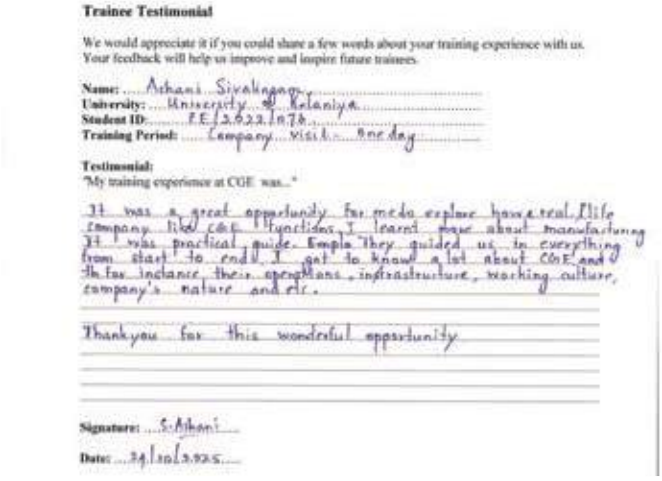
Students Obtained Vocational Trainings During the Year

A few Testimonials from University Students



Trainee Testimonial

We would appreciate it if you could share a few words about your training experience with us. Your feedback will help us improve and inspire future trainees.

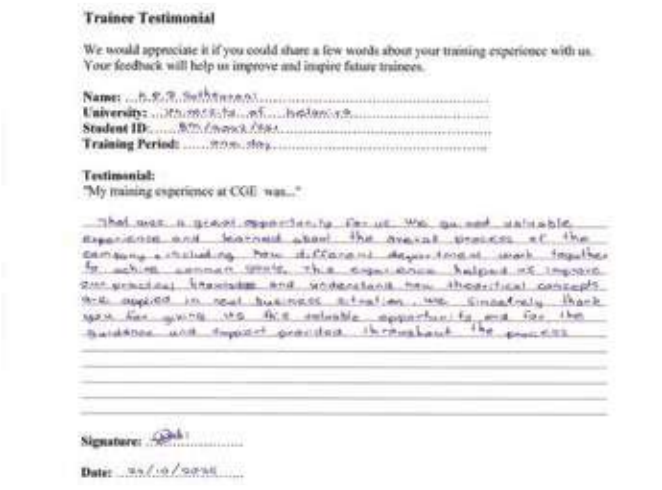
Name: Achani Sivalingam
University: University of Kelaniya
Student ID: FE/2022/078
Training Period: Company visit - One day

Testimonial:
"My training experience at CGE was..."

It was a great opportunity for me to explore how a real life company like CGE functions. I learnt more about manufacturing. It was practical guide. Emple They guided us in everything from start to end. I got to know a lot about CGE and its functions, for instance, their operations, infrastructure, working culture, company's nature and etc.

Thank you for this wonderful opportunity

Signature: S.Achani
Date: 24/10/2025



Trainee Testimonial

We would appreciate it if you could share a few words about your training experience with us. Your feedback will help us improve and inspire future trainees.

Name: [illegible]
University: [illegible]
Student ID: [illegible]
Training Period: [illegible]

Testimonial:
"My training experience at CGE was..."

That was a great opportunity for us. We got valuable experience and learned about the overall process of the company including how different departments work together to achieve common goals. The experience helped us improve our practical knowledge and understand how theoretical concepts are applied in real business situations. We sincerely thank you for giving us this valuable opportunity and for the guidance and support provided throughout the process.

Signature: [illegible]
Date: [illegible]





Emergency Food Relief Initiative – Ditwah Cyclone

In response to the devastating floods that affected many communities, CGE launched a large-scale humanitarian food donation initiative valued at approximately Rs. 75.0 Mn to support families facing immediate hardship.

Through this initiative, essential food items were distributed to flood-affected households, helping to address urgent nutritional needs during a time of crisis. The programme was implemented as part of CGE's broader commitment to community welfare and responsible corporate citizenship, ensuring that vulnerable communities received timely assistance and relief.

Beyond providing immediate support, this effort demonstrated CGE's dedication to standing alongside communities in times of need, reinforcing our role as a socially responsible organisation committed to improving the well-being and resilience of the communities we serve.

Industry Solidarity during the Cyclone Crisis

During the severe Ditwah Cyclone, which caused widespread flooding and operational disruptions across several regions, CGE stepped forward to support a fellow industry participant whose feed mill operations were significantly affected. Floodwaters had disrupted transportation routes and feed supply chains, placing considerable strain on their ability to continue operations.

Recognising the urgency of the situation and the importance of maintaining stability within the industry, CGE extended timely assistance by facilitating the supply of essential feed, enabling the affected operation to continue functioning without major interruptions.

This gesture of support highlights CGE's commitment not only to business continuity but also to industry solidarity and responsible corporate citizenship.

Social and Relationship Capital

Donations for Flood-Affected Communities

In response to a request from the Bulathsinhala Pradeshiya Sabha, CGE extended its support to communities affected by severe flooding in the Nuwara Eliya district, as part of a relief programme launched on 4th December 2025.

Through this initiative, CGE contributed essential items to assist families in rebuilding their daily lives. The support included 1,000 L empty water tanks, empty feed bags, over 300 coconuts, and other approved relief materials, providing practical assistance to those facing immediate challenges following the disaster.

This effort reflects CGE's commitment to standing with communities during times of hardship, delivering timely assistance and reinforcing our role as a responsible corporate partner dedicated to community well-being.





Community Infrastructure Development – Bus Shelter Initiative

As part of CGE's commitment to enhancing community infrastructure and improving public convenience, the Group supported the development of bus shelters in several key locations, including Borella, Battaramulla, and Kelaniya.

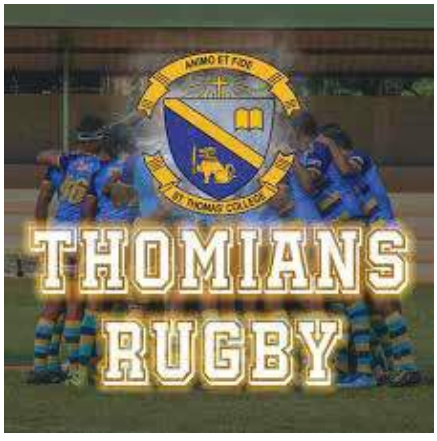
These shelters were constructed to provide safe and comfortable waiting spaces for daily commuters, protecting passengers from harsh weather conditions while improving accessibility to public transportation. By contributing to the improvement of essential public facilities, CGE aims to support the well-being of local communities and the thousands of commuters who rely on these routes each day.



Supporting Youth Through Sports – Thomian Rugby

As part of CGE's commitment to youth development and community engagement, the Company supported Thomian Rugby by contributing nutritious chicken products to the team. By promoting healthy nutrition for young athletes, CGE aims to encourage sportsmanship, teamwork, and physical well-being, while strengthening its connection with the wider school community.





Supporting Sports and Employee Engagement – Badminton Tournament

CGE supported a Badminton Tournament to promote healthy lifestyles and community engagement. The event also featured active participation from CGE employees, fostering teamwork, sportsmanship, and employee well-being while strengthening connections within the community.

Other CSR Initiatives – Key Contributions

- University of Sabaragamuwa – Donation provided in support of a CSR project, contributing to social and educational development initiatives.
- St. Andrew's Church Christmas Event 2025 – Donations were made to support the annual community Christmas celebration.
- Red Eagle Youth Club – Assistance provided to support youth development and community activities.
- Pannilla Temple – Donation extended to support religious and community welfare activities.
- Vikasitha Prajamula Society – Contribution made to support social development initiatives carried out by the community organisation.
- S. Thomas' College, Guruthalawa – Support provided for educational and community development activities.

CGE CSR Projects Aligned with SDG Targets

CSR Project / Initiative	Description / Impact	Relevant SDG Target(s)
Empowering Tomorrow's Children	Improved rural school infrastructure, sustainable play areas, eco-conscious educational materials, tree planting	SDG 4.1 – Quality primary & secondary education SDG 12.5 – Reduce waste generation SDG 13.3 – Climate education & awareness
University of Sabaragamuwa Support	Donation for social and educational development	SDG 4.3 – Equal access to vocational and tertiary education SDG 10.2 – Empower and promote social inclusion
Christian Reformed Church – Seasonal Christmas Event	Donated Prima products and poultry items for community support	SDG 2.1 – End hunger, ensure access to safe & nutritious food SDG 12.3 – Halve per capita global food waste
St. Andrew's Church Christmas Event	Food and essential item donations	SDG 2.1 – End hunger, access to safe & nutritious food SDG 11.3 – Inclusive and sustainable urbanisation
Red Eagle Youth Club Support	Assistance for youth development programmes	SDG 4.4 – Skills for employment & entrepreneurship SDG 8.6 – Youth employment & entrepreneurship
Pannilla Temple Support	Donations for religious and community welfare activities	SDG 11.7 – Safe, inclusive public spaces SDG 16.6 – Effective, accountable institutions
Vikasitha Prajamula Society	Support for social development initiatives	SDG 1.4 – Equal rights to economic resources SDG 10.2 – Promote social, economic inclusion

Social and Relationship Capital

CSR Project / Initiative	Description / Impact	Relevant SDG Target(s)
St. Thomas' College, Guruthalawa	Support for educational and community development	SDG 4.1 – Quality primary & secondary education
Flood Relief Donations (Rs. 75 Mn)	Distributed essential food items to flood-affected families	SDG 2.1 – End hunger, access to nutritious food SDG 11.5 – Reduce impact of disasters on communities
Mutual Support During Ditwah Cyclone	Supplied feed to an affected industry peer to ensure continuity	SDG 9.1 – Develop resilient infrastructure SDG 17.16 – Enhance multi-stakeholder partnerships
Flood Relief – Nuwara Eliya	Provided water tanks, feed bags, coconuts, and other essential items	SDG 2.1 – End hunger SDG 6.1 – Safe drinking water for all SDG 11.5 – Reduce impact of disasters
Bus Shelter Initiative	Constructed shelters in Borella, Battaramulla, Kelaniya for commuter safety	SDG 11.7 – Safe, inclusive public spaces SDG 9.1 – Develop resilient infrastructure
Thomian Rugby Support	Contributed chicken products to support youth sports	SDG 3.2 – Reduce child and youth mortality through nutrition & health SDG 11.7 – Access to safe recreation spaces
Badminton Tournament	Sponsored tournament and encouraged staff participation to promote health	SDG 3.4 – Promote physical & mental health SDG 8.6 – Youth employment & engagement via sports
Katina Donation – Rock House Temple	Supported monastic community and religious ceremonies	SDG 11.7 – Inclusive and safe community spaces SDG 16.6 – Accountable and effective institutions

Memberships, Associations, and Affiliations

GRI 2-28

Active engagement in industry associations and professional bodies is a cornerstone of CGE's approach to risk management, advocacy, and the promotion of best practices. As Sri Lanka's pioneer feed manufacturer, CGE collaborates with key industry stakeholders to address emerging challenges collectively, ensuring a stable and supportive business environment.

By participating in prominent bodies such as the World Poultry Science Association, Lanka Poultry Producers Forum, All Island Poultry Association, and Sri Lanka Veterinary Association, CGE contributes to policy discussions, regulatory advocacy, and industry-wide initiatives that strengthen the poultry sector.

The involvement of senior management in these associations enhances CGE's ability to anticipate and navigate industry risks, including market fluctuations, regulatory changes, and supply chain disruptions. These affiliations enable the Company to stay ahead of industry developments, safeguard the interests of the poultry sector, and support resilient, sustainable growth.

Through collaborative engagement, CGE not only strengthens its own operational capabilities but also plays a proactive role in shaping a sustainable and forward-looking poultry industry in Sri Lanka.

Value Creation Linked to Strategic Pillars

Strategic Pillar	Social & Relationship Contribution	Key FY 2025 Actions	Value Created
Sustainable Value Creation, Cost Optimisation & Efficient Operations	❍ Strong supplier and partner networks supporting operational continuity ❍ Collaborative engagement with industry bodies to manage sector risks	❍ Supplier development programmes, due diligence, and onboarding ❍ Active participation in industry associations (poultry and feed sectors) Supplier training and quality alignment initiatives	❍ Resilient and reliable supply chain ❍ Improved supplier performance and compliance ❍ Reduced operational disruptions and cost risks
Customer-Centric Value Delivery	❍ Building trust and long-term relationships with customers ❍ Engagement in feedback collection and customer awareness	❍ Customer engagement programmes, workshops, and feedback mechanisms ❍ Sales team-led educational sessions for institutional customers Customer data protection and responsible labeling practices	❍ Higher customer satisfaction and loyalty ❍ Stronger brand reputation and trust ❍ Improved alignment of products and services to customer needs
Social Capital & Community Engagement	❍ Strengthening community relations and societal trust ❍ CSR initiatives targeting education, healthcare, and disaster relief ❍ Partnerships with local organisations and institutions	❍ CSR programs including school development, flood relief, sports support, and community infrastructure ❍ Employee volunteering and local stakeholder engagement Public awareness sessions on sustainability and nutrition	❍ Enhanced community goodwill and social impact ❍ Improved stakeholder trust and brand perception ❍ Long-term positive relationships with communities and local institutions
Environmental Sustainability & Climate Action	❍ Collaboration with suppliers, customers, and communities to promote sustainable practices ❍ Awareness and participation in resource efficiency and environmental stewardship	❍ Environmental education workshops for students and employees ❍ Sustainable sourcing practices with suppliers ❍ Community tree planting and eco-conscious CSR initiatives	❍ Strengthened ESG culture among stakeholders ❍ Reduced environmental footprint across supply chain and community initiatives ❍ Enhanced reputation as a responsible and sustainable corporate citizen

Risks and Opportunities Relating to Social and Relationship Capital

Risk	Description
Community Trust & Reputation Risks	Loss of community trust or negative public perception due to inadequate engagement, unmet CSR commitments, or social/environmental controversies, potentially affecting brand reputation and stakeholder relations.
Customer Relationship & Loyalty Risks	Weak customer engagement, inconsistent service quality, or failure to address feedback, leading to reduced customer satisfaction, lower retention, and potential loss of market share.
Supplier Relationship & Supply Chain Risks	Poor supplier performance, non-compliance with ethical or sustainability standards, or breakdowns in collaboration, causing operational disruptions, quality issues, and reputational impact.
Regulatory & Stakeholder Engagement Risks	Insufficient engagement with regulators, industry associations, or local stakeholders, resulting in missed opportunities for advocacy, compliance gaps, or misalignment with community expectations.

Social and Relationship Capital

Opportunity	Description
Strengthening Community Engagement	Proactive CSR initiatives, community development programmes, and open dialogue with local stakeholders to build trust, goodwill, and long-term positive relationships.
Enhancing Customer-Centric Relationships	Continuous engagement, educational programmes, feedback systems, and tailored support to improve satisfaction, loyalty, and co-creation of value.
Supplier Collaboration & Capacity Building	Strategic partnerships, training, and supplier development programmes to improve reliability, compliance, and innovation across the supply chain.
Advocacy & Industry Leadership	Active participation in industry associations, public forums, and policy dialogue to influence regulations, share best practices, and strengthen the company's social license to operate.
Shared Value Creation	Leveraging stakeholder relationships to deliver social, environmental, and economic benefits simultaneously, enhancing reputation, resilience, and sustainable growth.

Risks and Responses Relating to Social and Relationship Capital

- During the year, CGE faced multiple challenges in managing our social and relationship capital.
- Further details, refer to Risk and Opportunity Management Report Page 231.

Future Roadmap



Short Term

- Enhance community CSR programmes with measurable impact.
- Expand customer feedback mechanisms and engagement sessions.
- Conduct supplier capacity-building workshops and compliance training.
- Promote employee volunteering in local community initiatives.



Medium Term

- Build long-term partnerships with key suppliers and community organisations.
- Develop structured programmes for youth, education, and skill development.
- Launch industry-wide advocacy and sustainability collaboration initiatives.
- Implement digital platforms for ongoing stakeholder communication and feedback.



Long Term

- Establish CGE as a recognised leader in community development and industry collaboration.
- Integrate ESG and social responsibility metrics into all stakeholder engagement strategies.
- Strengthen multi-stakeholder collaborations to address societal challenges.
- Scale initiatives to create systemic social impact and resilient community ecosystems.

Human Capital



CGE's success is built on the strength, dedication, and expertise of its people. As a business driven by operational excellence and long-term sustainability, we rely heavily on our human capital to deliver value across the value chain. Each of our 732 employees is regarded as a valued team member, playing a vital role in executing daily operations and contributing meaningfully towards the achievement of the Group's strategic objectives. Through their commitment, skills, and collaborative spirit, our people remain the foundation of CGE's resilience, growth, and continued success.

GRI 3-3, 13.15.1, 13.16.1, 13.17.1, 13.18.1, 13.19.1

Strengths

Skills and expertise of longstanding employees

Weaknesses

High manual labour intensity

Opportunities

Invest in digital technology to enhance employee experience

Threats

Loss of key skills owing to overseas migration

Management Approach

At CGE, our human capital management approach is centred on attracting, developing, and retaining a high-performing workforce while fostering a safe, inclusive, and supportive work environment. This approach is closely aligned with the values and purpose of our parent company, Prima Group Singapore, which emphasises building a healthy and resilient organisation. We strive to cultivate a culture that promotes collaboration, employee well-being, and ethical leadership, while achieving sustainable success through integrity, fairness, and excellence. Our commitment to earning an honest fortune is firmly rooted in trust, mutual benefit, and responsible business practices. We believe that our people are the foundation of our success, and we are committed to creating an environment where they can thrive, grow and contribute meaningfully to the organisation's goals.

Human Capital

Key Actions for FY 2025

Rs. 558.6 Mn Workmen's Insurance Cover	**Rs. 1.4 Mn** investment in local trainings	Significant Revamp of Group-Wide Safety Systems	**458** Safety Training Programmes Conducted	Workforce Optimisation	**Rs. 2.42 Bn** paid as remuneration and Benefits to employees

Value Created

Output for CGE

- Staff attrition rate of 8.3% (compared to 8.2% in 2024).
- Zero incidents of discrimination (maintained from 2024).
- 82% employee satisfaction, showing a slight improvement from 81% in 2024
- Employee receiving performance evaluation – 100%
- Zero incidents of child labour
- Zero incidents of non - compliance of regulations
- 70% employees serving the Company for over 5 Years

Stakeholder Outcomes

Customers

- A skilled, motivated, and engaged workforce enhances product quality, service reliability, and overall customer satisfaction.

Employees

- Continuous learning opportunities, a safe workplace, and fair employment practices foster career growth, wellbeing, and a strong sense of belonging.

Investors

- Effective talent management, workforce stability, and strong governance practices support productivity, operational resilience, and sustainable long-term value creation.

Communities

- Local employment generation, skills development initiatives, and ethical labour practices contribute to socio-economic development and inclusive growth.

Regulators & Society

- Compliance with labour laws, human rights standards, and best practice workplace policies strengthens corporate credibility and reinforces responsible business conduct.

Material Matters

- Talent Attraction and Retention
- Training, Skills Development and Capacity Building
- Occupational Health and Safety (OHS)
- Employee Engagement and Satisfaction
- Diversity, Equity and Non-Discrimination
- Workforce Optimisation and Productivity
- Leadership and Succession Planning

Impact on Other Capital

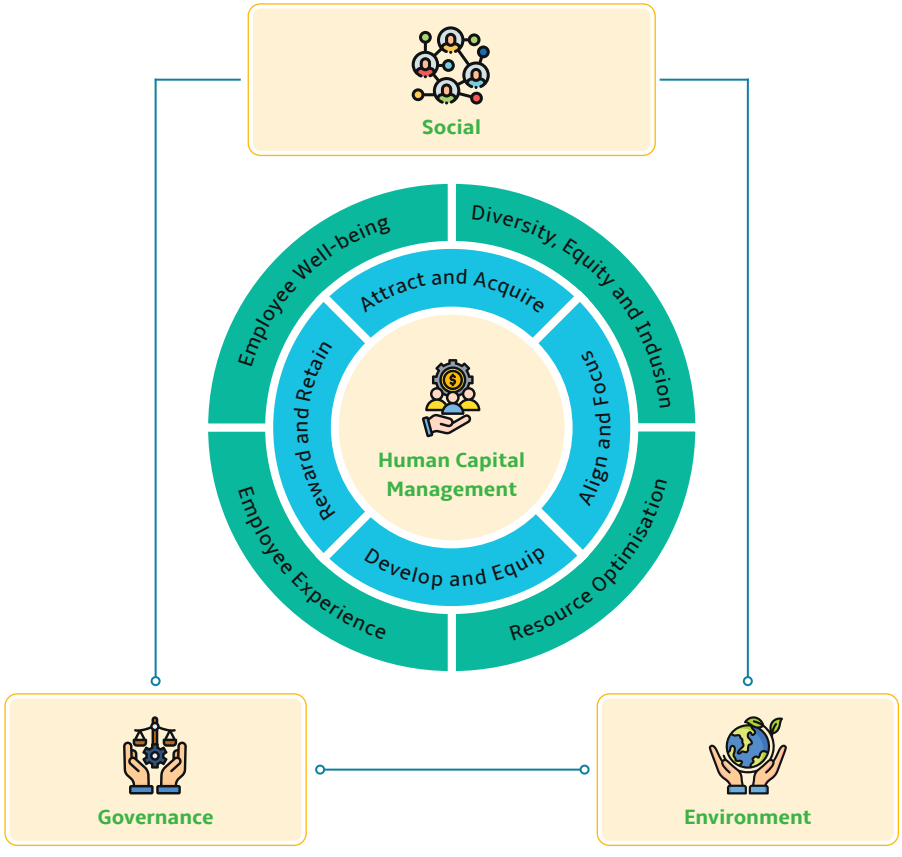
Financial Capital	Improved productivity, reduced turnover costs, and enhanced operational efficiency through effective talent management, workforce optimisation, and employee engagement.
Manufactured Capital	Strengthened asset utilisation and operational performance through a skilled workforce capable of maintaining, optimising, and safely managing physical infrastructure.
Intellectual Capital	Enhanced organisational knowledge, technical expertise, leadership capability, and innovation through continuous training, succession planning, and experience sharing.
Social & Relationship Capital	Built stronger relationships with employees, communities, and other stakeholders through fair labour practices, inclusive culture, and responsible employment standards.
Natural Capital	Promoted environmentally responsible behaviour and compliance through employee awareness, safety training, and integration of sustainability practices into daily operations.

SDG

1 NO POVERTY	❍ Target 1.2: Reduce at least by half the proportion of men, women, and children of all ages living in poverty in all its dimensions according to national definitions
3 GOOD HEALTH AND WELL-BEING	❍ Target 3.8: Achieve universal health coverage, including financial risk protection, access to quality essential healthcare services, and access to safe, effective, quality, and affordable essential medicines and vaccines for all.
4 QUALITY EDUCATION	❍ Target 4.4: Increase the number of youth and adults who have relevant skills for employment, decent jobs, and entrepreneurship.
5 GENDER EQUALITY	❍ Target 5.1: End all forms of discrimination against all women and girls everywhere. ❍ Target 5.5: Ensure women's full participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life.
8 DECENT WORK AND ECONOMIC GROWTH	❍ Target 8.5: Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities. ❍ Target 8.6: Substantially reduce the proportion of youth not in employment, education, or training. ❍ Target 8.7: Take Immediate and effective measures to eradicate forced labor, end modern slavery, and human trafficking, and secure the prohibition and elimination of the worst forms of child labor.
2 ZERO HUNGER	❍ Target 10.3: Ensure equal opportunity and reduce inequalities of outcome, Including by eliminating discriminatory laws, policles, and practices and promoting appropriate legislation, policies, and action in this regard.

HR Governance Structure

GRI 2-23, 2-24, 2-28



Human Resource governance at Ceylon Grain Elevators PLC (CGE) is centrally managed under the CGE Group HR function, led by the Head of HR, ensuring consistency, compliance, and alignment with global best practices. The CGE Group HR function is responsible for full compliance with all applicable labor laws and for aligning CGE's human capital processes with internationally recognised standards, including the International Labour Organisation (ILO) Conventions and the United Nations Global Compact principles on Labour and human rights.

CGE Group HR formulates, implements, and periodically reviews comprehensive HR policies to ensure ethical employment practices, a positive workplace culture, and responsiveness to evolving labor regulations and global developments. These policies serve as the foundation for all human capital management practices across the organisation. A

Human Capital

structured governance framework supports HR operations, with operational HR responsibilities managed in line with Prima Group policies while maintaining strict adherence to statutory requirements and international labor standards. CGE is committed to ethical sourcing and responsible business practices, ensuring that its operations and supply chain remain free from child labor, forced labor, or compulsory labor, with no incidents reported during the year under review.

Additionally, CGE maintains robust HR systems to support effective people management, transparency, and accountability. The organisation's people management framework is guided by the Group's code of conduct and clearly articulated people commitments, reinforcing CGE's focus on integrity, fairness, and long-term human capital sustainability.

HR Governance Structure

Labour Laws
- Shop and Office Employment Act
- Wages Board Ordinance
- Workmen's Compensation Act
- Board of Investment (BOI) guidelines

HR Policy Framework
- Recruitment Policy
- Remuneration and Benefit Policy
- Occupational Health and Safety Policy
- Whistleblowing Policy

Best Practice
- Promoting Diversity and Equal
- Opportunity
- Enforcing Non-Discrimination
- Abolishment of Child Labour
- Prevention of Forced/Compulsory Labour

GRI 2-7

		CGE		TAF	
		Group	Company	Group	Company
Aspect :Employment					
Total Workforce					
by employment type	Permanent	415	409	227	222
	Contract	83	82	7	7
by gender (Permanent /Contract)	Male	407	400	127	126
	Female	91	91	107	103
	Full-time	498	491	234	229
	Part-time	0	0	0	0
by designation	Senior Managers and above	18	18	0	0
	Managers and Assistant Managers	49	49	5	5
	Senior Executives and Executives	65	65	9	9
	Non-Executives	366	359	220	215
by service years (executive staff)	0-5	40	40	0	0
	6-10	19	19	5	5
	11-15	19	19	5	5
	16-20	27	27	2	2
	21-25	14	14	1	1
	25 <	13	13	1	1

		CGE		TAF	
		Group	Company	Group	Company
by service years (non-executive staff)	0-5	141	141	54	54
	6-10	119	115	102	102
	11-15	71	68	30	30
	16-20	9	9	20	17
	21-25	10	10	2	0
	25 <	16	16	12	12
by age (executive)	<21	0	0	0	0
	21-25	0	0	0	0
	26-35	28	28	4	4
	36-45	35	35	6	6
	46-55	53	53	3	3
	56-60	13	13	1	1
	>60	3	3	0	0
by age (non-executive)	<21	3	3	0	0
	21-25	23	23	13	13
	26-35	84	83	66	66
	36-45	117	112	52	51
	46-55	113	112	79	75
	56-60	26	26	10	10
	>60	0	0	0	0
New hires					
	Male	31	20	11	11
	Female	8	4	4	4
Return to work and retention rate after parental leave					
		100%	100%	75%	75%
Employee turnover					
	Male	7.1%	8.5%	4.1%	4.2%
	Female	1.1%	0.6%	2.1%	2.1%
Aspect : Labour/Management Relations		2.1%	2.1%	2.1%	2.1%
% of employees covered by collective bargaining agreements		0%	0%	0%	0%
Minimum notice period(s) regarding operational changes		04 Weeks	04 Weeks	04 Weeks	04 Weeks

Human Capital

Region	Male	Female	Total
Western Province	250	65	315
Southern Province	27	5	32
Central Province	20	5	25
Eastern Province	5	2	7
North Central Province	14	2	16
Uva Province	7	3	10
Sabaragamuwa Province	37	2	39
Northern Province	2	1	3
North Western Province	43	6	49
Total	405	91	496

Province	Executive	Non Ex-Staff
Central Province	3	22
Eastern Province	2	5
North Central Province	2	14
North Western Province	10	39
Northern Province	1	2
Sabaragamuwa Province	6	33
Southern Province	3	29
Uva Province	3	7
Western Province	100	215
Grand Total	130	366

Our Approach to Human Rights

GRI 2-30, 406-1, 407-1, 409-1, 13.16.2

In accordance with globally accepted standards and recommended procedures, CGE is dedicated to carrying out its business with honesty and respect for core human rights. The company's Human Rights Policy reinforces our obligation to protect people against social, legal, and political injustices by offering an organised framework that directs both internal behavior and external stakeholder engagement.

All types of coerced, bonded, or forced work are strictly prohibited by the Company. CGE attempts to find and remove any illegal labor practices throughout our supply chain, including contractors and suppliers, through ongoing interaction, monitoring, and due diligence. The Company's operations are not thought to be subject to dangers associated with forced or coercive labor because of these safeguards and cooperative relationships.

Additionally, CGE is committed to promoting peaceful and productive labor relations. Management and workers engaged in industrial relations are given clear guidelines to promote cooperation, open communication, and respect for one another. The Company does not identify major concerns relating to freedom of association or collective bargaining.

CGE upholds a zero-tolerance policy for workplace harassment and discrimination in any form, including verbal, physical, sexual, or psychological abuse, as part of our larger commitment to human rights. These standards are reinforced by regular awareness and training programmes, which are accompanied by readily available grievance processes that allow staff members to voice concerns in confidence and without fear of retaliation. Every complaint is swiftly resolved, properly examined, and handled confidentially and sensitively. When appropriate, disciplinary measures are implemented in compliance with the company's Policy on Disciplinary Management. During the reviewed year, no instances of discrimination were documented.

CGE's approach to human rights is guided by the principles of its ultimate parent, Prima Group Singapore, which upholds the highest standards of fairness, dignity, and respect in the workplace. The Group strictly prohibits discrimination of any kind and ensures equal treatment of all employees, regardless of age, gender, ethnicity, religion, marital status, or any other characteristic protected by law.

Across the CGE Group, managers are expected to lead by example, demonstrating integrity and fairness in all interactions. They are entrusted with fostering a work environment where every employee feels valued, respected, and empowered to contribute to their full potential.

CGE fully respects employees' rights to freedom of association and collective bargaining. While these rights are safeguarded, the strong and transparent employee relations cultivated over the past four decades have negated the need for formal collective bargaining agreements.

Our human rights framework also includes a strict prohibition of forced or compulsory labour. Employment with CGE is entirely voluntary, and employees are free to leave the organisation in accordance with the terms of their employment contracts. This commitment ensures that all CGE operations remain free from any risk of forced labour and reinforces our dedication to ethical and responsible employment practices.

SDG's impacted throughout initiatives



1. Quality Education
This objective emphasis lifelong learning, equity, and inclusivity. Through employee training, safety workshops, and sustainability seminars, CGE strengthens workforce skills. Additionally, the Company delivers educational possibilities to rural areas by promoting agricultural awareness efforts and community education projects.



2. Gender Equality
By doing away with inequality and granting equal chances, this objective advances gender equality. With zero-tolerance rules and gender-sensitive initiatives, CGE promotes a diverse and inclusive workplace with equal opportunities in hiring, career advancement, and leaderships.



3. Good Health and Well-Being
SDG 3 attempts to achieve good health and well-being for all. In order accomplish this goal,CGE produces Protein richer Chicken that supports food and nutrition security, maintains safe and healthy working environments, and enforces high standards for workplace safety and health, and promotes employee well-being through health and welfare initiatives.



4. Reduced Inequities
By guaranteeing equitable access to opportunities and resources, this goal aims to lessen inequality. In order to promote economic inclusion, CGE supports smallholder farmers, regional suppliers, and community development initiatives while advocating for fair salaries, equitable benefits, and nondiscriminatory procedures.



5. Decent work and economic Growth
This objective encourages equitable economic growth and respectable employment for everybody. In addition to investing in cutting-edge technology and supply chain enhancements to promote sustainable growth, CGE offers steady employment, secure working conditions, and career development.

Regulatory Compliance

- Shop and Office Employees (Regulatory of Employment and Remuneration) Wages Board Act
- Maternity benefits ordinance
- Workmen's Compensation ordinance
- Employment of Women, Young Persons and Children Act
- Convention Against Torture and Other Cruel, Inhumane or Degrading Treatment or Punishment Act
- Convention on the Suppression of Terrorist Financing Act
- International Covenant on Civil and Political Rights (ICCPR) Act
- Protection of the Rights of Persons with Disabilities Act

Attracting and Retaining a High-Functioning Workforce

GRI 202-2,408-1

At CGE, we believe that a high-functioning workforce is fundamental to delivering sustained value and operational excellence. Our people are at the core of our strategy, and we are committed to attracting talented individuals who align with our values while creating an environment that encourages them to grow and thrive within the organisation.

We focus on building a performance-driven culture supported by fair and competitive rewards, continuous professional development, leadership grooming, and succession planning. By prioritising employee wellbeing, workplace safety, engagement, and equal opportunity, we foster loyalty, strengthen morale, and reduce attrition.

Through these efforts, CGE ensures the retention of critical skills and institutional knowledge, enabling the Group to remain agile, resilient, and well-positioned to achieve its long-term strategic ambitions.

Fair and Equitable Recruitment and Retention Strategies

GRI 202-2, 408-1 GRI 13.15 Non-discrimination and Equal opportunity (Sector Topic Disclosures)

CGE adopts a structured and transparent approach to recruitment and retention, aligned with the Company's long-term strategic objectives and guided by the Board-

Human Capital

approved annual manpower plan. All recruitment activities are conducted in accordance with the CGE Group Recruitment Policy, which mandates fair, equitable, and merit-based recruitment practices, consistent with the values and standards of our parent company, Prima Group Singapore.

CGE is an equal opportunity employer, ensuring that recruitment and selection decisions are based solely on merit. Due consideration is given to candidates' academic qualifications, professional experience, and their ability to align with the Group's values and organisational culture. This approach enables the Company to attract and retain a competent, diverse, and high-performing workforce.

The Company aggressively seeks to eradicate child labor throughout its operational and upholds a strong commitment to ethical employment standards. To ensure that CGE's activities are free from the risk of child labor, thorough due diligence procedures are in place to confirm that all new hires satisfy the minimum legal age of employment.

All employees are issued formal written Contracts of Employment that clearly outline the terms and conditions of service, including designation, working hours, remuneration, probationary period, and leave entitlements. This ensures transparency, consistency, and clarity in employment relationships.

Reflecting CGE's commitment to national employment and local capacity building, all employees, including approximately 99% of the Senior Management Team, are recruited locally from Sri Lanka. Through fair recruitment practices, employment stability, and alignment with Group values, CGE continues to attract and retain a high-functioning workforce that supports sustainable business growth.

Gender diversity is actively promoted across the Group through clearly defined policies and practices that support equality at every stage of the employee lifecycle from recruitment and career development to performance evaluation and rewards. The Company maintains a strict zero-tolerance policy against discrimination in any form, ensuring a fair, respectful, and inclusive workplace for all employees.

We are also committed to adopting marketing practices that empower and positively represent women, reinforcing our broader commitment to inclusivity beyond our internal operations. We are proud to note that female representation within the workforce stands at 27%, reflecting our continued efforts to foster greater gender balance across the organisation.

New Hires – By Gender

GRI 401-1

Gender	CGE Group	TAF Group
Male	71	16
Female	13	3

New Hires – By Age

Age group	Employees	Total
18 – 20 Years	68	68
31 – 55 Years	34	34
Above 56 Years	1	1

Region	Number of New Hires	% of Total
Central Province	13	13%
Eastern Province	1	0.8%
North Central Province	6	6%
North Western Province	13	13%
Sabaragamuwa Province	5	5%
Southern Province	6	6%
Uva Province	3	3%
Western Province	56	54%
Grand Total	103	100%

Employee Turnover – By Gender

Gender	CGE	Group	TAF	Group
Male	7.2%	7.2%	3.4%	3.4%
Female	1.4%	1.4%	4.2%	4.2%

Employee Turnover – By Age

Age Group	Employees	Total
18-20 Years	29	29
31 – 55 Years	29	29
Above 56 Years	2	2

Region	Male	Female	Total
Central Province	11	2	13
North Central Province	5	1	6
Sabaragamuwa Province	4	1	5
North Western Province	10	3	13
Southern Province	5	1	6
Eastern Province	1	0	1
Uva Province	2	1	3
Western Province	49	7	56
Grand Total	87	16	103

CGE Gender Parity Tracker

Category	Indicator	CGE Commitment	2025	2024
Diversity & Inclusion	Gender parity – policies to promote diversity and inclusion	Promote equal opportunity and inclusive workforce	01	01
Recruitment	No. of females recruited at leadership level	Increase female representation in leadership	19	08
	No. of female executives recruited	Strengthen gender balance in executive roles	07	03
	No. of female non-executives recruited	Enhance workforce diversity	12	05
Benefits	Additional benefits	Provide safe working environment for female employees	Door step transport provided to female workers working after 7.30 p.m.	Door step transport provided to female workers working after 7.30 p.m.
Sexual Harassment	Gender parity – policies to prevent sexual harassment at the workplace	Maintain zero tolerance for harassment	Zero incidents reported	Zero incidents reported
Training Opportunities	Training and Development Policy	Ensure equal access to training opportunities	01:01 Training hours per person (M:F)	01:01 Training hours per person (M:F)

Human Capital

CGE's Structured Approach to Recruitment

GRI 202-2,401-1

❍ **Workforce Needs Assessment**

- Identifying current and future human resource requirements based on business objectives, workload analysis, and skill gaps.

❍ **Manpower Planning & Budget Alignment**

- Planning the required workforce while ensuring staffing levels and costs align with approved budgets and organisational priorities.

❍ **Recruitment Requisition Initiation**

- Formal initiation of the recruitment process by submitting a request to fill new or replacement positions.

❍ **Job Description Development & Role Profiling**

- Defining job responsibilities, required qualifications, competencies, and performance expectations for each role.

❍ **Management / Authority Approval**

- Obtaining necessary approvals from relevant management or authorised personnel before proceeding with recruitment.

❍ **Recruitment & Selection Execution**

- Conducting the recruitment process, including sourcing, screening, interviewing, and selecting suitable candidates in line with company policies.

Upholding Child Rights and Supporting Rural Education

GRI 408-1 , 13.17.2

CGE Group maintains a zero-tolerance approach to child labour and is firmly committed to upholding national labour laws, as well as internationally recognised standards including the principles of the International Labour Organisation (ILO) and the United Nations Global Compact (UNGC). Our recruitment policies and operational procedures strictly prohibit the employment of individuals below the legal working age of 18 years. This commitment is formally embedded within our employment documentation and communicated clearly to all employees and business partners.

Beyond compliance, CGE recognises its broader responsibility to protect and promote the rights of children within the communities in which we operate. Through our Corporate Social Responsibility Committee (CSRC), we annually implement a dedicated rural school development initiative titled "Empowering Tomorrow's Children." This flagship programme focuses on enhancing educational infrastructure, providing essential learning resources, and creating a supportive environment that encourages continuous schooling.

The initiative reflects our belief that access to quality education is fundamental to breaking cycles of poverty and fostering long-term community development. By supporting rural schools, we aim to motivate children to remain in education and inspire parents and communities to prioritise academic achievement.

We also extend our expectations to suppliers and business partners, requiring them to adhere to our standards on the prevention of child labour. Awareness-building engagements and regular monitoring processes are conducted to reinforce these expectations throughout our value chain.

During the year under review, no incidents of child labour were reported across CGE's operations or within our monitored supply chain. Our continued vigilance and community-focused approach reaffirm our commitment to safeguarding child rights while empowering the next generation through education the Group ensures that all operations are fully compliant with labour laws, and there is no risk of deploying child labour at any of our facilities.

Prima Scholarship program for Higher Education

Prima has established a structured Sponsorship Scheme for Higher Education to support the continuous professional development of Executive and staff-grade employees. This initiative reflects the Company's commitment to building internal talent and strengthening long-term organisational capability.

Under this program, financial assistance is provided for selected degree programmes, diplomas, and other recognised professional qualifications, subject to management recommendation and approval.

To be eligible, employees must:

- Be permanent and confirmed Executive or staff-grade employees
- Have completed a minimum of two years of service at CGE
- Be below 50 years of age

Employees who have previously received sponsorship under this scheme may reapply only after a five-year interval from the date of the earlier sponsorship.

Employment Practices

GRI 2-7, 2-30, 13.20.1

Ethical employment is fundamental to CGE Group's operational integrity and long-term sustainability. Across all locations, we implement structured human resource practices that promote fairness, transparency, and equal opportunity, ensuring that every employee is treated with dignity and respect.

Recruitment is conducted exclusively through internal processes, enabling strict oversight and full alignment with our corporate policies. We do not permit the charging of recruitment fees, retention of personal identification documents, or any practice that could compromise employee freedom or rights. All employees receive formal appointment letters clearly outlining their terms of employment, responsibilities, and benefits in a language they understand.

Our remuneration framework is designed to ensure compliance with statutory requirements while maintaining internal equity. Salaries are paid accurately and on time, and any deductions are applied strictly in accordance with legal provisions and agreed employment terms. Where applicable, employees are also provided with additional benefits in line with company policies and operational needs.

To promote accountability and trust, CGE maintains formal grievance mechanisms that allow employees to raise concerns confidentially and without fear of retaliation. Matters brought forward are reviewed systematically, and appropriate corrective actions are implemented where necessary.

We extend our labour standards beyond our own workforce by communicating clear expectations to suppliers and business partners. Compliance with national labour laws and recognised international principles is encouraged throughout our value chain, with particular attention to preventing informal or non-compliant employment arrangements.

Diversity, Equity and Inclusion

GRI 405-1, 405-2, 13.15.4

CGE recognises that diversity strengthens organisational capability by bringing varied perspectives, experiences, and skills into the workplace. We are committed to fostering an inclusive culture where individuality is respected, differences are valued, and collaboration drives collective success.

Our commitment is embedded in structured policies and fair employment practices that promote equal treatment, mutual respect, and a supportive working environment for employees from all backgrounds. The Group strictly upholds principles of equity and non-discrimination across all operations.

Prevention of Forced and Compulsory Labour

At CGE, respect for fundamental human rights is integral to our corporate values and governance framework. In alignment with our Human Rights Policy, we adopt a strict zero-tolerance approach to all forms of forced, bonded, or compulsory labour across our operations and value chain.

We firmly uphold the principle that employment must be freely chosen. All employees enter into work arrangements voluntarily and retain the right to resign in accordance with the terms and conditions set out in their employment contracts and applicable labour regulations. CGE does not engage in practices that restrict freedom of movement, withhold personal documentation, or impose any form of coercion.

Robust internal policies, oversight mechanisms, and compliance procedures are in place to safeguard against any risk of involuntary labour. During the reporting period, no incidents of forced or compulsory labour were identified within CGE's operations, reaffirming our continued commitment to ethical and responsible employment practices.

Human Capital

Fair Compensation across Genders

GRI 405-2, 13.15.3

CGE Group is committed to promoting gender equity across all levels of the organisation. In accordance with our equal opportunity and equity standards, we maintain equal pay for equal work, with a 1:1 salary ratio for men and women performing comparable roles.

Beyond remuneration, CGE ensures that all employees have equal access to training, career development, and leadership opportunities, fostering an inclusive environment where every individual can realise their full potential. By embedding fairness and transparency in both pay and professional growth, we reinforce our commitment to gender equality and sustainable talent development across the Group.

Orientation and Induction

GRI 2-8

CGE places strong emphasis on ensuring that every new employee experiences a structured and supportive entry into the organisation. All new recruits are enrolled in a formal orientation and induction programme designed to familiarise them with their roles, responsibilities, and the Group's operating environment.

Conducted over one to two days, the programme provides comprehensive insights into CGE's policies, governance framework, corporate culture, and core values. It also outlines key expectations, workplace standards, and essential operational information to enable a smooth transition into the organisation. The induction process concludes with a formal introduction to respective teams, fostering early engagement and collaboration.

In line with Group policy, all permanent cadre (PC) recruits are subject to a mandatory probationary period. Executives and above in the Permanent Cadre subject to a six-month probation. Ancillary employees on a one-year Fixed Term Contract (FTC1), or those transitioning from FTC1 to PC after completing at least one year of service, are generally not subject to probation unless otherwise determined by management.

At the end of the probationary period, the relevant department head or supervisor conducts a performance evaluation and recommends confirmation of employment or an extension of probation, ensuring that all appointments are aligned with performance expectations and organisational standards.

Remuneration and Benefits

GRI 2-19, 2-20, 2-27, 202-1 , 401-2, 13.21.1, 13.21.2, 13.21.3

CGE adopts a structured and performance-oriented remuneration framework designed to attract, motivate, and retain high-calibre talent across all levels of the organisation. Our compensation philosophy is anchored in principles of fairness, equity, and meritocracy, ensuring that rewards are aligned with individual performance, responsibilities, and market benchmarks.

Salary structures for staff and executives are regularly reviewed to remain competitive within the industry, reinforcing our commitment to recognising capability and contribution. For site-based employees, wage determinations are guided by the Wages Board Ordinance, with the Group offering monthly wages that significantly exceed the stipulated regulatory minimums.

Employee leave entitlements and retirement benefits are administered in accordance with applicable Sri Lankan legislation, including the Shop and Office Employees Act of 1954, the Employees' Provident Fund (EPF) Act, the Employees' Trust Fund (ETF) Act, and the Payment of Gratuity Act. In compliance with statutory requirements, CGE contributes 12% of basic salary to the EPF and 3% to the ETF. Additionally, annual contributions are made to a Gratuity Fund for employees who have completed more than five years of continuous service.

Complementing financial rewards, the Group offers a comprehensive range of non-monetary benefits aimed at enhancing employee wellbeing, work-life balance, and overall job satisfaction, reflecting our holistic approach to total rewards and employee value proposition.

For non-executive grade employees, minimum salary levels are determined in accordance with the provisions of the National Minimum Wage Act of Sri Lanka. For the financial year 2025, the statutory minimum monthly wage was LKR 27,000/-.

CGE remains firmly committed to fair and equitable remuneration practices. All employees are compensated well above the statutory threshold. The Company's current minimum monthly salary stands at Rs. 30,000/, significantly exceeding the legally mandated requirement.

In determining employee remuneration, CGE engages an independent external consultant to conduct a comprehensive salary survey every two years. This benchmarking exercise ensures that employee compensation remains competitive, equitable, and aligned with prevailing market conditions and industry standards.

Benefits Provided to Permanent Employees

GRI 401-2

- Death donation fund
- Health insurance
- Free medical consultations from a visiting Doctor
- Festival advance
- Food pack in April and December
- Increments/Bonus (based on company performance)
- Annual Trip/Get together
- CGE Sports and Recreation Club (CSRC)
- Free lunch/tea

Employee wellbeing

GRI 403-6, 13.19.7

We understand that a key component of our success is the well-being of our employees. Productivity, engagement, and operational excellence are all driven by a workforce that is safe, healthy, and supported. We improve employee engagement, attraction, and organisational culture by putting a high priority on physical and mental health, establishing a pleasant work environment, and encouraging safety throughout all operations. In addition to strengthening trust and establishing CGE as a professional and caring employer, our dedication to employee welfare also improves our company's reputation and sustainable future.

By guaranteeing safe and healthy working conditions across our activities, especially in farms, feed mills, and processing facilities, CGE places a high priority on employee wellbeing. The organisation promotes physical and emotional well-being through welfare programmes and medical assistance, regularly offers training and awareness programmes, and has strong occupational health and safety rules. Additionally, CGE promotes employee participation through inclusive policies, capacity-building initiatives, and systematic surveys. CGE raises employee morale, boosts productivity, and presents a favourable corporate image as a compassionate and accountable employer by incorporating employee wellbeing into its management processes and sustainability framework.

Employee Recognition

We value and celebrate the dedication and achievements of our employees. Those who meet performance criteria and demonstrate exceptional contribution are acknowledged through various forms of appreciation.

A key highlight of our HR calendar is the annual Long Service Awards, which honor employees who have dedicated more than five years to the organisation. This event celebrates their loyalty, commitment, and significant contributions. In the past year, 166 employees were recognised for their long service.





Parental Leave / Maternity Leave and Retention

GRI 401-3

CGE offers female employees 84 working days of paid maternity leave after childbirth, along with hours of nursing time per working day for a year after retaining to work, in compliance with applicable labor laws in Sri Lanka, such as the Shop and Office Employees Act of 1954. The purpose of those regulations is to promote the well-being of mothers and enable easy registration back into the workforce. Employees who return from maternity leave can continue to be actively involved in the workforce according to the company's supportive policies and maternity benefits.

Parental Leave	FY 2025	FY 2024
Total number of employees that were entitled to parental leave	03	04
Total number of employees that took parental leave	03	04
Total number of employees that returned to work in the reporting period after parental leave ended	03	04
Total number of employees that returned after parental leave ended and were still employed 12 months after their return to work	02	03
Returned to work and retention rates of employees that took parental leave	66.7%	75%

Human Capital

Building a Skilled and Competent Workforce through Performance Management

GRI 404-3

Performance management at CGE is a key mechanism for aligning individual, team, and business segment objectives with the Group's strategic priorities, thereby fostering a strong performance-driven culture across all levels of the organisation. The process begins with an annual goal-setting exercise, where departmental objectives are cascaded into individual performance targets. Executive performance goals are set and monitored through the HR ERP system, while supervisory and clerical staff follows a structured manual process. Throughout the year, employees receive regular feedback and guidance to support progress against agreed objectives.

At the end of the performance cycle, a formal and confidential evaluation is conducted using the balanced scorecard framework, assessing performance across four dimensions: Financial, Internal Business Processes, Customer and Learning & Growth. Executive performance is evaluated based on global achievement and behavioral competencies, while staff –grade employees are using assessed using an appropriate balance between performance outcomes and behavioral indicators. Adherence to corporate values forms a mandatory component of the appraisal process across all categories.

The performance of Floor- level manual employees is essential annually using predefined criteria covering job knowledge, quality of work, dependability, teamwork, safety, and workplace discipline.

Annual performance reviews provide a structured platform for one-on-one discussions between employees and their immediate supervisors to review outcomes, provide constructive feedback, identify development needs, and agree on improvement plans. The results of these evaluations form the basis for decisions relating to increments, bonuses, promotions, and other reward mechanisms.

In addition to the annual appraisal, periodic and ad-hoc evaluations are conducted for specific purposes such as probation confirmations, extensions, disciplinary reviews, interim promotions and exit assessments, ensuring fairness, consistency, and continuous performance improvement across the organisation.

Employee Category	FY 2025 (Men)	FY 2025 (Women)	FY 2024 (Men)	FY 2024 (Women)
Non-Executive Promotions	52%	10%	60%	13%
Non-Ex to Executive	8.3%	3.3%	8%	1.6%
Executive to Sn Executive	1.7%	5%	5%	1.6%
Sn Executive to AM	12%	3.3%	6.3%	0%
AM to Manager or Above	5%	0%	5%	0%

Employees Receiving Performance Evaluations in F/Y 2025

GRI 404-3

Executives		Non-Executives	
M	F	M	F
100%	100%	100%	100%

Training & Development

GRI 404-2, 404-3

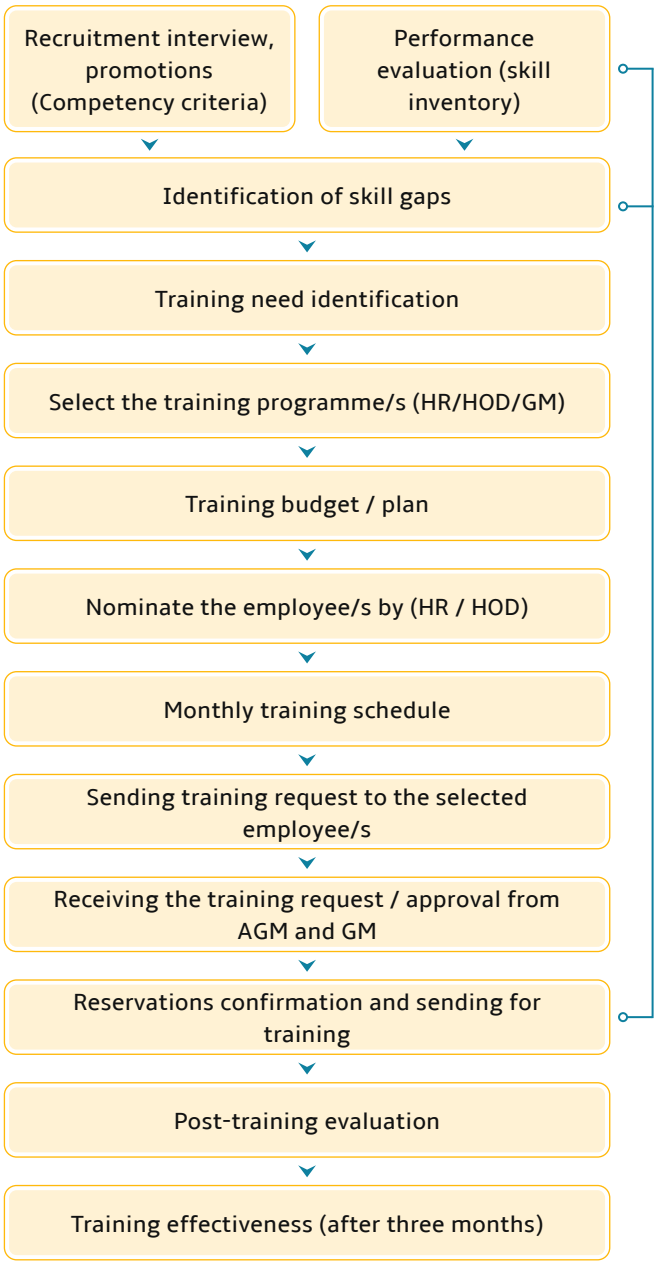
At CGE, training and development are viewed as strategic enablers in building a skilled, agile and future- ready workforce capable of supporting the Group's long-term growth and operational excellence. In an environment shaped by evolving technology, regulatory requirements, and market dynamics, CGE remains committed to continuous capability development across all employees categories.

Training needs are identified through a structured process involving annual performance evaluations, departmental assessments, and operational requirements. These inputs enable the development of a comprehensive annual training plan that aligns individual development objectives with business priorities and emerging skill demands. Unit heads play a key role in identifying and fulfilling training requirements, ensuring relevance and effectiveness at both functional and operational levels.

Training interventions encompass a balanced mix of technical and behavioral development programmers. Technical training is primarily delivered through on-the-job learning, process-specific coaching, internal knowledge-sharing sessions, and targeted external programmers where specialised expertise is required. These initiatives are designed to strengthen operational efficiency, quality standards, safety compliance, and technological proficiency across core functions. In parallel, CGE places strong emphasis on enhancing soft skills and leadership capabilities to support effective communication, teamwork, problem-solving, and people management. Employees at supervisory and managerial levels are provided with development opportunities aimed at strengthening leadership effectiveness, decision-making, and performance management competencies.



CGE attempting to educate the employees on the sustainability practices by conducting sustainability awareness sessions which may directs the employees towards the sustainability practices. These exercises may cause to gain the sustainability development in the Company by shaping the Company profile in a better way. Throughout the year, training outcomes are monitored through post-training evaluations and performance reviews to assess impact and identify further development needs. This structured approach ensures that learning interventions deliver measurable value while supporting employee engagement, career progression, and succession readiness. By investing consistently in training and development, CGE continues to strengthen its human capital base, reinforce a culture of continuous learning, and ensure the organisation remains well-positioned to meet future operational and strategic challenges.



Executives		Non-Executives	
M	F	M	F
100%	100%	100%	100%

Training Hours for FY 2025

GRI 404-1

Executives		Non-Executives	
M	F	M	F
2,236.50	998.00	1667.00	223.00

Human Capital

Area /Training Topic	CGE	TAF	Total
Employee Orientation	800.00	152.00	952.00
Job Specific/Technical Skills Development	2,902.50	242.00	3,144.50
Health, Safety, Environmental and Loss prevention	458.00	280.00	738.00
Cross Functional Awareness	75.00	0.00	75.00
Other Trainings	213.00	2.00	215.00
Total	4,448.50	676.00	5,124.50

Employee Category	Training Category	No. of Participants
Executive	Cross Functional Awareness	15
Executive	Job Specific/Technical Skills Development	26
Executive	Health, Safety, Environmental & Loss prevention	21
Executive	Transition from SVAT t New Risk- Based VAT Refund System	1
Manager	Health, Safety, Environmental & Loss Prevention	9
Manager	Cybersecurity	4
Manager	Job Specific/Technical Skills Development	17
Manager	Transition from SVAT t New Risk- Based VAT Refund System	1
Non-Executive	Health, Safety, Environmental & Loss Prevention	103
Non-Executive	Job Specific/Technical Skills Development	35
Non-Executive	IT Awareness Training	24
Non-Executive	EPF/ETF, Labour Law	2

5,124.50	732	07 hrs	Rs. 1.4 Mn	Rs. 1,910/-
Total Training Hours	Total Trained	Average Training Hours per Employee 2025	Training Investment	Training Investment Per Employee

Training Clusters

To ensure consistency, relevance, and alignment with organisational priorities, CGE structures its learning and development initiatives around clearly defined training clusters. These clusters enable targeted capability building while supporting both current operational requirements and future strategic needs.

1. Technical and Operational Excellence

Company focuses on strengthening job specific technical competencies critical to CGE's core operations. Training include proves optimisation, equipment handling, maintenance practices, quality assusrance safety standards, and compliance, with regulatory and industry job training and, hands in coaching, and knowledge – sharing sessions to enhance productivity and operational reliability.

2. Health safety environment
CGE aims to foster a safe and responsible work environment across all operational locations, programmes cover workplace safety. Hazard identification, emergency preparedness, food safety standards, environmental compliance, and sustainable operating practices, reinforcing CGE's commitment to zero harm and responsible operations.

3. Leadership & people management
Designed for supervisory and managerial employees, this cluster focuses on developing leadership capabilities, effective performance management, team engagement, decision-making, and succession readiness. Training interventions support the development of future leaders who can drive performance, uphold organisational values, and lead change effectively.

4. Behavioral & Skill Development
CGE addresses essential interpersonal and behavioral and competencies such as communication, teamwork, customer focus, problem-solving, time management, and emotional intelligence. These programmers support collaboration, service excellence and a positive workforce culture.

5. Digital & safety capability
Training under this cluster focuses on enhancing employees' proficiency in enterprise systems, digital tools, data accuracy, and technology-enabled processes. This includes system-based training aligned with HR, finance, and operational platforms to support efficiency, transparency, and informed decision-making.

6. Compliance, ethics & values
This cluster reinforces awareness of corporate governance, ethical conduct, and alignment with CGE's values. The Training covers codes of conduct, regulatory compliance, workplace discipline, and ethical decision-making, supporting a strong culture of integrity and accountability.

Recruitment FY 2025	14%
Non-executive	92
Executive & above recruitments	11
Resignations	61
Average turnover rate	8.3%
Retention rate	70%
Non-executive turnover rate	6.8%
Executive & above turnover rate	1.5%

Employee & Grievance Handling

GRI 2-25,26,30 ,402-1

The Company has established formal and accessible grievance-handling mechanisms to ensure employees can raise concerns related to workplace practices, conduct, or conditions without fear of retaliation. Grievances may be addressed through supervisory channels, structured grievance procedures, or non-confidential reporting mechanisms, including whistleblowing arrangements. All grievances are managed in accordance with defined processes, timelines, and responsibilities, ensuring confidentiality, impartial investigation, and fair resolution. Through these measures, CGE reinforces its commitment to employee well-being, workplace dignity, and compliance with ESG and GRI principles on labour relations and human rights.

Employee Relations and Engagement

GRI 2-26, 2-29, 2-30 , 402-1,407-1, 13.18.2,13.21.1,13.21.2,13.21.3

Employees are a key stakeholder group of the CGE Group, and our approach to employee relations is grounded in structured engagement, transparency, and mutual respect. We are committed to maintaining open channels of communication that enable constructive dialogue between employees and management at all levels.

Engagement takes place through regular team meetings, operational briefings, and direct interactions with management. Managers are expected to actively facilitate two-way communication within their teams, while the Group's open-door policy ensures that employees have access to senior leadership when required. These mechanisms enable timely resolution of concerns and strengthen trust across the organisation.

Formal employee representation is facilitated through the Employee Council (EC), which comprises nominated representatives from various departments. The EC convenes quarterly with management to formally present employee feedback, concerns, and suggestions. These meetings also serve as a platform for management to communicate operational developments and strategic decisions that may impact employees. In instances of significant operational changes, employees are generally provided with a minimum of two weeks' prior notice to ensure adequate preparedness and clarity.

Where matters remain unresolved through routine engagement channels, employees have access to a formal grievance mechanism designed to ensure fairness, confidentiality, and non-retaliation. No grievances were reported through the formal grievance process during the financial year under review.

Employee feedback is further strengthened through structured and confidential employee surveys. These surveys provide a systematic approach

Human Capital

to gathering insights on workplace satisfaction, leadership effectiveness, organisational culture, and policy implementation. The results are analysed to assess engagement levels, measure the effectiveness of interventions, and guide continuous improvement initiatives.

The Group respects employees' rights to freedom of association and collective representation, in line with applicable labour laws and regulations. Engagement structures, including the Employee Council, function as formal platforms for consultation and dialogue, supporting constructive labour-management relations across the Group.

Employee Satisfaction Index
82%

Employee Trust Index
86%

Employee Engagement Score (out of 5)
4.47%

Empowering Women in the Workplace

We are committed to creating environment at work where women are valued, encouraged and given the opportunity to achieve their full potential at all organisational levels. Equal chances are offered by CGE in terms of hiring, training, career promotion, and compensation, guaranteeing that choices are made without bias or discrimination based on performance, competence, and experience.

To achieve this goal CGE place a strong emphasis on relationship exposure, learning and development opportunities, and skill-building programs that quip workers for more positions and responsibilities in order to boost women's professional development. Acknowledging the many roles of our staff and the significance of employee well-being, we also support inclusive people policies that promote work-life balances.



Female Employees

1.8%
AM and above

4%
Executives

21%
Clerical & Supervisory

Developing Future Talent through Internship Opportunities

As part of our commitment to strengthening human capital and supporting national talent development, CGE actively provides structured internship opportunities for university undergraduates and recent graduates. These programmes are designed to offer practical exposure, industry insight, and hands-on experience aligned with academic learning.

Internships are offered across a broad range of disciplines that reflect the diversity of our operations, including Engineering, Veterinary Sciences, Finance, Sustainability, and Quality Assurance. Through guided mentorship and real-world project involvement, interns gain meaningful professional development while contributing to operational excellence.

CGE views its internship programme as a strategic talent pipeline Where suitable vacancies arise, high-performing interns are considered for permanent employment, enabling us to retain skilled individuals who are already familiar with our culture, values, and operational standards.

70
No of Internships Provided for FY 2025

Succession Planning and Leadership Continuity

CGE recognises that strong leadership continuity is essential to sustaining long-term value creation. As part of our human capital strategy, we have established a structured succession planning framework to ensure business stability, operational resilience, and the seamless transition of key roles.

Our succession planning process covers critical leadership and operational positions across the organisation, including the General Manager, Heads of Divisions, and other key departmental leadership roles. These positions are identified based on their strategic importance, operational impact, and decision-making responsibilities.

In addition to senior leadership roles, CGE also focuses on identifying and developing emerging talent within the organisation. High-potential employees are systematically assessed and provided with targeted development opportunities, including cross-functional exposure, mentoring, leadership training, and structured performance evaluations. This proactive approach ensures that internal candidates are prepared to assume greater responsibilities when required.

Critical positions across core operational, technical, finance, veterinary, engineering, sustainability, and quality assurance functions are mapped within the succession framework. Regular reviews are conducted by senior management and HR to evaluate readiness levels, identify competency gaps, and implement tailored development plans.

Building A Safe Workplace

GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-10, 13.19.2,13.19.3, 13.19.4, 13.19.5,13.19.6, 13.19.8 , 13.19.9, 13.19.10, 13.19.10

Occupational Health and Safety

Occupational Health and safety (OHS) is a key priority at CGE, reflecting the company's commitment to safeguarding the well-being of employees, contractors, visitors, and all individuals present at its operations locations. The Board –approved OHS policy providers a structured framework to identify, assess and mitigate health and safety risks across operations.

The Company complies with all applicable national safety and labor regulations, including the factories Ordinance of 1942 and the workmen's Compensation Ordinance of 1935. OHS governance is supported by defined procedures, regular risk assessment, and adherence to relevant safety standards to ensure employs health, safety and welfare. Key elements of CGE's OHS framework include maintaining plant and equipment to prescribed safety standards, systematic incident reporting and investigation and proactive hazard identification and risk management. Regular safety audits, inspections, and toolbox meeting reinforce safe work practices.

Employee competence is strengthened through ongoing safety education and training, including first aid, fire safety, and emergency responses. CGE promotes a strong safety culture through open communication and encourages the reporting of health and safety concerns without fear of reprisal. An open-door policy to encourage employees to report on matters related to health and safety.

Occupational Health and Safety Policy

GRI 13.9

Occupational Health and Safety

Sector Topic Disclosure

Employees are assets of our company. We are committed to:

- Provide sufficient control of the health and safety risks arising from our work activities including all farm operations, feed mill operations and chicken processing plant operations.
- Maintain an open door policy with employees on matters affecting their health and safety.
- Provide and maintain safe plants and equipment.
- Ensure safe handling and use of substances.
- Provide information, instruction and supervision for employees.
- Ensure all employees are competent to do their tasks and to give them adequate training.
- Prevent accidents and cases of work-related ill health.
- Maintain safe and healthy working conditions.
- Monitor all health and safety activities, investigate all accidents, record all details and determine for accident free environment.
- Continuously improve our standards of safety so as to ensure the well-being of our employees and the community around us.

GRI 403-1, 403-2, 403-7, 403-9

The Group Occupational Health and Safety (OHS) team is responsible for implementing and overseeing the Group-wide OHS Policy, which forms the foundation of our health and safety management system. The framework is designed to identify, assess, and mitigate workplace risks while ensuring compliance with applicable legal and regulatory requirements.

As part of our risk management process (GRI 403-2), the OHS team conducts regular site inspections, safety visits, and structured risk assessments to identify potential hazards across operations. The outcomes of these assessments are reviewed at monthly OHS meetings, during which corrective and preventive actions are determined and monitored. This systematic approach supports the continuous improvement of safety standards and risk controls across the Group.

To strengthen governance and accountability, independent safety compliance audits are periodically carried out by the Group Compliance team. These audits provide objective assurance on the effectiveness, adequacy, and implementation of established safety procedures (GRI 403-1).

The Group maintains a formal incident reporting and documentation process. All safety breaches must be formally recorded, and employees who sustain work-related injuries whether minor or major are required to report the incident immediately through the prescribed procedure. Prompt reporting ensures timely medical intervention, eligibility under the workmen's compensation insurance scheme, and effective incident management.

Human Capital

All reported incidents are promptly investigated by the Group OHS team to determine root causes and implement corrective actions (GRI 403-2). Incident data, trends, and remedial measures are consolidated and reported to management on a monthly basis, reinforcing oversight and supporting data-driven decision-making.

Through these structured mechanisms, the Group remains committed to providing a safe and healthy working environment for all employees and continuously strengthening its occupational health and safety performance.

Total recordable injuries – **04**

Lost working hours – **87**

Training hours – **458**

Fatalities – **0**

- Occupational diseases – **0**
- **Zero** – Major injuries
- **Zero** – Minor injuries
- **Zero** – No. of cases of ill health
- **Zero** – No. of fatalities due to ill health

Health and Safety Team commitment to CGE Operations

CGE maintains a structured and proactive Health and Safety (H&S) governance framework led by the Senior Managerial level . The Team plays a pivotal role in safeguarding employees, contractors, and visitors across all operational locations.

The key responsibilities of the team and plant-level safety representatives include:

- Developing and periodically reviewing Health & Safety standards in alignment with Sri Lankan regulatory requirements and recognised international best practices.
- Driving initiatives to embed a strong safety culture across all CGE operations.
- Proposing and implementing continuous improvement measures to enhance employee health, safety, and wellbeing.
- Reviewing accident and incident investigation reports and recommending appropriate corrective and preventive actions.
- Monitoring trends in workplace injuries and near-miss incidents, and enforcing timely interventions where necessary.
- Collaborating with the H&S Manager to formulate and implement the annual Health & Safety plan.
- Overseeing the effective implementation of all health and safety policies, procedures, and protocols at plant and site level.
- Ensuring that the physical working environment remains safe and compliant for employees, contractors, and visitors.
- Conducting regular site inspections and walk-throughs to identify and rectify potential hazards.
- Organising safety training programmes, awareness sessions, and campaigns to strengthen employee engagement in safety practices.

At the departmental level, designated safety representatives:

- Act as the first line of responsibility for safety within their respective departments.
- Reinforce daily compliance with H&S procedures among team members.
- Support risk assessments and the implementation of safe work procedures.
- Promptly report unsafe conditions or behaviours to the Plant H&S team for immediate corrective action.
- Assist in conducting safety training sessions and emergency response drills.

Trained emergency response personnel further strengthen CGE's preparedness by:

- Acting as first responders during emergencies, particularly fire-related incidents.
- Administering first aid when required and supporting safe evacuation procedures.
- Ensuring fire extinguishers, alarm systems, and other emergency equipment are regularly inspected and fully operational.
- Participating in scheduled fire drills and emergency preparedness exercises to maintain readiness at all times.

Through this structured approach, CGE reinforces its commitment to maintaining a safe, compliant, and resilient operational environment.

CGE Group Incident Reporting and Investigation Procedure

GRI 2-25

Incident Occurs (Injury or Incident)

↓

Investigation Initiated

↓

Observations Recorded

↓

Incident Report Prepared

↓

Safety Department Review

↓

Root Cause Analysis Conducted

↓

Corrective Actions Implemented

↓

Incident Closed





Hazard Identification

CGE maintains a structured and proactive Health and Safety Management system designed to identify, assess and mitigate risks across all operations. The manager-Health and safety, supported by a cross-functional OHS team, conducts regular facility inspections, walkthroughs, and operational reviews to ensure compliance with OHS policies and to routine OHS team meetings, which incorporate direct observations, employee feedback, and emerging operational insights.

Employees are instructed to actively report any safety issues, and operational meetings give all team members including manufacturing and engineering personnel to an opportunity to engage in conversations about safety at work. Concerns are properly assessed, and risk profiles are revised to account for modification to the workplace. In addition, the manager of health and safety carries out thorough danger evaluation exercises, comparing procedures to industry norms, legal requirements, and global accepted OHS best practices efficient risk management strategies that prevent exposure to the lowest level possible.

The Health and safety Management Systems is further strengthened through periodic audits, including SMETA assessments, to ensure compliance and continuous improvement. In 2025, the Company identified and mitigated several emerging risks. Including potential obstructions on production floors, electrical safety concerns, and enhancements to fire detections on production floors, electrical safety concerts, and enhancement upgrades, and updated operational procedures were implemented promptly, with all actions recorded in the Hazard Assessment Register to maintain ongoing vigilance and reinforces a culture of safety throughout the organisation.

Key Occupational Health, Safety and Emergency Preparedness Initiatives

During the year under review, the Group further strengthened its health, safety and emergency preparedness framework through the following initiatives:

- **Revision of Evacuation Plans**

  Comprehensive evacuation plans were updated across all operational sites, including the feed mill, breeder farms, broiler farms and the Seeduwa processing plant. These revised plans provide clear procedures and assigned responsibilities in the event of emergencies such as fires or natural disasters.

- **Enhanced Fire Safety Controls**

  The Fire Extinguisher Inspection Checklist was updated to ensure systematic monitoring of expiration dates, pressure levels and placement of extinguishers in designated strategic locations. This initiative supports faster emergency response and mitigates fire-related risks.

- **Monthly HSE and Loss Prevention Meetings**

  Health, Safety and Environment (HSE) and Loss Prevention meetings were conducted monthly at multiple locations to review OHS policies, evaluate emerging risks and implement preventive measures aimed at continuously strengthening safety systems.

- **Upgrading of On-Site Medical Facilities**

  A dedicated medical room at the Colombo location was upgraded to enable prompt on-site medical assistance in the event of injuries or sudden health concerns, enhancing rapid response capability.

Human Capital

- **Vehicle Safety Oversight**

  Regular inspections of Group vehicles were reinforced to ensure compliance with road safety regulations and maintain safe transportation standards.

- **Annual Safety and Security Audits**

  Comprehensive audits were carried out to assess the effectiveness of site-level OHS practices, identify improvement opportunities and ensure alignment with applicable industry standards.

- **Strengthened Work-at-Height Controls**

  Work-at-height protocols were enhanced through targeted training programmes and reinforced supervision. Employees received refresher training on the correct use of Personal Protective Equipment (PPE) to minimise fall-related risks during high-risk operations.

- **Establishment of Emergency Response Teams (ERTs)**

  Two fully trained Emergency Response Teams were commissioned to operate across Group facilities. These professional teams are equipped to respond to fires, coordinate evacuations and conduct rescue operations when required.

- **Full-Scale Evacuation Drill**

  An annual full evacuation drill was conducted at the CGE Colombo facility with the participation of the entire on-site workforce. The drill assessed the effectiveness of emergency procedures and reinforced employee readiness to respond swiftly and safely during actual emergencies.

- **Fire Safety Inspections at Farms**

  Special inspections of fire extinguishers were conducted at broiler and breeder farms to verify the adequacy, condition and accessibility of firefighting equipment at these locations.

- **ISPS-Based Safety Risk Assessments**

  Annual comprehensive safety inspections and risk assessments were carried out at Group warehouses, silos and laboratories in line with the requirements of the International Ship and Port Facility Security (ISPS) Code. These assessments focused on identifying potential hazards and implementing appropriate controls to mitigate risks.

Training Programmes	Number of training sessions held	
	External	Internal
Safety Awareness Training	2	1
ERT Training	1	3
Security Awareness Training	1	0
Basic First Aid Training (Life Support)	1	0
Fire Control and Prevention	2	2
Chemical Safety Training	0	0
Total	7	6

Employee Engagement

CGE promotes positive employee relations through a culture of mutual respect, trust and open communication between employees and management. Managers are encouraged to engage regularly with teams' routine meetings and briefings, supported by an open-door policy that enables employees to raise concerns or share feedback directly with senior management.

Structured engagement mechanism further strengthens dialogue across the organisation. Employee respective facilitate formal interactions between employees and management, providing a platform to raise workplace concerns and communicates operational updates. A formal grievances handling procedure is in place to address unresolved issues, ensuring fairness and transparency.

In order to measure employee satisfaction, identify new challenges, and examine the success of people – related projects, the Company also uses employee engagement surveys and specialised feedback systems. Sustained employee engagement and organisational efficiency are helped by the insights provided through those channels, which also influence human resource operations and assist ongoing workplace practice improvement.

HR Clinics conducted	Surveys conducted	Employee council meetings
01	03	04

CGE is committed to cultivating a workplace culture built on collaboration, inclusivity, and shared purpose. We recognise that meaningful employee engagement strengthens morale, enhances teamwork, and contributes to overall organisational performance.

During the year under review, the Group implemented a range of employee engagement initiatives designed to foster camaraderie and reinforce a strong sense of belonging across the organisation. These initiatives were complemented by corporate social responsibility (CSR) activities that enabled employees to actively participate in community-focused programmes, further strengthening the connection between our workforce and the wider society.

Through these collective efforts, CGE continues to promote a positive work environment where employees feel valued, engaged, and aligned with the Group's broader values and objectives.

Annual Cricket Tournament

The annual cricket tournament continues to be key employee engagement initiatives, fostering teamwork, collaboration. Employees from different departments participated enthusiastically, strengthening cross-functional; relationships through competition and shared experiences beyond the workplace.

In addition to creating positive work environment, the event provided a platform to encourage cooperation, equality and employee well-being. Stronger relationships between and a more connected staff are supported by such programs, which additionally improve employee engagement and motivation.





CSR Activities

Tree Planting Activities

CGE attempted to promote positive employee relation through different activities. As a part of its sustainability and corporate social responsibility practices CGE engaged in a tree planting initiative conducted within company premises. This activity encouraged employee participation in environment stewardship while fostering teamwork and shared responsibility beyond core operational roles.

By involving employees directly in CSR initiatives, the Company strengthens employee engagement, reinforces sustainability awareness, and promotes a sense of pride and ownership in contributing to long-term environmental and social value creation.

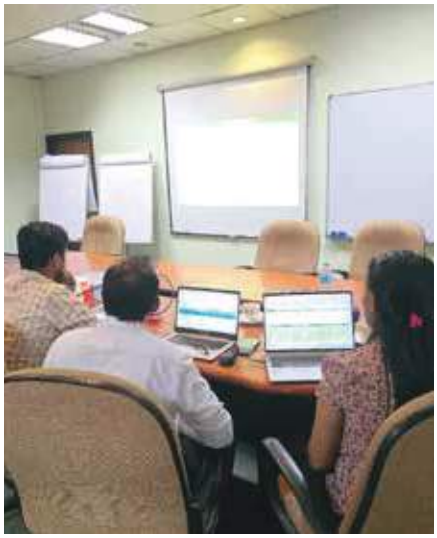




RECP Programme – Energy reduction Programme

At CGE it has implemented Resource Efficient and Cleaner Production (RECP) programmer involving employees across operations, enhancing awareness of resource efficiency and sustainable practices. The initiative strengthened employee engagement, encouraged innovation, and reinforced a culture of sustainability and continuous improvement.





Human Capital

Lean Management Awareness Session

CGE conducted a lean management awareness session involving employees across operations to promote process efficiency. This mainly focuses on, waste reduction, continuous improvement and guidance for the employees on the wastage within the Company environment.





Plant Donation (For Employees)

CGE conducted a plant donation programme that encouraged employee participation in environmental stewardship, strengthening engagement, sustainability awareness and a shared sense of responsibility.





Eye Clinic

By prioritising the employee health and wellbeing CGE organised an eye clinic for employees, providing access to professional eye care promoting overall health and wellbeing. The initiatives reflect the company's commitment to employee welfare, encourages proactive health management, and reinforces a cultural of care engagement within the workers.





Women's day Celebration

As a part of the recognising the valuable contribution of women across the organisation, CGE celebrated international Women's Day with dedicated activities and initiatives designed to appreciate, support and empower female employees to promote the gender equality.





Annual Get -Together

Company's most anticipated event that brings employee from all divisions together to celebrate organisational achievements, strengthen workplace relationships. During the event, employees are appreciated for the service and employees can connect, relax and build team spirit beyond the usual work environment.





Human Capital

Blood Donation Programmes

As part of its commitment to employee well-being and community engagement, CGE organises blood donation programmes in collaboration with recognised healthcare institutions. These initiatives provide employees with an opportunity to contribute meaningfully to society while supporting national healthcare needs.
The programmes are conducted with the voluntary participation of employees across various locations, reflecting the strong spirit of compassion and social responsibility embedded within the Group's culture. By encouraging staff involvement in life-saving initiatives, CGE promotes a sense of unity, empathy, and collective purpose among employees.





CSR Activities – Poson Dansala

In celebration of Poson, the CGE Sports and Recreations Club (CSRC) organised a Dansala as part of the Group's ongoing corporate social responsibility initiatives. The programme offered refreshments to devotees and members of the surrounding community, creating an opportunity to serve and engage with the public during this significant religious observance.

This initiative reflects CGE's respect for cultural and religious traditions, while reinforcing its commitment to community wellbeing and social harmony. The enthusiastic involvement of employees further strengthened team spirit and encouraged volunteerism across the organisation.





Strategic Pillar	Human Capital Contribution	Key FY 2025 Actions	Value Created
Sustainable Value Creation, Cost Optimisation & Efficient Operations	❍ Efficient, safe, and skilled workforce contributing to operational efficiency ❍ Workforce capability aligned with process improvements and mechanisation	❍ Investments in training, upskilling, and cross-functional development ❍ Implementation of safer work practices and ergonomic plant layouts	❍ Enhanced workforce productivity and efficiency ❍ Reduced occupational risks and operational disruptions ❍ Lower costs through improved workforce performance
Customer-Centric Value Delivery	❍ Employees trained to uphold quality, safety, and service standards ❍ Staff engagement in customer-facing roles and operational excellence initiatives	❍ Skill development programmes focused on quality assurance, customer service, and product handling ❍ Incentive programmes and recognition to encourage service excellence	❍ Improved product quality, safety, and consistency ❍ Higher customer satisfaction and trust ❍ Workforce aligned with customer-focused operational objectives
Human Capital & Workplace Wellbeing	❍ Safe, inclusive, and motivating work environment supporting employee engagement and retention ❍ Programmes for career development, recognition, and wellbeing	❍ Enhanced OHS systems and facilities ❍ Leadership development, mentorship programmes, and employee recognition initiatives ❍ Wellness and health initiatives including medical support and wellbeing programmes	❍ Safer and healthier workplaces ❍ Stronger employee morale, engagement, and retention ❍ Development of workforce competencies aligned with organisational goals
Environmental Sustainability & Climate Action	❍ Workforce trained and engaged in sustainability practices and responsible resource use ❍ Staff participation in environmental initiatives, energy efficiency, and waste reduction	❍ Sustainability awareness programs and OHS training incorporating environmental responsibility ❍ Engagement in resource-efficient operational practices	❍ Enhanced environmental compliance and culture ❍ Employees actively contributing to reduced environmental footprint ❍ Workforce capability supporting the Group's ESG and sustainability goals

Risks Relating to Human Capital

Risk	Description
Talent Attraction and Retention	Difficulty in attracting and retaining skilled employees due to competitive industry landscape, potentially affecting operational continuity and growth.
Employee Engagement and Morale	Low engagement or dissatisfaction may reduce productivity, increase absenteeism, and negatively impact organisational culture.
Skills and Capability Gaps	Rapid technological, operational, and regulatory changes may create skill shortages, affecting workforce readiness and performance.
Health, Safety, and Wellbeing	Work-related injuries, occupational health issues, and insufficient wellbeing support may compromise employee safety and operational efficiency.
Compliance and Labour Relations	Non-compliance with employment laws, labour regulations, or collective agreements may result in legal, financial, or reputational risks.
Diversity and Inclusion	Lack of focus on equitable opportunities and inclusion may affect employee satisfaction, innovation, and the Group's social reputation.

Human Capital

Opportunities Relating to Human Capital

Opportunity	Description
Employee Development Programmes	Continuous learning, upskilling, and career development initiatives can enhance productivity, engagement, and long-term retention.
Leadership Development	Identifying and nurturing high-potential employees strengthens succession planning and organisational resilience.
Employee Engagement Initiatives	Well-structured engagement activities and recognition programmes can boost morale, teamwork, and organisational culture.
Health, Safety, and Wellbeing Enhancements	Improved OHS practices, wellness programmes, and preventive healthcare initiatives can enhance workforce wellbeing and reduce operational risks.
Diversity and Inclusion Programmes	Promoting an inclusive workplace encourages innovation, collaboration, and strengthens the Group's social and reputational capital.
Technological Enablement	Leveraging technology for HR processes, remote work, and training can improve efficiency and employee experience.

Risks and Responses Relating to Human Capital

- During the year, CGE faced multiple challenges in managing its human capital.

Further details , refer to Risk and Opportunity Management page 233.

Future Roadmap



Short Term

- Strengthen occupational health, safety, and wellbeing programmes to ensure a safe and supportive work environment.
- Conduct targeted training and upskilling initiatives to address immediate skill gaps and operational requirements.
- Enhance employee engagement through recognition programmes, CSR participation, and team-building activities.



Medium Term

- Implement structured leadership development and succession planning programs to build a strong talent pipeline.
- Expand digital and technology-enabled learning platforms to foster continuous skill development and operational efficiency.
- Develop comprehensive diversity, equity, and inclusion initiatives to strengthen organisational culture and innovation.



Long Term

- Establish a fully integrated human capital strategy aligned with CGE's ESG and sustainability goals, supporting long-term workforce resilience.
- Embed a culture of continuous improvement, innovation, and agile workforce adaptability to respond to evolving business and industry needs.
- Foster strategic partnerships with educational institutions and industry bodies to future-proof skills and attract top talent.

Natural Capital



Natural capital refers to the environmental resources that support CGE's operations and long-term sustainability, including water, energy, materials, land, and ecosystems.

CGE's sustainability practices focus on efficient water and energy use, reducing emissions, responsible material consumption, and protecting biodiversity. Through continuous monitoring and improvement, the Company seeks to minimise environmental impacts, comply with regulatory requirements, and support sustainable value creation.

Strengths

Sustainability practices in line with initiated sustainability practices within the Group.

Weaknesses

Climate-related vulnerabilities

Opportunities

Invest in renewable energy

Threats

Impact on operations owing to reduced water availability attributed to extreme drought conditions

Management Approach

CGE's management approach to natural capital is guided by the Group's Environmental, Social and Governance (ESG) Policy, which reflects our commitment to conducting business in a manner that creates value for stakeholders while safeguarding society and the environment. In line with this policy, the Group has established a comprehensive environmental framework focused on four key priorities: reducing the carbon footprint, minimising waste, ensuring compliance with national environmental regulations and global best practices, and engaging in activities that protect biodiversity and natural ecosystems.

Our climate action initiatives prioritise decarbonisation through energy efficiency measures and strategic investments in renewable energy to reduce emissions and enhance climate resilience. Resource conservation efforts focus on minimising waste and promoting circular economy practices across operations. Sustainable land management initiatives are designed to preserve and protect agricultural lands. Through this integrated and policy-driven approach, CGE seeks to responsibly manage natural capital while supporting the long-term sustainability and continuity of our operations.

Natural Capital

Key Actions for FY 2025

Calculated the carbon footprint of 1 kg of chicken product	Initiated Scope 3 carbon emissions assessment	Completed Pilot project for ISO 50001 Energy Management System implementation	Implemented zero-polythene initiatives	Introduced food waste measurement system	Water footprint assessment	Rs. 42.0 Mn invested in renewable energy

Value Created

Output for CGE

- Scrap sales recorded a threefold increase year-on-year
- Non-renewable energy consumption per Rs. 1 Mn turnover reduced to 35%
- 16% reduction in water consumption per Rs. 1 Mn turnover
- Enhanced compliance with environmental standards and regulations

Stakeholder Outcomes

Customers
- Sustainable practices ensure high-quality products with lower environmental impact.

Employees
- A safe and environmentally conscious workplace fosters engagement and pride.

Investors
- Efficient resource use and emissions reduction contribute to long-term value creation and resilience.

Communities
- Biodiversity conservation, ecosystem restoration, and reduced pollution support healthier local environments.

Regulators and Society
- Compliance with national regulations and global best practices strengthens trust and demonstrates leadership in environmental stewardship.

Material Matters

- Water Management
- Energy & Emissions
- Waste & Resource Efficiency
- Materials & Packaging
- Biodiversity & Ecosystems
- Climate Resilience

Impact on Other Capital

Financial Capital	Reduced operating costs through efficient use of energy, water, and materials, and lower exposure to environmental risks.
Manufactured Capital	Improved operational efficiency, asset performance, and resilience through sustainable resource management and waste reduction.
Human Capital	Enhanced employee health, safety, engagement, and environmental awareness through cleaner and safer workplaces.
Intellectual Capital	Strengthened innovation, systems, and knowledge in energy management, emissions reduction, and sustainable practices.
Social & Relationship Capital	Improved trust and relationships with communities, regulators, and stakeholders through responsible environmental stewardship and biodiversity protection.

	❍ Target 6.6: Protect and restore water-related ecosystems, Including forests, wetlands, and rivers. ❍ Target 6.4: Increase water-use efficiency and ensure sustainable freshwater withdrawals.
	❍ Target 12.2: Achieve sustainable management and efficient use of natural resources. ❍ Target 12.4: Reduce chemical pollution and waste generation through responsible production.
	❍ Target 13.1: Strengthen resilience and adaptive capacity to dimate-related disasters. ❍ Target 13.2: Integrate climate change measures into policies and planning.
	❍ Target 15.1:Ensure the conservation, restoration, and sustainable use of terrestrial ecosystems. ❍ Target 15.2: Promote sustainable management of forests and hat deforestation.

Environmental Framework

CGE has established a comprehensive Environmental Framework to support the Group's efforts to systematically integrate environmental considerations into day-to-day operations. At the operational level, each business unit is accountable for implementing the Group's Environmental Framework, including data validation, inter-departmental coordination, and the timely reporting of environmental performance. A dedicated Sustainability Management Team provides ongoing guidance to departments in executing environmental initiatives and best practices. In addition, the Team is responsible for monitoring and tracking Group-wide environmental performance against established KPIs and presenting consolidated insights to the Sustainability Committee for oversight and strategic direction.

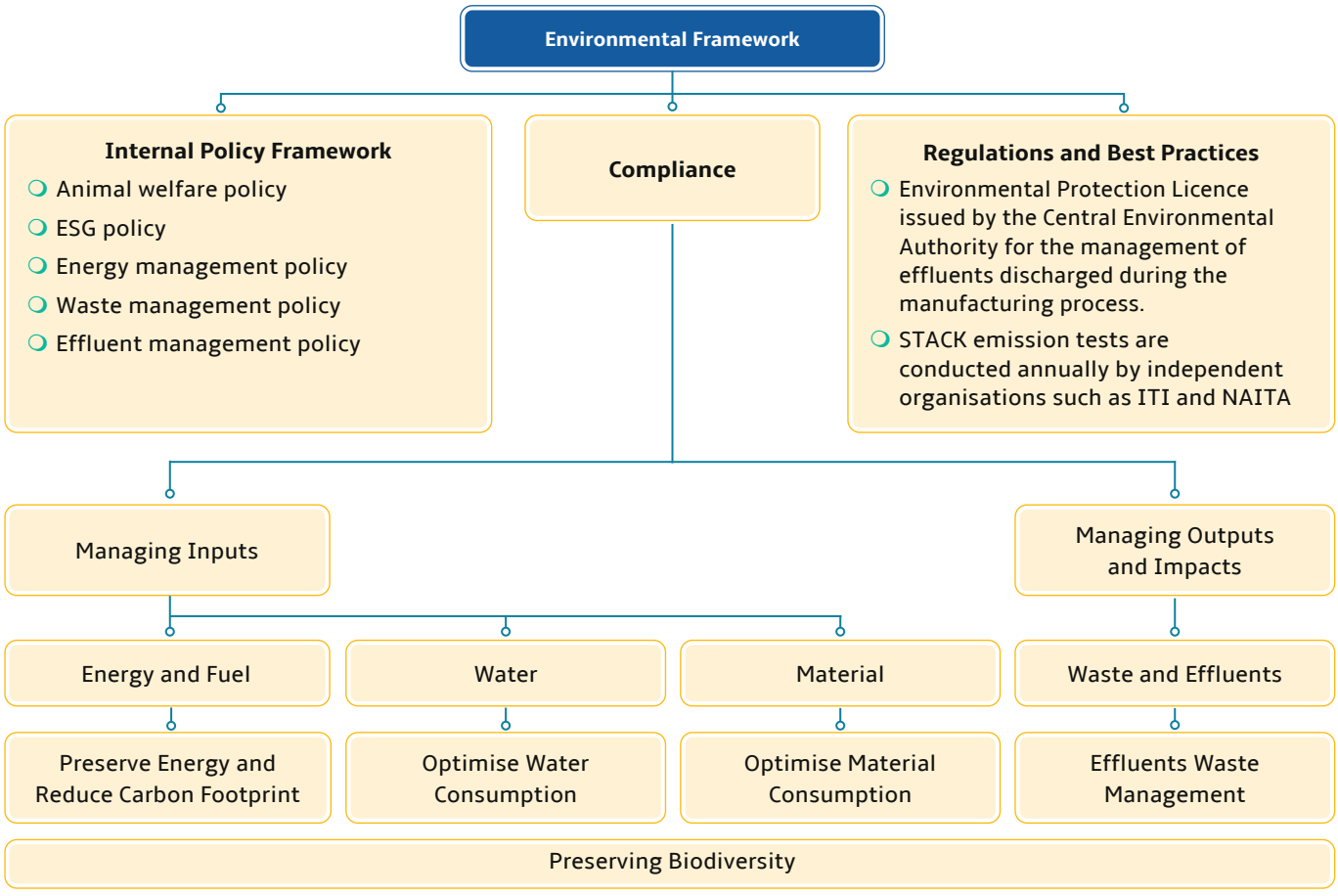
Group-Owned Natural Capital

Name of the Company	Location	Land Extent
Ceylon Grain Elevators PLC	Attanagalla farm, Attanagalla	12 A - 2 R - 15.7 P
Three Acre Farms PLC	Meegoda farm, Meegoda	24 A - 0 R - 3.17 P
	Kosgama farm, Aluthambalama, Kosgama	20 A - 3 R - 27.05 P
	Halwathura farm, Halwathura	54 A - 0 R - 3.76 P
	Bulathsinhala farm, Agaloya, Bulathsinhala	60 A - 3 R - 27.00 P
	Hijra farm - A, Pagoda, Beruwala	41 A - 3 R - 13.42 P
	Hijra farm - B, Beruwala	8 A - 3 R - 3.71 P
	Makuluwatta farm, Waga	12 A - 2 R - 18.90 P
	Ittapana farm, Mahagoda, Ittapana	31 A - 1 R - 28.10 P
Ceylon Pioneer Poultry Breeders Limited	Nillambe farm, Office Junction, Galaha	33 A - 0 R - 28.82 P
	Aswatta farm, Kosgama	5 A - 3 R - 18.19 P
	Wewelpanawa farm, Wewelpanawa	27 A - 3 R - 20.47 P
Ceylon Aquatech (Private) Limited	Chilaw Farm	54 A - 1 R - 36.18 P

GRI 307-1

In 2024, the Board established a Sustainability Committee to provide strategic oversight and direction to CGE's environmental agenda. The Committee is mandated to review and evaluate environmental performance on a quarterly basis, ensuring continued alignment with the Group's strategic objectives. In addition, the Committee oversees the implementation of a comprehensive Environmental Management System (EMS), which defines the Group's environmental objectives and sets out the policies and procedures required to enhance resource efficiency, ensure compliance with applicable environmental laws and regulations, and minimise adverse environmental impacts arising from CGE's operations. Given the resource-intensive nature of the Group's activities, the EMS forms a critical component of CGE's overall management systems and governance structures.

Natural Capital



Building Climate Resilience Across Operations

CGE recognises climate change as both a strategic risk and a responsibility, given the Group's resource-intensive operations and close dependence on natural capital. Accordingly, climate adaptation and resilience are embedded across CGE's operational and environmental strategies to safeguard business continuity, protect ecosystems, and strengthen long-term value creation.

Increasing climate variability manifested through extreme weather events, water stress, and ecosystem degradation has reinforced the need for proactive adaptation measures across CGE operations. The Group continues to enhance its resilience by integrating climate-responsive practices into operational planning, resource management, and environmental stewardship.

Resilience Measures Across Key Focus Areas

- Energy and Emissions:

CGE is progressively adopting energy-efficient technologies and optimising energy use across operations to reduce reliance on fossil fuels. These initiatives not only contribute to emissions reduction but also enhance energy security and operational resilience in the face of future climate volatility.

- Water Stewardship:

Climate-smart water management practices have been incorporated across operations, including efficient water-use technologies. These measures strengthen CGE's ability to manage seasonal variability, mitigate water scarcity risks, and ensure operational continuity during prolonged dry periods.

❍ Biodiversity and Ecosystems:

The Group continues to strengthen ecosystem resilience through the conservation of natural habitats, and enhancement of biodiversity corridors. These nature-based solutions act as natural buffers against soil erosion, flooding, and landslides, while supporting ecological stability across CGE's operational landscapes.

CGE's approach to climate adaptation is informed by both scientific insights and local knowledge, enabling solutions that are practical, inclusive, and context-specific. By aligning climate resilience initiatives with emissions reduction, water stewardship, and biodiversity conservation efforts, CGE ensures a holistic and future-ready response to climate change risks.

Materials

GRI 301-1, 301-2, 301-3

Across CGE's diversified operations, which span farming, processing, and value-added activities, material consumption is a key operational consideration. In line with Sustainability Agenda, CGE is progressively transitioning from a traditional linear consumption model to a more circular approach that emphasises resource efficiency and the application of the 7Rs concept based on our Material and Waste Management Policy.

CGE Material and Waste Management Policy

CGE is committed to implementing a comprehensive and sustainable waste management system across all its facilities, guided by the principles of environmental responsibility and regulatory compliance. This policy ensures the effective handling, segregation, monitoring, and disposal of all waste generated through CGE operations such as including general, electronic, packaging, liquid, medical, and processing waste by adopting the 7R framework: Rethink, Refuse, Reduce, Reuse, Repair, Recycle, and Recover.

We do responsible procurement, sustainable sourcing, safe handling, efficient usage, and environmentally sound disposal of all materials used across operations. All materials shall be sourced from approved suppliers, verified for quality, and managed to minimise waste and environmental impact. Employees must follow established procedures, and regular training will be provided to ensure compliance. Continuous monitoring and periodic reviews will be conducted to uphold this policy and drive improvements.

CGE ensures that all handling of hazardous and production waste is done by trained personnel following specific protocols, with measures in place to prevent product contamination. By integrating operational discipline, employee engagement, and environmental best practices, CGE aims to lead in sustainable waste management and contribute positively to ecological well-being.

CGE actively prioritises the use of renewable and responsibly sourced inputs wherever feasible, while ensuring the prudent management of non-renewable materials. As a leading poultry producer, the Group relies on a range of key input materials across its value chain, including feed ingredients such as maize, soybean, vitamins, and minerals, as well as packaging materials used for processed chicken products. CGE has implemented several practical measures to reduce the environmental impact of its packaging. We reuse our feed bags two to three times within our farms and internal locations after carrying out proper fumigation, which helps reduce material consumption and waste. For chicken products, we use biodegradable and food-grade polythene to minimise long-term environmental impact while maintaining food safety. These actions demonstrate CGE's ongoing commitment to managing packaging responsibly throughout its lifecycle. Currently, the integration of recycled materials into the production process remains limited due to food safety, quality, and export market requirements.

At the subsidiary level, Three Acre Farms PLC (TAF) utilises materials such as wood shavings and paddy husk to support farm operations, while chlorine and approved disinfectants are used extensively for hygiene, washing, and biosecurity processes. These inputs are managed in accordance with operational standards to ensure efficiency, safety, and environmental compliance.

Natural Capital

Category	Material	2025	2024
Renewable	Wood Shavings (kg)	1,371,534	697,992
	Paddy Husks (kg)	813,730	1,272,856
Non-Renewable	Vitamins (kg)	219,774	181,804
	Minerals (kg)	439,548	670,696
	Disinfectant (Chlorine) (kg)	6,533	2,713
	Percentage of Recycled Input Materials	>90	>90

Reused Scrap Items Nos. – 32,274

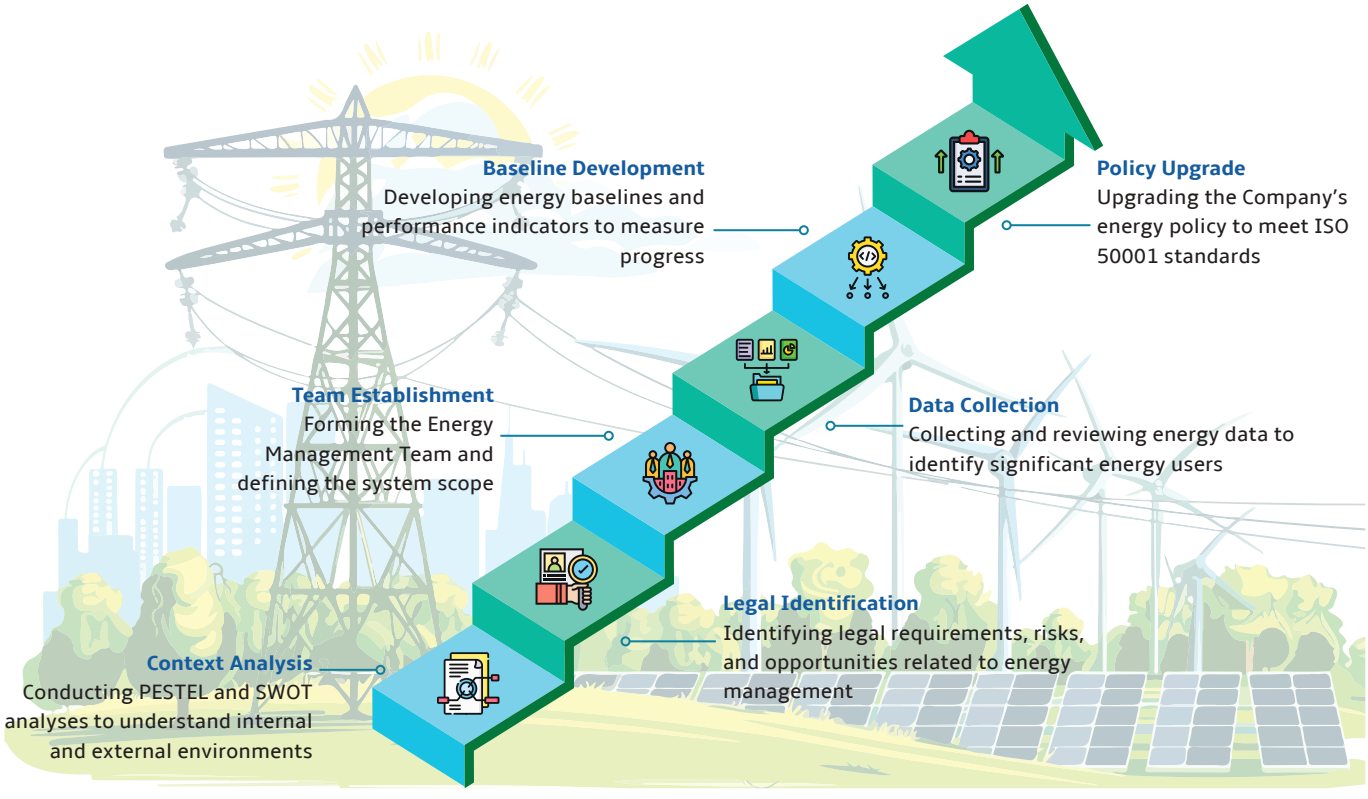
Energy

GRI 302-1, 302-3, 302-4

CGE's approach to energy management is formalised through the Group Energy Management Policy, which serves as the benchmark for reducing energy consumption, lowering greenhouse gas emissions, and optimising resource utilisation across all operations. The policy applies to the feed mill, chicken processing plant, breeder and broiler farms, and the Group's administrative offices.

In line with its commitment to continual improvement, CGE has completed the pilot project for ISO 50001 Energy Management System for the feed mill, reinforcing a structured and systematic approach to identifying, monitoring, and improving energy performance.

The Group has set a target to achieve a 2% annual reduction in electricity consumption compared to the established baseline.



Energy Management Principles

Key principles guiding the Group's energy management approach include:

- Investment in energy-efficient machinery, including the installation of capacity banks at the feed mill and processing plant.
- Standard Operating Procedures (SOPs) for equipment maintenance to minimise energy losses, overseen by the Group Engineering Department and Facility Heads.
- Monitoring and control systems to track energy-intensive processes and assess the effectiveness of energy-saving initiatives.

Energy consumption data is monitored at key points across all facilities, with monthly reviews submitted to Senior Management.

Energy Efficiency Initiatives

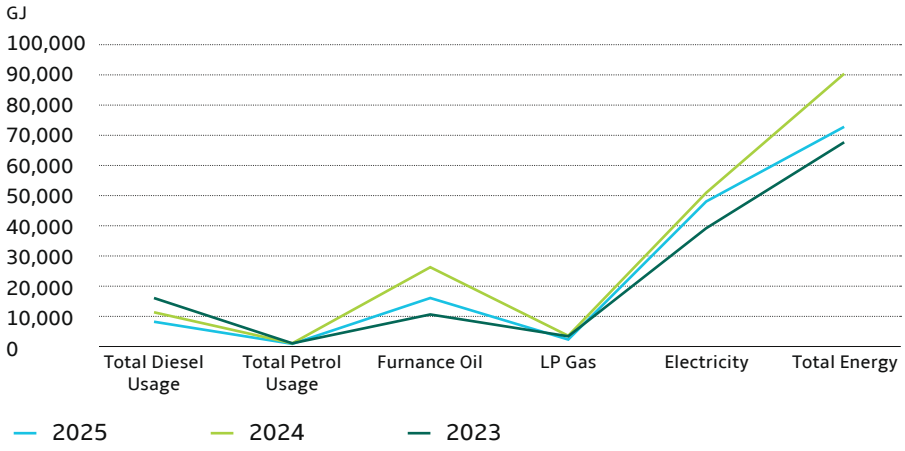
During the year, CGE implemented several energy conservation and optimisation measures, including:

- Pump system optimisation
- Replacement of CFL bulbs with energy-efficient LED lighting
- Transition from desktop computers to laptops to reduce electricity usage
- Replacement of air-conditioning units with higher-efficiency models, particularly in high heat-transfer areas
- Installation of motion-sensor lighting along pathways and designated areas
- Ensuring water dispensers and non-essential equipment are switched off outside office hours
- Promoting energy-conscious behaviour, such as encouraging the use of stairs instead of elevators

Energy Performance

	2025	2024	2023
Non-renewable energy consumption (GJ)	72,962.68	90,592.90	67,737.35
Non-renewable energy consumption to generate Rs. 1 Mn turnover (GJ)	2.45	3.78	3.46

Energy Performance





CGE has installed solar decks at one of our farms, enabling an estimated annual energy saving of approximately 545,000 kWh. This initiative is expected to deliver cost savings of around Rs. 9.0 Mn per annum while supporting the Group's transition towards renewable energy and improved energy efficiency.

Emission Management

GRI 305-1, 305-2, 305-3. 305-4, 305-5, 305-6, 305-7

CGE's emissions management approach is closely aligned with its energy efficiency strategy, enabling a systematic reduction in emission intensity across operations. The Group has established a formally documented procedure to monitor Scope 1 and Scope 2 greenhouse gas emissions, ensuring consistency, accuracy, and accountability in emissions reporting.

Emission monitoring is overseen by the Sustainability Management Team, while stack emission testing is conducted annually by independent and accredited institutions such as the Industrial Technology Institute (ITI) and the National Apprentice and Industrial Training Authority (NAITA). These assessments ensure that significant air emissions, including Nitrogen Oxides (NOx) and Sulphur Oxides (SOx), remain within the limits prescribed by the Central Environmental Authority (CEA).

Natural Capital

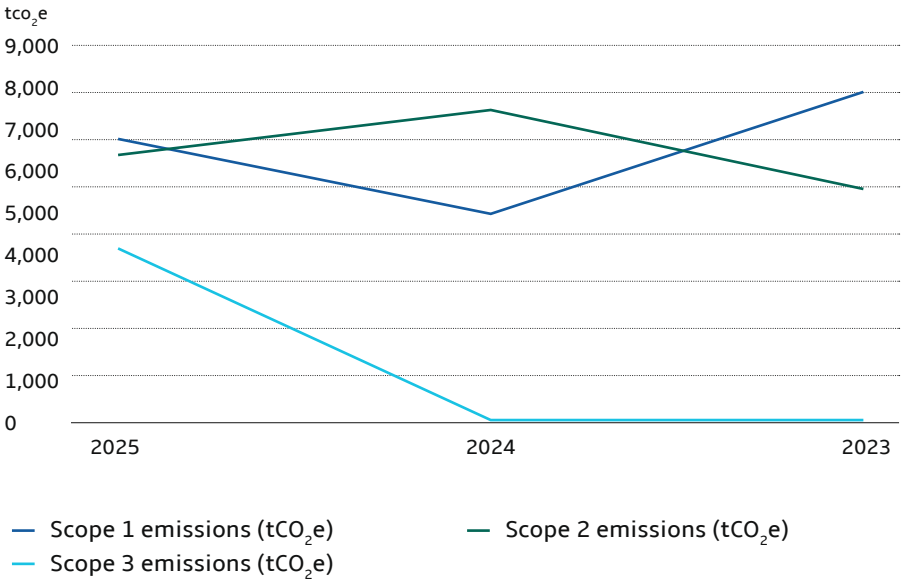
Energy and Emissions Management Initiatives – FY 2025

During the year, the Group implemented several initiatives to enhance energy management and reduce emissions, including:

- Conversion of open bird houses to Environmentally Controlled (EC) houses, contributing to improved energy efficiency and reduced emission intensity
- Upgrading to energy-efficient lighting, equipment, and machinery across operational facilities
- Commencement of a Group-wide carbon footprint assessment covering Scope 03 emission
- Installation of diesel floaters and GPS tracking systems in the distribution fleet to optimise routing and improve fuel efficiency
- Replacement of diesel-powered forklifts with electric units, reducing both emissions and noise pollution at plant locations
- Installation of solar decks, which is expected to reduce carbon emissions by approximately 386 tonnes of CO_2 equivalent (tCO_2e) annually.

GHG Emission Category	2025	2024	2023
Scope 1 emissions (tCO_2e)	6769.3	4947.6	7908.1
Scope 2 emissions (tCO_2e)	6,377.7	7,474.2	5,547.3
Scope 3 emissions (tCO_2e)	4,153.90	-	-
Carbon emission to generate Rs. one million turnover	0.58	0.52	0.69

Carbon Emission



Further details on CGE's energy and emissions performance are disclosed in SLFRS Sustainability Disclosures Section 13.2.1 – Cross-Industry Metrics and in the Notes to the Consolidated Statement of ESG Performance.

Sector Leadership in Carbon Accounting

CGE has achieved several pioneering milestones within Sri Lanka's poultry sector, reinforcing its commitment to climate accountability and transparency. These include the implementation of

1. Organisational greenhouse gas (GHG) accounting in accordance with ISO 14064-1, encompassing Scope 1, Scope 2, and Scope 3 emissions
2. The calculation of the product carbon footprint for 1 kgs of chicken in line with ISO 14067-1
3. The completion of a comprehensive life cycle assessment covering feed production, processing, and distribution stages.

Collectively, these initiatives have established a robust baseline for understanding the Group's emissions profile and have enabled the systematic identification of carbon reduction opportunities, while also supporting the development of future carbon sink initiatives.

Opinion No. LK/CFP/2026/012

Greenhouse Gas Verification Opinion

The inventory of Greenhouse Gas emissions from the 01.01.2025 – 31.12.2025 of the company

Ceylon Grain Elevators PLC

No.15, Rock House Lane, Colombo 15, Sri Lanka.

has been verified in accordance with ISO 14064-3:2019 with reasonable level of assurance as meeting the requirements of:

ISO 14064-1:2018

For the following boundary:

This certificate outlines all operational activities occurring at the boundaries of the below-mentioned sites.

Disclose a total emission of:

Direct GHG Emissions	:	6,263.465 tCO_2e
Indirect GHG Emissions	:	7,660.058 tCO_2e
Total GHG Emissions	:	**13,923.523** tCO_2e

Lead Auditor: Eng. Chamara Ariyathilaka
Independent Reviewer: Dilusha Premasiri

Date of Opinion Issuance: 21.04.2026
Validity Period: 21.04.2026 – 31.03.2027
Exclusions: Product distribution
Materiality threshold is below 5%

Authorised by
Dilusha Premasiri
Business Manager

SGS Lanka (Pvt) Ltd
No. 140, Vauxhall Street, Colombo 02, Sri Lanka
t +94 115 376 280- www.sgs.com

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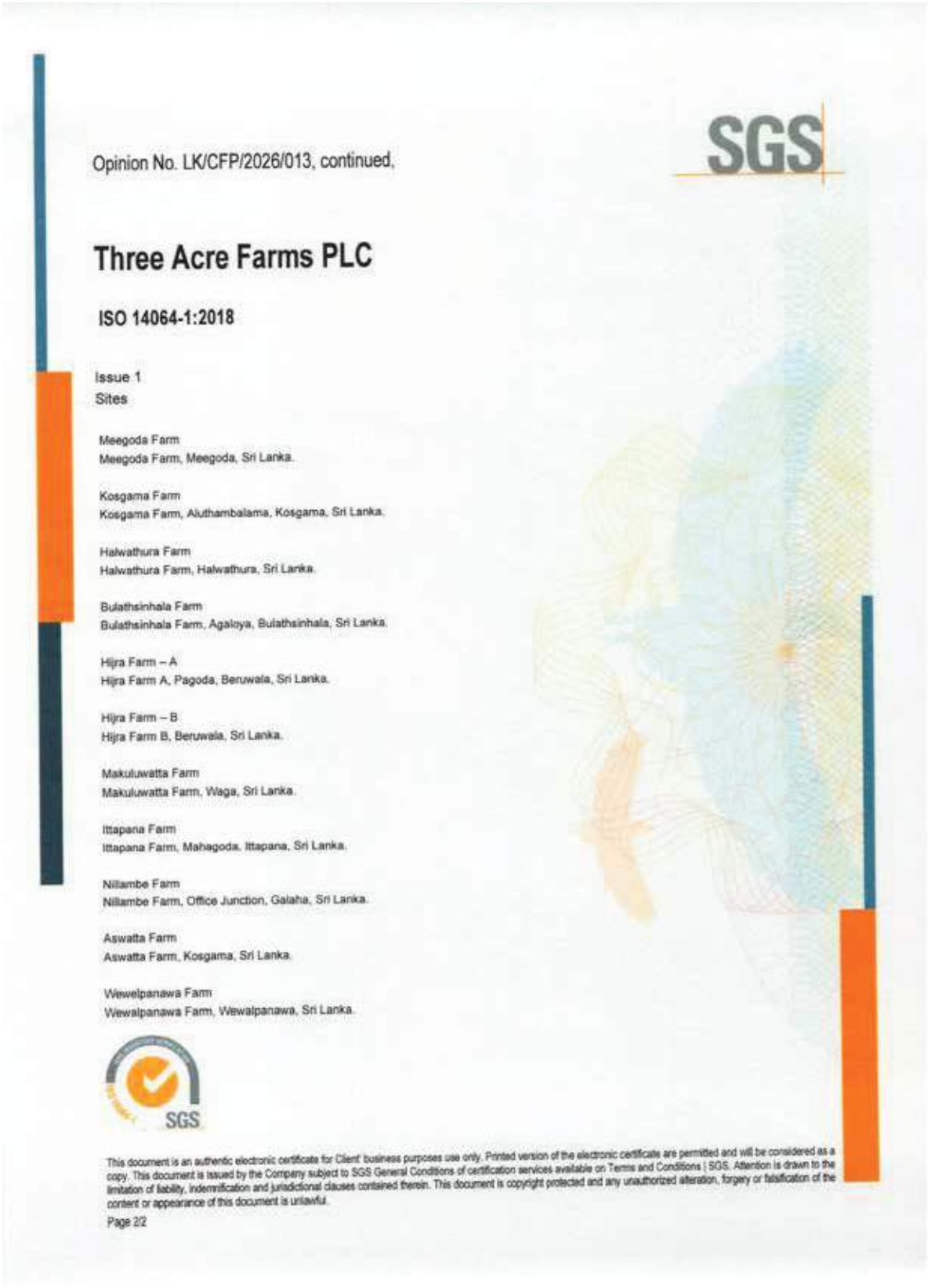
Natural Capital



Opinion No. LK/CFP/2026/013, continued,

SGS

Three Acre Farms PLC

ISO 14064-1:2018

Issue 1
Sites

Meegoda Farm
Meegoda Farm, Meegoda, Sri Lanka.

Kosgama Farm
Kosgama Farm, Aluthambalama, Kosgama, Sri Lanka.

Halwathura Farm
Halwathura Farm, Halwathura, Sri Lanka.

Bulathsinhala Farm
Bulathsinhala Farm, Agaloya, Bulathsinhala, Sri Lanka.

Hijra Farm – A
Hijra Farm A, Pagoda, Beruwala, Sri Lanka.

Hijra Farm – B
Hijra Farm B, Beruwala, Sri Lanka.

Makuluwatta Farm
Makuluwatta Farm, Waga, Sri Lanka.

Ittapana Farm
Ittapana Farm, Mahagoda, Ittapana, Sri Lanka.

Nillambe Farm
Nillambe Farm, Office Junction, Galaha, Sri Lanka.

Aswatta Farm
Aswatta Farm, Kosgama, Sri Lanka.

Wewelpanawa Farm
Wewalpanawa Farm, Wewalpanawa, Sri Lanka.

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Product wise Carbon Emissions

The carbon footprint of CGE's poultry products has been assessed in alignment with internationally recognised greenhouse gas emission reference values for chicken production. Accordingly, the standard emission factor of 0.0054 tonnes of CO2-equivalent per kilogram of carcass weight has been used as a benchmark (cradle-to-grave), based on the Food and Agriculture Organisation of the United Nations, Animal Production and Health Division.

This reference value represents a comprehensive cradle-to-grave assessment, encompassing emissions arising from feed production, on-farm activities, manure management, processing operations, transportation, and retail distribution. CGE's product carbon emission calculations are aligned with these parameters, ensuring that reported emissions reflect the full life cycle of chicken production and provide a credible basis for performance comparison and emissions reduction planning.

Initiatives of Reusable Non-Woven Bags

As part of CGE's commitment to reducing plastic waste and lowering the Company's carbon footprint, we have supplied 10,000 reusable non-woven polypropylene bags to our customers and employees. Non-woven bags, typically made from polypropylene, have a lower carbon footprint compared to traditional single-use plastic bags when reused frequently.

Each reusable bag can replace 5–7 single-use polythene bags, helping to avoid approximately 50,000–70,000 polythene bags from entering the waste stream.

By promoting the use of reusable bags, CGE has achieved an estimated 60–70% reduction in carbon emissions over the lifecycle of these bags, translating to a net carbon saving of approximately 800 kg CO_2e. This represents a 30–60% reduction in carbon emissions compared to using an equivalent number of single-use polythene bags.

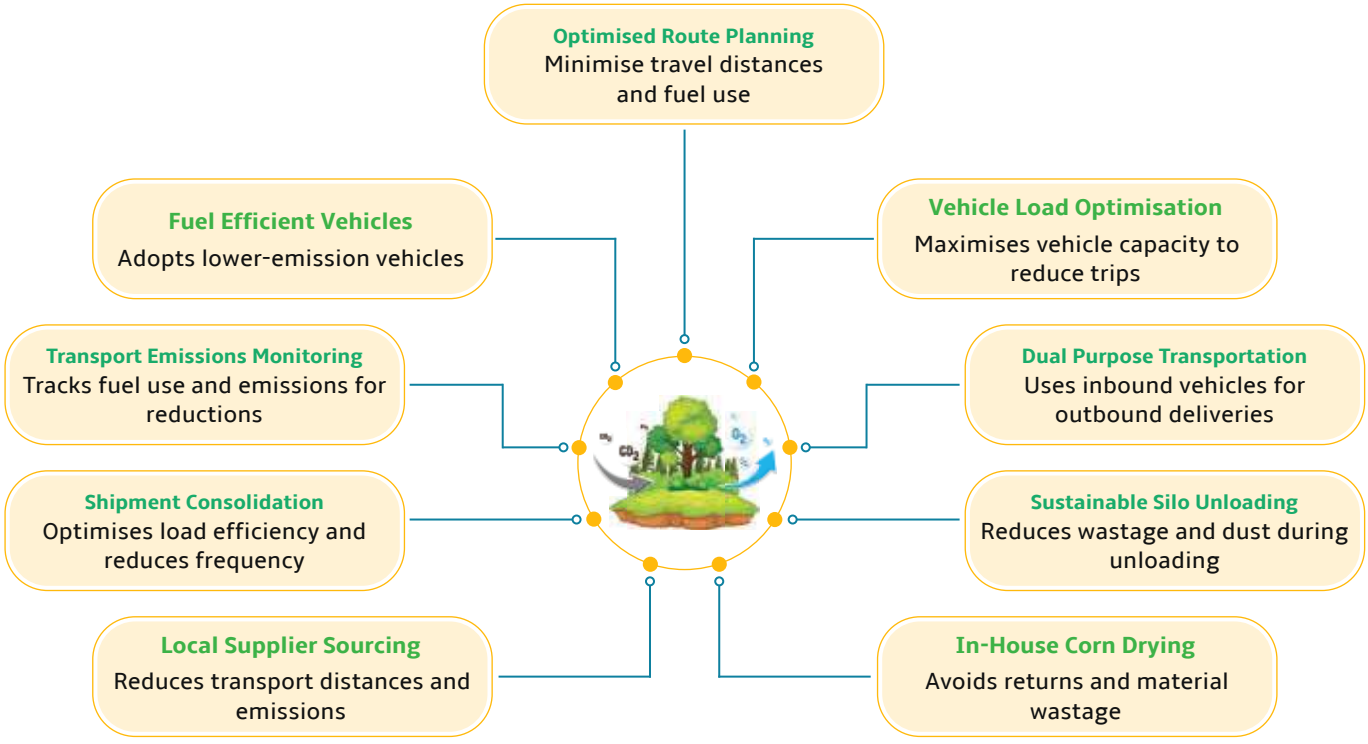
Through this initiative, CGE actively contributes to plastic waste reduction, encourages sustainable consumption practices, and reinforces its commitment to environmental stewardship.





Natural Capital

In-house Emission Reduction Initiatives



Water and Effluents

GRI 303-1, 303-2, 303-3, 303-4, 303-5

CGE Group's operations rely significantly on water as a key input across multiple stages of the value chain. Water is utilised in feed milling processes such as boiling and cooking, chicken processing activities, farm operations, employee welfare facilities, cooling systems, and open-house cleaning functions.

To meet these operational needs, the Group sources water through municipal supply networks, supplemented by individual sources where regulatory approvals permit. Given the operational importance of water, CGE Group places strong emphasis on responsible water management.

A structured framework, anchored by the Group Water Management Policy, guides the efficient use of water resources. This framework promotes conservation-focused practices, including the reuse and recycling of water for non-critical applications, with the objective of reducing overall consumption while maintaining operational effectiveness and regulatory compliance.

Effluents arising from CGE Group operations primarily consist of wastewater generated from cleaning activities, wash water, and effluents containing low concentrations of disinfectants. Managing these discharges responsibly is a key operational priority for the Group.

The Group's approach to effluent management is governed by a comprehensive Effluent Management Policy aligned with global best practices and applicable regulatory requirements. This policy provides the overarching framework for the treatment, monitoring, and discharge of effluents across CGE operations.

In line with this framework, the Seeduwa chicken processing facility operates a dedicated effluent treatment plant to ensure that wastewater is treated to prescribed standards prior to discharge. In addition, Three Acre Farms has established in-house water treatment facilities across its farm operations to treat wastewater and effluents, ensuring compliance with Central Environmental Authority (CEA) discharge limits and preventing adverse impacts on the environment or living organisms.

Oversight of policy implementation is entrusted to the Group Quality Assurance team, which is responsible for monitoring effluent quality, identifying potential contamination or ecological risks, and initiating corrective actions such as chemical neutralisation and pH adjustment

where necessary. The team also fulfils the Group's statutory reporting obligations, including coordinating monthly effluent testing by independent third-party laboratories to provide assurance on compliance and environmental safety.

	2025	2024	2023
Total water consumption (m^3)	471,541	454,413	391,175
Total water usage to generate Rs. 1 Mn turnover (m^3)	15.8	18.94	19.96

Water discharged at Waste water Treatment Plant (m^3) – 140,186

No significant spills attributed to the CGE Group operations were reported in FY 2025.

Water Source Protecting

CGE has launched tree planting initiatives across various locations to enhance biodiversity, restore habitats, and support environmental sustainability. These efforts also help protect local water sources by preventing soil erosion and safeguarding watersheds, reflecting CGE's commitment to natural capital and environmental stewardship.







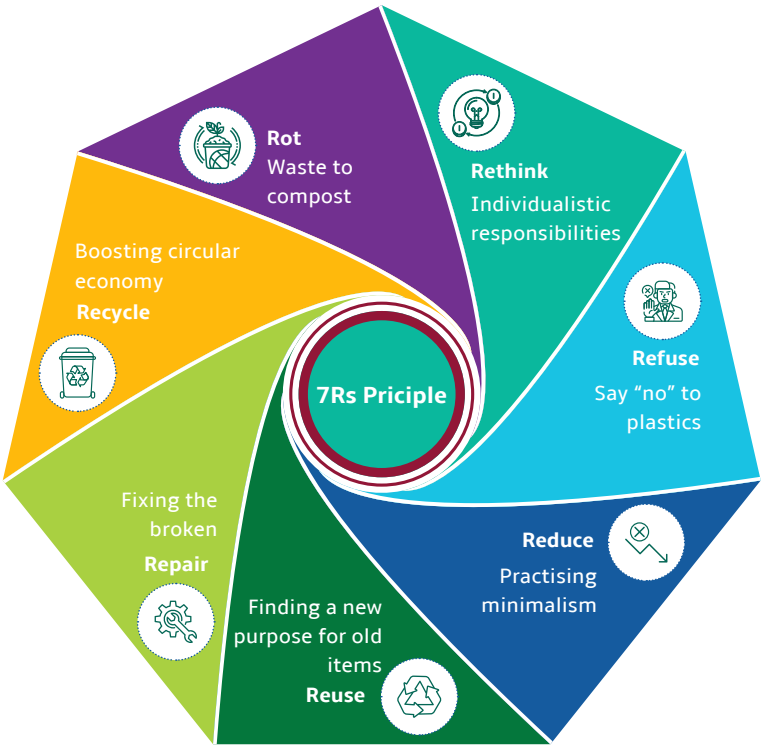
Waste Management

GRI 306-1, 306-2, 306-3, 306-4, 306-5

CGE Group adopts a systematic approach to waste management, grounded in strict compliance with regulatory standards and aligned with global best practices. Through a comprehensive waste mapping system, the Group identifies waste generation points across its operations, enabling segregation at the source. Segregated waste is then sent to dedicated scrap yards, where it is further processed and categorised as recyclable or non-recyclable.

This structured approach allows CGE to evaluate the financial impact of waste and implement effective cost-saving measures, while reinforcing the Group's commitment to the 7R principles—Rethink, Refuse, Reduce, Reuse, Repair, Recycle, and Rot. By integrating these practices, CGE ensures its waste management strategy not only optimises resource efficiency but also reflects global standards for environmental stewardship.

Natural Capital



These initiatives are supported by robust tracking systems that monitor waste generation and disposal, providing real-time, data-driven insights into associated costs and guiding the setting of recycling targets. To ensure effective implementation of waste management practices, CGE also invests in staff training on proper waste procedures, fostering a culture of environmental awareness, responsibility, and accountability throughout the organisation.

Waste Segregation and Recycling Initiatives

- CGE has invested in a dedicated scrap yard to enable efficient waste segregation, ensuring proper disposal and recycling of materials.
- Poultry litter is repurposed as organic fertiliser across the Group's farms, supporting sustainable agriculture and enhancing soil health.
- Meat processing waste is recycled at a state-of-the-art rendering plant, employing advanced refining techniques such as boiling, steaming, and pelletising to convert waste into valuable by-products.
- Glass, plastics, and other materials are recycled through specialised methods, promoting a circular economy and resource efficiency.
- Recycling targets are carefully aligned with cost-efficiency strategies to optimise both environmental and financial outcomes.
- All electronic waste (e-waste) is responsibly managed through licensed recyclers certified by the Central Environmental Authority (CEA).

Commitment to Minimising Resource Utilisation

- Promotes the use of non-harmful by-products, including compost and organic fertilisers, to reduce reliance on synthetic alternatives.
- Implements technological solutions such as agricultural produce driers to lower moisture levels and extend the shelf life of essential raw materials.
- Invests in Sales Force Automation (SFA) systems to streamline operations and significantly reduce paper usage.
- Operates an Outgrower System with electronic payment transfers, improving efficiency while minimising paperwork and administrative delays.

CGE Group's Commitment to Minimising Environmental Impact

GRI 13.8 Waste and Food Loss (Sector Topic Disclosures)

- **Advancing Circular Economy Practices**

CGE incorporates a diverse range of agricultural by-products into its feed formulations, optimising raw material utilisation and reducing waste generation. This approach supports circular economy principles while creating value from underutilised resources and strengthening local agricultural industries.

- **Ensuring Safe and Responsible Feed Ingredients**

The Group's strict non-GMO policy ensures that all feed ingredients are natural, safe, and ethically sourced, safeguarding livestock health and reinforcing product safety and quality.

❍ Driving Sustainable Innovation Through R&D

CGE continues to invest in research and development to design low-impact feed solutions. These innovations enhance animal health and productivity while contributing to broader environmental objectives through reduced land and water use.

❍ Responsible and Sustainable Sourcing

Environmental responsibility is embedded in CGE's sourcing strategy. The Group prioritises environmentally responsible suppliers and has committed to using only certified sustainable soy, ensuring sourcing practices do not contribute to deforestation or ecosystem degradation.

❍ Reducing Plastic and Packaging Waste

To minimise plastic usage, CGE has adopted bulk loaders that directly transfer feed ingredients into silos, eliminating the need for polythene bags in storage and handling. In addition, the Group promotes sustainable and reusable packaging solutions to reduce reliance on single-use plastics in line with global best practices.

❍ Strengthening Food Safety and Environmental Standards

As part of its continuous improvement journey, CGE was obtained FSSC 22000 certification in 2025. This internationally recognised food safety management system ensures compliance with rigorous global standards for feed production and handling. In support of this certification, CGE monitors air quality within factory premises to maintain a safe production environment and promote employee health and well-being.

Food Waste Scale & Dashboard

The Management Team has introduced a dedicated waste collection bucket equipped with a weighing scale to monitor and reduce daily food waste. This initiative aims to accurately measure the amount of food discarded each day, enabling the Company to identify key sources of wastage and implement targeted reduction strategies which enabling accurate tracking and reduction of wastage, resulting in monthly cost saving.

Commitment to Food Waste Reduction and Responsible Disposal

CGE addresses food waste reduction as a key component of its overall sustainability strategy through a structured and measurable approach. Food waste generated during both day and night shifts is monitored daily, enabling data-driven interventions to minimise waste at its source.

Any food waste that cannot be avoided is managed responsibly through an approved disposal mechanism. Such waste is handed over to waste collectors authorised by the Central Environmental Authority (CEA) and is subsequently repurposed for swine feed, supporting circular economy principles and resource recovery. In support of these initiatives, CGE incurs an annual expenditure of approximately Rs. 2.2 Mn.



CGE has developed detailed process flow diagrams to map and clearly illustrate the inputs and outputs of material, energy, and water across its operations. These diagrams have been prepared for all key locations, including feed mills, chicken processing plants, and farms. By providing a comprehensive understanding of operational flows, the process flow diagrams support the identification of inefficiencies and enable targeted actions to reduce waste generation across the value chain.

CGE Group Waste Matrix - FY 2025 & 2024

Waste Type		2025 MT	2024 MT	Disposal Methodology
Non-Hazardous Waste	Waste from meat processing	6,646.3	4,549.5	Recycled through a rendering plant, using a high-quality refining procedure which involves boiling, steaming and palletising
	Packaging Waste	Zero	Zero	Resold
	Food Waste	227.1	174.5	Responsibly managed through CEA Authorised waste collectors
	Poultry Litter	Nil	Nil	100% converted to compost to be used as organic fertilizers
Hazardous Waste		Zero	Zero	

Natural Capital

Responsible Use of Land and Protection of Biodiversity

GRI 13.5 Soil health (Sector Topic Disclosures)

CGE integrates sustainability into land-use decisions to ensure long-term environmental resilience across its operations. The Group carefully manages its footprint to avoid material harm to nearby ecosystems and natural habitats. Soil health is maintained through chemical-free conservation and nutrient management practices, while targeted tree planting along facility boundaries increases green cover and creates natural buffers. These green belts help moderate heat, minimise soil erosion, and improve soil water retention. At the operational level, farming activities are planned and monitored to ensure minimal interference with local wildlife and biodiversity.

Embedding Environmental Responsibility Across the Organisation

Environmental stewardship at CGE extends beyond operations to people and culture. The Group regularly engages employees through knowledge-sharing platforms such as workshops, webinars, and conferences, fostering awareness of sustainability priorities and practical actions. To strengthen ownership and accountability, sustainability-focused Key Performance Indicators (KPIs) are integrated into performance monitoring frameworks. Employees who actively contribute to achieving environmental and sustainability goals are acknowledged and rewarded, reinforcing a culture of continuous improvement and shared responsibility.

Natural Capital Value Creation Aligned to Strategic Pillars

Strategic Pillar	Natural Capital Contribution	Key FY 2025 Actions	Value Created
Sustainable Value Creation, Cost Optimisation & Efficient Operations	❍ Responsible management of land, water, and biological resources across farms, feed mills, and processing facilities ❍ Integration of resource efficiency and waste minimisation practices to reduce pressure on natural ecosystems ❍ Use of process flow mapping to identify material, energy, and water inputs and outputs	❍ Implemented process flow diagrams across feed mills, farms, and processing plants to identify inefficiencies and waste generation points ❍ Continued chemical-free soil conservation and nutrient management practices ❍ Improved waste segregation and authorised disposal of unavoidable waste	❍ Reduced waste generation and improved resource efficiency ❍ Lower operational costs through optimised use of natural resources ❍ Enhanced long-term availability of critical natural inputs
Customer-Centric Value Delivery	❍ Sustainable sourcing of agricultural raw materials supporting ecosystem protection and supply reliability ❍ Adoption of environmentally responsible farming practices supporting product integrity and food safety	❍ Maintained sustainable sourcing of key raw materials, including soy-based by-products from certified suppliers ❍ Ensured environmentally responsible farming practices aligned with animal welfare and environmental standards	❍ Improved supply chain resilience and input quality ❍ Enhanced customer confidence in responsibly produced poultry products ❍ Strengthened brand credibility and market positioning

Strategic Pillar	Natural Capital Contribution	Key FY 2025 Actions	Value Created
Human Capital & Workplace Wellbeing	❍ Promotion of environmental stewardship and responsible resource use across the workforce ❍ Integration of natural capital awareness into operational decision-making	❍ Conducted environmental awareness programmes, workshops, and training on sustainable land, water, and waste management ❍ Linked environmental KPIs to employee performance and recognition mechanisms	❍ Improved employee ownership of environmental responsibilities ❍ Reduced environmental incidents and resource misuse ❍ Strengthened sustainability culture across operations
Environmental Sustainability & Climate Action	❍ Protection and enhancement of ecosystems through biodiversity conservation and land stewardship ❍ Strengthening climate resilience through nature-based solutions and responsible land use ❍ Alignment with environmental regulations and sustainability frameworks	❍ Expanded tree planting along boundary areas to enhance green cover and act as shelterbelts ❍ Ensured farming activities do not disrupt local wildlife habitats ❍ Continued alignment with environmental management, energy efficiency, and climate-related policies	❍ Enhanced soil health, water retention, and microclimate regulation ❍ Reduced climate-related and environmental risks ❍ Strengthened long-term natural capital resilience and regulatory compliance

Risks and Opportunities Relating to Natural Capital

Risk	Description
Resource scarcity	Increasing pressure on land, water, and feed resources due to climate variability and competing land use may disrupt operations and increase input costs.
Biodiversity loss	Degradation of surrounding ecosystems and habitats could negatively affect soil health, water availability, and long-term farm productivity, while increasing regulatory and reputational risk.
Climate variability and extreme events	Floods, droughts, and heat stress may impact farm operations, animal welfare, and production efficiency.
Environmental compliance	Evolving environmental regulations on land use, water abstraction, and waste management may require additional capital investment to ensure compliance.

Opportunity	Description
Enhanced resource efficiency	Sustainable land and water management practices can improve soil quality, water retention, and productivity, reducing operational costs over the long term.
Biodiversity conservation	Tree planting, green buffers, and habitat protection initiatives enhance ecosystem services such as erosion control, temperature regulation, and improved microclimates.
Market and reputational value	Strong natural capital stewardship strengthens stakeholder confidence and supports access to sustainability-focused markets and investors.

Natural Capital

Risks and Responses Relating to Natural Capital

- During the year, CGE faced multiple challenges in managing its Natural capital.
- Further details , refer to Risk and Opportunity Management page 235.

Future Roadmap



Short Term

- Strengthen baseline data on energy, water and waste through comprehensive Audits.
- Install rooftop solar decks at selected facilities.
- Upgrade to energy-efficient equipment.
- Enhance water recycling and responsible wastewater management practices.
- Use process flow diagrams to further identify opportunities to reduce material, water, and waste intensity.



Medium Term

- Integrate natural capital considerations capital allocation, and investment decision-making.
- Invest in technologies to reduce water consumption and waste generation in poultry processing and feed milling operations.
- Expand R&D on sustainable feed formulations using low-impact ingredients while improving nutritional value.
- Scale up biodiversity conservation initiatives, including tree planting and habitat protection across operational sites.
- Strengthen employee engagement through targeted training and natural capital KPIs.



Long Term

- Increase reliance on renewable energy and reduce dependence on non-renewable natural resources.
- Transition towards circular resource use across the poultry value chain.
- Achieve long-term reductions in freshwater abstraction through reuse and alternative water sources.
- Build a nature-positive operating model that supports ecosystem health, climate resilience, and long-term value creation.

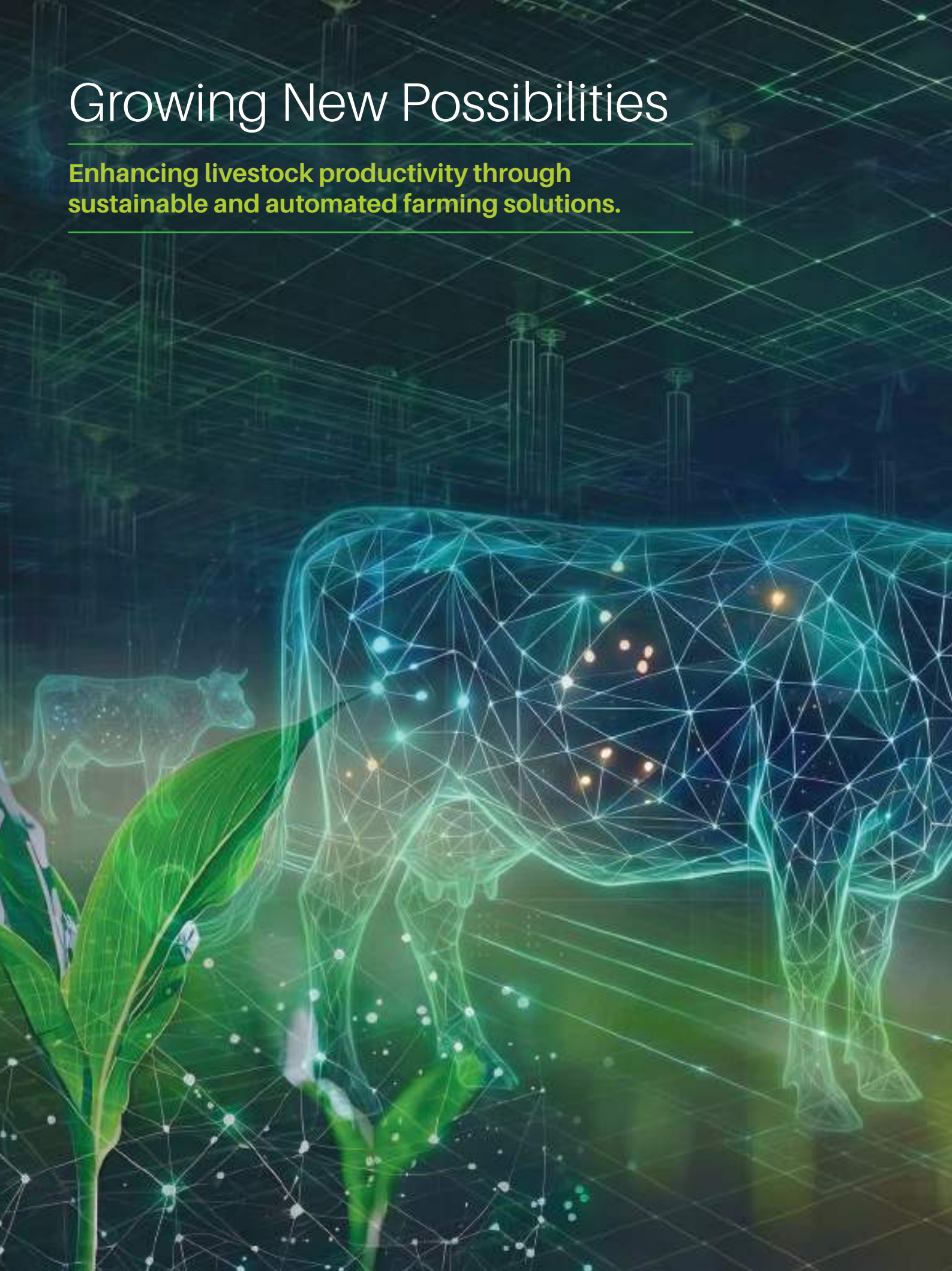
Balancing Capital Connectivity and Trade-offs in Value Creation

CGE's strategic execution is underpinned by integrated thinking,recognising the inherent connectivity among the six capitals and the trade-offs that arise as resources are allocated across operations and the value chain. Actions taken to strengthen one or more capitals may, in the short term, place pressure on others; however, such trade-offs are deliberately managed to support sustainable value creation over the short, medium and long term. The table below summarises the key capital interactions and trade-offs arising from the execution of CGE's strategic pillars during the year.

Strategic Pillars / Trade-off Area	Financial	Manufactured	Human	Intellectual	Social & Relationship	Natural
Sustainable Value Creation, Cost Optimisation & Efficient Operations						
Short-term impact on financial capital arising from capex on feed mills, farms, hatcheries, processing facilities and digital systems	↓	↑				↓
Digitalisation and automation strengthening operational efficiency and long-term financial performance	↑	↑	↓	↑		
Business expansion leading to increased consumption of energy, water and raw materials		↑				↓
Customer-Centric Value Delivery						
Investments in product range expansion to meet evolving customer needs	↓	↑		↑	↑	
Streamlining supply chains to ensure product availability and market reach	↑	↑			↑	
Human Capital & Workplace Wellbeing						
Investments in employee wellbeing, training and safe working environments	↓		↑	↑		
Financial outlays to support remuneration, safety and employee engagement	↓		↑			
Improved service quality strengthening customer and stakeholder relationships			↑		↑	
Environmental Sustainability & Climate Action						
Strengthening value chain partnerships to improve supply security and efficiency	↑				↑	
Supplier capacity building and climate-resilient agricultural practices					↑	↑
Investments in energy efficiency, waste reduction and recycling initiatives	↓	↑			↑	↑
Community engagement and CSR initiatives supporting social licence to operate	↓				↑	↑

Growing New Possibilities

Enhancing livestock productivity through sustainable and automated farming solutions.





Corporate Governance Review

1. Corporate Governance

Ceylon Grain Elevators PLC (CGE) recognises corporate governance as the foundational system of rules, practices and processes that guide and manage the Group's business in pursuit of its strategic objectives. The Group strives to balance the expectations of all stakeholders while delivering sustainable, long-term value. In purpose of achieving, CGE remains firmly committed to the highest standards of ethics, integrity and compliance with all statutory and regulatory requirements. This disciplined approach has strengthened accountability across the organisation and safeguarded the business through robust risk management practices.

The Board of Directors of the CGE Group holds ultimate responsibility for ensuring sound governance, transparency, stewardship and accountability to stakeholders. To fulfil this responsibility, the Board has established a comprehensive governance framework comprising a clearly defined governance structure, well-articulated policies and processes, and ongoing mechanisms to monitor effectiveness. The framework aligns with applicable regulatory requirements and global best practices and is reinforced by a strong assurance ecosystem to ensure continual enhancement of governance standards.

2. Our Approach

This report outlines Ceylon Grain Elevators PLC's (CGE) compliance with the mandatory requirements of the Companies Act No. 7 of 2007, the Listing Rules of the Colombo Stock Exchange (CSE), and the guidelines of the Securities and Exchange Commission of Sri Lanka (SEC). It further reflects the Group's continued voluntary adoption of leading governance practices articulated in the Code of Best Practice on Corporate Governance (2023) jointly issued by Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the SEC.

Demonstrating its commitment to strengthening governance, the CGE Group progressed towards meeting the revised Section 9 of the CSE Listing Rules on Corporate Governance in line with the target timelines. All requirements applicable for the financial year 2025 were fully complied with, without exception.

In keeping with the revised Corporate Governance Listing Rules effective from 1 October 2023, several Board changes were implemented during 2024 & 2025 accompanied by enhancements to management practices, reporting protocols and governance policies. The Board of Directors, supported by its Sub-Committees, plays a critical role in sustaining stakeholder confidence by ensuring consistent and timely adherence to both mandatory and voluntary governance requirements. Compliance is achieved through a rigorous control and monitoring framework aligned with internal policies and external benchmarks.

The evolving regulatory landscape has also amplified the emphasis on sustainability-related disclosures. In June 2023, the International Sustainability Standards Board (ISSB) introduced IFRS S1 (General Requirements for Sustainability-Related Financial Disclosures) and IFRS S2 (Climate-Related Disclosures), establishing a global baseline for sustainability reporting. CA Sri Lanka subsequently issued the local equivalents SLFRS S1 and SLFRS S2 which was effective from 1 January 2025, ensuring alignment of Sri Lankan entities with international best practice.

In anticipation of these requirements, the CGE Group Board established a dedicated Sustainability Committee in February 2024 to oversee the integration of sustainability practices across the Group. A Sustainability Management Team was also appointed to support the Committee in operationalising sustainability initiatives, monitoring progress, and driving the activities necessary to meet the SLFRS S1 and S2 disclosure requirements within the stipulated timelines. Together, these structures ensure sound oversight, strategic direction, and disciplined implementation of the Group's sustainability agenda.

During the year, the Sustainability Committee made significant progress in identifying sustainability-related risks and opportunities (SRROs) through the Group's Risk Management Framework. This included assessing the material impacts of the Group's activities on the environment and society, as well as understanding how external sustainability factors may influence the Group's long-term performance.

By embedding sustainability considerations into its risk assessment, governance processes and strategic decision-making, CGE aims to mitigate emerging sustainability-related risks while harnessing opportunities that contribute to enduring value creation. This integrated and forward-looking approach enhances organisational resilience, strengthens stakeholder trust and positions the Group competitively in an evolving marketplace.

Key Highlights

- The CGE Group powered with Sustainability Committee & Sustainability Management Team for strengthen the overall process on Environmental, Social and Governance aspects (ESG) with purpose of enhancing Group practices as a requirement of SLFRS S1 & S2 with regards to the Sustainability & Climate Change and the Best Practice recommended by CSE guidelines – Version 3.

A summary of compliances to regulatory standards are shown in the table below.

Benchmarks	Specific Details	Adherence
Companies Act No. 7 of 2007	Mandatory Provisions	Fully Complied. Disclosures are stated on page 203
Listing Rules of the CSE	Disclosure Requirements for Listed Companies in the CSE including Corporate Governance Mandatory Requirements	Complied. Disclosures are stated on pages 203 to 209.
The Code of Best Practice on Corporate Governance jointly issued by SEC and CA Sri Lanka (2023)	The Code of Best Practices on Corporate Governance	Complied. Disclosures are stated on pages 210 to 211.
Inland Revenue Acts	Mandatory Provisions	Fully Complied.
Stakeholder Engagement	The report provides information to all stakeholders regarding most material areas identified through stakeholder engagement	Fully Complied.
Articles of Association	The requirement stated in the Articles of Association of the Group	Fully Complied.
The Code of Conduct	Compliance requirements are applicable to all employees	All employees sign a declaration on following the Code of Conduct.

3. Policy in to Practice

GRI 2-23

The Board of Directors anticipates ultimate responsibility for upholding good governance, transparency, stewardship, and accountability across the CGE Group. In fulfilling this mandate, the Board has instituted a robust governance framework comprising a clearly defined governance structure, well-established policies, and systematic processes to ensure effective implementation and continuous monitoring. This framework aligns with all applicable regulatory benchmarks, incorporates the interests of key stakeholder groups, and is further reinforced by an assurance mechanism that underpins the Group's commitment for sound and ethical governance practices.

Corporate Governance Review

In line with the requirements of Section 9.2.1 of the Colombo Stock Exchange (CSE) Listing Rules, CGE has developed and implemented 12 comprehensive policies designed to strengthen its Corporate Governance landscape and enhance overall organisational discipline. These policies address critical areas essential for maintaining transparency, accountability, ethical conduct, and regulatory compliance throughout the Group. The policies include the following:

1. **Policy on Matters Relating to the Board of Directors** – Outlining the structure, roles, and responsibilities of the Board.
2. **Policy on Board Committees** – Defining the purpose and functions of various committees to support the Board's operations.
3. **Policy on Corporate Governance, Nominations, and Re-Election** – Establishing guidelines for the nomination, election, and re-election of directors in line with best governance practices.
4. **Policy on Remuneration** – Ensuring fair and transparent remuneration structures for directors and senior management.
5. **Policy on Internal Code of Business Conduct and Ethics for Directors and Employees** – Promoting ethical business conduct, including guidelines for trading in the Group's listed securities.
6. **Policy on Risk Management and Internal Controls** – Addressing the identification, evaluation, and mitigation of risks, and ensuring robust internal control systems are in place.
7. **Policy on Relations with Shareholders and Investors** – Fostering transparent and proactive engagement with shareholders and investors to enhance trust and corporate value.
8. **Policy on Environmental, Social, and Governance (ESG) Sustainability** – Integrating ESG principles into the Group's operations to promote long-term sustainability and corporate responsibility.
9. **Policy on Control and Management of Group Assets and Shareholder Investments** – Ensuring efficient use and safeguarding of Group assets and shareholder interests.
10. **Policy on Corporate Disclosures** – Establishing clear and transparent communication of financial and non-financial information in compliance with regulatory requirements.
11. **Policy on Whistleblowing** – Providing a safe and confidential platform for employees and other stakeholders to report unethical practices without fear of retaliation.
12. **Policy on Anti-Bribery and Corruption** – Committing to the prevention of bribery and corruption within the Group's operations.

(The CGE Group was published all relevant policies available in the public domain).

A comprehensive Procedure Manual has been developed to support the effective implementation of the newly introduced policies. This manual outlines the operational steps, responsibilities, and timelines required to ensure consistent application across the organisation. To facilitate disciplined execution, dedicated officers have been appointed to oversee and monitor the implementation of each policy.

The Board of Directors has formally approved all policies, reinforcing their authority and alignment with the Group's governance framework. Communication of these policies has been cascaded to all employees to ensure organisation-wide awareness and compliance. Furthermore, awareness of the policies has been incorporated into the induction programme, ensuring that all new recruits are familiar with the Group's governance expectations from the outset.

3.1 Internal Governance Structure

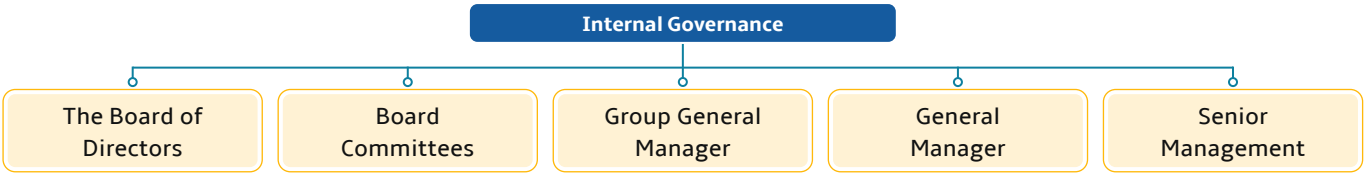
GRI 2-13, 2-16

CGE's internal governance structure outlines the mechanisms through which the Board of Directors upholds and enforces sound governance practices across the Group. As the apex governing body, the CGE Group Board of Directors retains ultimate oversight of all Corporate Governance activities and is responsible for ensuring that governance principles are embedded throughout the organisation.

Under this structure, specific responsibilities are delegated to Board Sub-Committees, enabling focused oversight in key areas while maintaining accountability to the Board. To further strengthen the independence and effectiveness of governance practices, the structure clearly defines the roles of the Chief Executive Officer and functional managers, who are accountable for the day-to-day management of operations, including the performance and governance of individual business units.

Responsibilities and accountability parameters for each function and business unit are established in advance, ensuring clarity, operational continuity, and a seamless flow of activities across the Group.

The internal governance structure comprises the following;



The internal governance processes and systems initiated by the Group's business plan supplement these positions and committees ensuring the proper implementation and execution of the Group's Corporate Governance framework.

Internal Governance Structure

GRI 2-9

Internal Governance Structure

Mandatory Compliance

- Companies Act No. 7 of 2007
- Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995
- Other Legislative Enactments Affecting the Group
- Listing Rules of the Colombo Exchange (CSE)
- Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021 (as amended)
- External and Internal Audits
- Articles of Association
- Central Depository System Rules

Reporting Framework

- International Integrated Reporting Framework published by the International Integrated Reporting Council (IIRC)
- Global Reporting Initiative (GRI) Standards issued by the Global Sustainability Standards Board
- SLFRS S1 & S2 Sustainability Reporting Standards
- Sustainability Accounting Standards Board (SASB) - Sustainability Accounting Standard for Meat, Poultry and Dairy Products (2022 Volume B23)

Shareholders

Chairman | CEO

BOD and Board Committees

- Audit Committee
- Nomination and Governance Committee
- Remuneration Committee
- Related Party Transactions Review Committee
- Sustainability Committee

Senior Management

Employee Empowerment

Voluntary Adherence

- The Code of Best Practice on Corporate Governance - CASL & SEC
- Codes of regulatory authorities, professional institution and trade associations

Internal Policy Framework

- Risk Management Framework
- The Code of Conduct
- Quality Management System
- Environmental Management System
- Internal Control System
- Occupational Health & Safety Management System
- ESG Policies
- Business Continuity Management Policy
- CSE 9.2 Amendment related Policies

Corporate Governance Review

3.1.1 Key External Benchmarks

- Companies Act No.7 of 2007
- Listing Rules of the Colombo Stock Exchange
- Code of Best Practice on Corporate Governance issued jointly by the SEC and CA Sri Lanka (2023)
- Inland Revenue Acts
- External Audits

3.1.2 Key Internal Benchmarks

- Articles of Association
- The Code of Conduct
- Terms of Reference of Board Sub-Committees
- ISO and Quality Management Framework and Standards
- Risk Management Framework
- Internal Audits
- Recruitment, Selection and Career Development Policies
- Rewards and Recognition Policy
- Policy on Conflict Resolution and Grievance Handling
- Employee Declaration Policy
- ESG Policies: Energy, Water, Effluent, Waste and Material Policies
- Food Safety Policy and Animal Welfare Policy

3.1.1.1 External Audits

The external audit function provides an independent opinion to shareholders on the truth and fairness of the Financial Statements and whether they have been properly prepared in conformity with the Companies Act No. 7 of 2007.

3.1.2.1 Code of Business Conduct and Ethics

GRI 2-16, 23, 24, 25, 26 ,3-3, 13.26.1

The Company's Code of Business Conduct establishes the standards of sustainability, accountability, integrity, and transparency that guide all business activities. All employees, Directors, and Key Management Personnel are required to comply fully with the Code, which serves as a foundational element of the Company's governance culture. CGE 's Code of Business Conduct outlines key expectations, including:

- Acting in the best interests of the Company and maintaining transparency in all dealings;
- Upholding ethical conduct that reflects the Company's vision, mission, goals, and values;
- Conducting business responsibly and in accordance with industry best practices;
- Pursuing continuous professional development while ensuring adherence to all applicable rules and regulations;
- Demonstrating trust, professionalism, and integrity in all partnerships and transactions undertaken by the Company.

All employees sign a declaration upon recruitment confirming their commitment to abide by the Company's Code of Business Conduct and Ethics. The Chairman and the Company affirm that no violations of the Code were reported during the year under review.

CGE operates under a strong culture of ethical leadership and principled behaviour. The Board sets a clear tone at the top, ensuring that ethical values are consistently embedded across all aspects of operations.

This commitment is further strengthened by the Company's policy on Internal Code of Business Conduct and Ethics, which clearly outlines expected behavioural standards. Complementary governance policies including the Anti-Bribery and Corruption Policy and the Whistleblowing Policy serve to reinforce integrity, enhance transparency, and uphold the highest ethical standards throughout the organisation.

Policy on Anti- Bribery and Corruption

CGE maintains a strict zero-tolerance stance on bribery and corruption and is committed to conduct all business activities with integrity, transparency, and in full compliance with applicable laws. The Anti-Bribery and Corruption Policy applies to all employees, Directors, consultants, and third parties, requiring them to actively prevent and report any form of improper conduct. The Policy prohibits offering, soliciting, or accepting bribes, facilitation payments, or undue advantages, and sets clear guidelines on gifts, entertainment, political contributions, and interactions with public officials. It outlines responsibilities for maintaining accurate records, mandates regular training and awareness, and ensures confidential reporting channels for suspected breaches without fear of retaliation. Oversight, investigations, and disciplinary actions are managed in line with established governance procedures, and the Board periodically reviews the Policy to ensure continued effectiveness and alignment with legal and industry standards.

Policy on Whistleblowing
CGE's Whistleblowing Policy encourages employees, directors, and third parties to report any unethical, illegal, or unsafe practices across all operations and jurisdictions. The Policy complements the Company's Anti-Bribery and Corruption Policy and Code of Business Conduct, providing clear procedures for reporting concerns such as fraud, harassment, discrimination, environmental or safety violations, and other actions that may affect the Company's reputation. All reports are treated confidentially, investigated promptly and fairly, and retaliation against good-faith reporters is strictly prohibited. The Board oversees the Policy and ensures regular reviews to maintain its effectiveness and alignment with regulatory and governance standards.

3.1.2.2 Anti-Corruption

GRI 205-1, 2, 3, 13.26.2, 13.26.3, 13.26.4

During the year under review, no incidents of corruption were reported within the Company, and there were no dismissals, contract terminations, or legal proceedings arising from corruption-related matters. The Company continues to uphold a strong culture of integrity, ensuring that ethical behaviour is embedded across all levels of the organisation.

To reinforce these principles, all employees were provided with clear guidance and comprehensive information on the Company's Anti-Corruption Policy. Anti-corruption awareness is also firmly integrated into the induction programme, ensuring that every new employee understands the ethical standards, responsibilities, and expectations from the outset of their employment.

The following training sessions were conducted during the year:

	No. of People Trained
Policy on Whistleblowing	111
Policy on Anti-Bribery and Corruption	111
Policy on ESG	76

3.1.2.3 Internal Audits & Internal Controls

The Group's internal audit function also provides an assurance that CGE's risk management, governance and internal control procedures are operating efficiently in compliance internal and external benchmarks.

Moreover, Internal controls of CGE include financial, operational, risk management and regulatory compliance controls, collectively designed to protect the assets of the Group against unauthorised use or disposal and is further supported by a structured documentation procedure. The Board of Directors including the Audit Committee is responsible for the Group's system of internal controls and for reviewing its effectiveness. The Audit Committee, on behalf of the Board, carries out regular reviews to verify the efficacy of internal control processes and the effectiveness of risk management. The Audit Committee reports to the Board during regular Board meetings enabling the Board to take final responsibility for the oversight of the internal controls of the Group.

4. The Board of Directors

4.1 Board Responsibilities

GRI 2-12

The Board provides strategic leadership in guiding the Group towards its business objectives, value creation goals, and effective risk management. In order to achieve, the Board sets a clear tone at the top, promoting a culture of transparency, accountability, and integrity across all business operations of the Group.

The Statement of Directors' Responsibility for financial reporting is presented on page 323, with further details outlined in Note 36. The Directors have no interests in the Group other than those disclosed in the Financial Statements under Note 33.1 – Key Management Personnel on page 380 and the Report of the Board of Directors on the State of Affairs of the Group on pages 320 to 323.

Additionally, in accordance with Section 9.14.8.(4) of the Listing Rules issued by the Colombo Stock Exchange (CSE), both the Group Internal Audit Division and the Board of Directors have provided the required declaration to the Related-Party Transactions Review Committee on page 221, affirming their responsibilities pertaining to the integrity and accuracy of the Financial Statements.

As the apex governing body of the organisation, the CGE Group Board remains the ultimate authority responsible for the following;

- Providing direction and guidance to the Group in the formulation of medium and long-term strategies which are aimed at promoting sustainable long-term success of the Group
- Providing guidance on the formulation and implementation of a sustainable business strategy;

Corporate Governance Review

- Conducting business functions efficiently and profitably to create shareholder value;
- Meeting regularly to establish and maintain the Group's direction and position ;
- Ensuring effective systems to secure the integrity of information, internal controls and risk management;
- Providing guidance and direction to ensure the Group has adequate resources and existing resources are effectively utilised;
- Ensuring that the Executive Directors and Key Management Personnel have the expertise, knowledge, and resources needed to successfully implement the strategy ;
- Ensuring appropriate succession plans for Key Management Personnel ;
- Reviewing the Group's operating and financial performance and evaluating progress against plans and budgets to ensure the Group accomplishes its goals;
- Ensuring that the Annual Report is published at the conclusion of the financial year and that Quarter Financial Statements are released on timely;
- Ensuring compliance with laws, regulations, governance and ethical standards;
- Monitoring systems and Group's procedures to ensure that internal controls are effectively planned and implemented;
- Ensuring all stakeholder interests are considered in corporate decision making;
- Reviewing and approving budgets and major transactions including acquisitions, disposals, capital expenditures and investments;
- Fulfilling any other function that is vital to the growth and success of the business;
- Recommending appointment / removal of external auditors; and
- Promoting corporate citizenship.

The Board seeks out professional advice in carrying its functions. On matters that need specialist expertise such as litigation, the Board has access to Group's Panel of Lawyers. The Board is also allowed to obtain independent professional advice, as appropriate, with the cost of such services borne by the Group.

Conflicts of the Interest

GRI 2-15

All Directors of the CGE Board are expected to uphold the highest standards of integrity and good faith in all matters conducted on behalf of the Company. In doing so, Directors must proactively avoid any situation that may result in an actual or perceived conflict of interest.

CGE has established clear and robust protocols for the identification, disclosure, and management of conflicts of interest. Directors are required to exercise due diligence in recognising potential conflicts and must disclose such interests to the Board without delay.

Each Director is required to formally declare all direct, indirect, beneficial, and non-beneficial interests in any existing or proposed contracts with the Company on annual basis. These declarations are recorded in the Directors' Interests Register, which is maintained in accordance with applicable regulatory requirements and remains available for inspection.

4.2 Board's Principal Roles and Functions

Providing Strategic Direction

The Board of Directors holds collective responsibility for defining the Group's strategic direction and approving the overarching corporate policies, long-term strategic objectives, and corporate plans. These directives are communicated to Senior Management to ensure effective alignment between strategic intent and operational execution. The Board also establishes a formal schedule of matters reserved for its decision-making, ensuring that key issues, controls, and strategic decisions receive appropriate oversight at the highest level.

In fulfilling its governance mandate, the Board maintains authority over all critical matters relating to Group strategy, annual budgets, business plans, management information systems, financial reporting, dividend declarations, capital investments, and business acquisitions or divestitures. The Board's approval is required for these areas to ensure disciplined governance, prudent resource allocation, and alignment with the Group's long-term objectives.

Furthermore, the Board continuously reviews and monitors the Group's performance against established targets and strategic priorities. Through this oversight, the Board provides direction to Senior Management on required action plans, performance improvements, and strategic course corrections. This ongoing engagement ensures that the Group remains agile, accountable, and well-positioned to achieve sustainable growth and value creation.

Communication with Shareholders

GRI 2-16

Communication with shareholders is recognised as a fundamental component of Corporate Governance, ensuring transparency, accountability, and the equitable dissemination of information. The Board of Directors bears responsibility for providing statutory and other relevant information to shareholders in a timely, accurate, and consistent

manner, reflecting the Group's firm commitment to openness.

To support this commitment, the Board has established specific policies and procedures to ensure that accurate accounting records are maintained, enabling the preparation of Financial Statements that present a true, fair, and balanced view of the Group's performance and financial position. The Board has also implemented measures to ensure full disclosure of all major transactions and material developments in a manner that is both prompt and precise.

Quarterly and annual financial results are prepared and communicated in accordance with the Sri Lanka Financial Reporting Standards (SLFRS), the Companies Act No. 7 of 2007, and the regulatory requirements of the Colombo Stock Exchange (CSE) and the Securities and Exchange Commission (SEC).

Shareholder engagement is further strengthened through the Annual General Meeting (AGM), where all shareholders are invited and encouraged to participate, vote, and seek clarifications regarding the Group's performance and future outlook. The AGM serves as a key platform for dialogue between the Board and shareholders, fostering mutual understanding and trust.

Extraordinary General Meetings (EGMs) are convened when necessary to obtain shareholder views and communicate significant developments, including matters related to major investments, divestments, and strategic decisions. Through these structured engagement mechanisms, CGE ensures that shareholders remain well-informed and actively involved in the governance of the Company.

In accordance with Listing Rule No. 9.4.2(a), the Company maintains a comprehensive policy to ensure effective and transparent communication with its shareholders and investors. In line with Rule No. 9.4.2(c), this policy also includes a formal procedure to keep all Directors informed of significant shareholder matters, concerns, and emerging issues.

Further details on these communication practices and related procedures are presented in the Stakeholder engagement section of this Report.

Policy on Relation with Shareholders and Investors

This Policy outlines the Company's commitment to transparent, fair, and effective engagement with shareholders and investors, ensuring that all communications and disclosures are accurate, timely, and in line with regulatory requirements. It applies to all personnel involved in investor relations and is supported by related governance policies. The Policy promotes equal treatment of all shareholders, protects their rights, and ensures clear communication through financial reporting, AGMs, and the corporate website. It guides the handling of material and related-party transactions, encourages constructive dialogue with institutional and individual investors, and requires internal controls and training to maintain high standards of compliance.

Overseeing Risk Management

The Board of Directors holds overarching responsibility for overseeing the Group's risk management framework, with particular emphasis on sustainability-related risks and opportunities (SRROs). This responsibility reflects the Board's commitment to long-term value creation by guiding, monitoring, and challenging the processes through which significant risks are identified, assessed, prioritised, and mitigated especially those linked to environmental, social, governance (ESG) factors and climate-related developments.

In alignment with emerging global sustainability standards and regulatory expectations, the Board ensures that SRROs are fully integrated into the Group's overall business strategy and decision-making processes. This includes identifying material impacts of the Group's operations on the environment and society, assessing dependencies on key natural and social resources, and evaluating the resilience of the Group's operations under various future climate and regulatory scenarios. Key considerations include physical climate risks such as extreme weather, water scarcity and supply chain disruptions, as well as transition risks arising from new regulations, carbon pricing, market shifts, and stakeholder expectations.

The Board also ensures that opportunities linked to sustainability such as resource efficiency, low-carbon technologies, green product development, process optimisation, and renewable energy integration are systematically explored and aligned with the Group's innovation and growth agenda. By adopting this holistic approach, the Group not only mitigates adverse impacts but also strengthens competitive positioning, enhances operational resilience, and unlocks new avenues for sustainable value creation.

Corporate Governance Review

In fulfilling its governance mandate, the Board evaluates the effectiveness of the Group's internal control systems, ensures clear accountability for risk ownership, and provides strategic policy direction to address emerging risks. The Board's proactive involvement ensures ongoing compliance with local and global reporting frameworks, including the forthcoming SLFRS S1 and S2 sustainability reporting standards, while supporting the Group's readiness for evolving ESG disclosures.

The Company's risk management framework is designed to safeguard its assets, stakeholder interests, and business continuity. Sustainability and climate-related risks are embedded across all business segments, supported by defined roles, responsibilities, escalation mechanisms, and continuous monitoring. Key focus areas within the framework include product quality and safety, financial stability, occupational health and safety, environmental management, human resource development, operational efficiency, supply chain and procurement, regulatory compliance, information security, and engineering operations. Integrating SRROs across these focus areas aligns the Group with global best practices and reinforces its contribution to sustainable development.

As part of its ongoing oversight, the Board periodically reviews and updates the risk management framework to ensure alignment with emerging regulatory requirements, industry standards, stakeholder expectations, and the evolving landscape of sustainability and climate-related risks. This adaptive and forward-looking approach demonstrates the Board's commitment to embedding sustainability as a central organisational principle that drives strategic action, enhances resilience, and supports long-term stakeholder value creation.

A comprehensive overview of the Risk Management Framework is presented in the Risk and opportunity Management Report on pages 223 to 246.

Compliance

GRI 2-27

The Board of Directors is responsible for ensuring that the Groups' operations remain fully compliant with all applicable laws, directives and standards stipulated by various regulatory bodies in the country. The Board stays abreast of the latest regulatory developments and guides the Senior Management regarding proactive adoption of these new changes.

Leadership and Succession Planning

The Board oversees leadership continuity across the organisation by reviewing executive performance, assessing leadership capabilities, and approving structured succession plans for key management positions. This ensures that the Company maintains strong and capable leadership to support long-term strategic goals.

Board Evaluation and Development

To uphold effective governance, the Board conducts periodic evaluations of the performance of the Board as a whole, its committees, individual Directors, and respective Chairpersons. In addition, the Board promotes continuous development by facilitating training and capacity-building programmes to enhance the skills and competencies of its members.

Monitoring Business Performance

The Board plays an active role in evaluating the Company's operational performance by reviewing business results, monitoring progress against key performance indicators (KPIs), and addressing operational challenges. Where required, the Board directs management to implement corrective actions to ensure sustained performance and organisational resilience.

Appointments to Board Sub-Committees

GRI 2-11

The appointment of members to various Board sub-committees is entrusted to the Board. The Board appoints members to the Audit, Remuneration, Nominations & Governance and Related Party Transactions Review Committees along with Directors and Key Senior Management personnel. Each of these committees acts within its own set of Terms of References, which have been approved by the Board. An expanded review of each such committee's functions are described further in this report on pages 215 to 222.

4.3 Board Composition

The CGE Group maintains a well-balanced Board comprising an appropriate mix of Executive and Non-Executive Directors, ensuring that no individual Director or group of Directors exerts undue influence over Board deliberations or decision-making. In determining Board composition, careful consideration is given to the skills, professional qualifications, industry expertise, and diverse perspectives that both Executive and Non-Executive Directors bring to the governance of the Group.

As at 31 December 2025, the CGE Group Board consisted of six (6) members, including one (1) Executive Director, three (3) Non-Executive Directors, and two (2) Non-Executive Independent Directors. This composition is fully compliant with the Listing Rules of the Colombo Stock Exchange, which require that at least two Directors or one-third of the Board, whichever is higher—be Independent Non-Executive Directors.

The names of the directors, along with their detailed profiles, are presented on pages 14 to 15 of this Annual Report.

Board Diversity and Competence

CGE recognises that a diverse, skilled, and well-balanced Board is fundamental to strong governance, sound decision-making, and long-term value creation. In alignment with Listing Rule No. 9.5.1(c), the Company ensures that its Board comprises an appropriate mix of expertise, professional experience, independence, and broad perspectives. This diversity equips the Board to provide effective oversight with clarity, objectivity, and strategic foresight.

Balanced Composition

The Board structure reflects a healthy balance between Executive and Non-Executive Directors, with the majority being Non-Executive members. This composition strengthens the Board's independence and enhances its oversight of both operational and strategic matters.

In addition, the Board maintains an equitable representation of Independent and Non-Independent Directors, fostering meaningful debate, constructive challenge, and robust governance throughout its decision-making processes.

Diversity of Expertise

The Directors collectively bring a wide range of professional knowledge across key disciplines relevant to CGE 's evolving business landscape. The Board's skills portfolio spans:

- Information Technology
- Accountancy and Finance
- Business Management
- Banking and Treasury
- Commercial Law
- Science
- Bio Chemistry and Industry Expertise

This breadth of expertise ensures that the Board is equipped with strong analytical capabilities, technical proficiency, and sectoral insights necessary to guide the Company amid increasing complexity and competition.

Experience and Tenure

The Board benefits from a well-balanced mix of long-serving leaders and newer members:

- A majority of Non-Executive directors have served for more than 10 years, contributing deep institutional knowledge, continuity, and seasoned strategic judgment.
- Directors with less than 5 years of service bring fresh perspectives, contemporary thinking, and renewed dynamism to the governance process.

This combination supports strategic continuity while encouraging innovation, adaptability, and responsiveness to emerging trends.

Commitment to Strong Financial Literacy

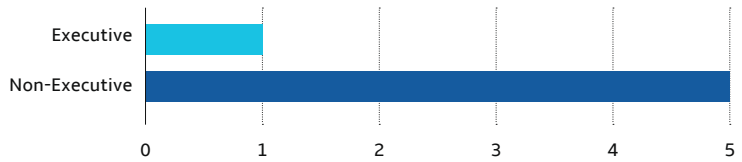
In compliance with Section A.04 of the Code of Best Practice on Corporate Governance, the Board ensures that its members possess adequate financial literacy. Directors with expertise in accounting, finance, and treasury functions play a critical role in strengthening financial oversight, evaluating risks, and guiding strategic capital allocation with high competency and prudence.

A Board Equipped for the Future

The collective diversity, competence, and balanced composition of the CGE Board position it strongly to guide the Company responsibly, uphold the highest standards of governance, and navigate emerging challenges and opportunities.

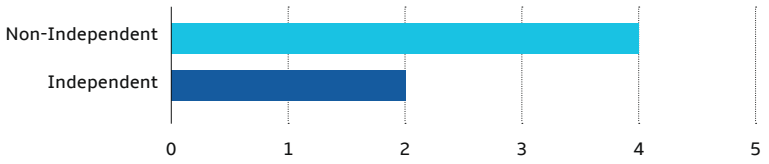
These attributes reinforce CGE's ability to pursue sustainable growth while meeting the expectations of its stakeholders, regulators, and the broader market with integrity and confidence.

Capacity

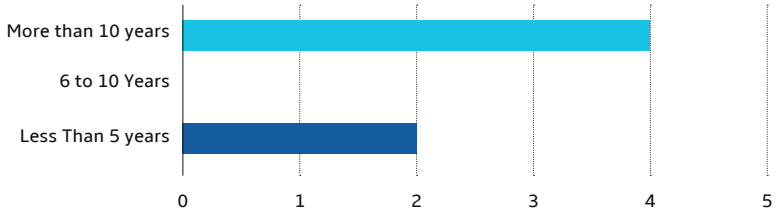


Corporate Governance Review

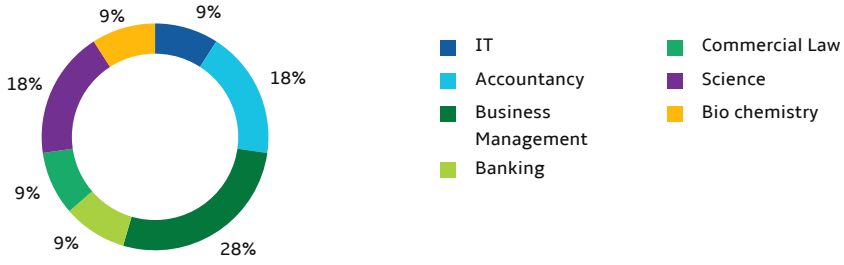
Independency



Tenure of the Directors



Diversity of Expertise



4.4 Board Evaluations and the Appraisal of the Chief Executive Officer

GRI 2-18

The performance of the Board, sub-committees' performance and the Chief Executive Officer are evaluated annually, to ensure that its responsibilities are properly carried out. During the year under review, an appraisal was made with regard to the Board composition and it was concluded that knowledge and expertise of current Board members are appropriate for the size, scale and complexity of the CGE Group.

A brief profile of individual members of the Board of Directors is on pages 14 to 15.

4.5 Board Skills

In determining the optimal balance of the Board, the CGE Group places strong emphasis on maintaining diversity in expertise, experience, and perspective. Directors are appointed based on their proven business experience, integrity, sound judgment, and the value they bring to effective governance.

The Board also ensures that it possesses the necessary financial expertise to provide robust oversight of the Group's financial affairs. At present, the CGE Board includes a Certified Practicing Accountant, while the Chairman of the Audit Committee is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka (ICASL) and a Fellow of the Chartered Institute of Management Accountants (CIMA), United Kingdom. This strong financial literacy within the Board reinforces its ability to review, guide, and advise on critical financial and strategic matters..

4.5.1 Access to Independent Professional Advice

To fulfill their' responsibilities, strengthen decision making and preserve the independence of the Board, individual directors are encouraged to obtain in dependent professional advice at the Group's expense. This process is commonly managed by the General Manager of the Group.

4.5.2 Continuous Training and Development

GRI 2-17

The Group is committed to continuously enhancing the skills, knowledge, and competencies of all employees, including members of the Board of Directors. Directors are regularly briefed on updates to laws and regulations, tax requirements, and accounting standards during Board meetings or through specially convened sessions. Where necessary, follow-up meetings are arranged to provide directors with additional clarity or deeper insight into specific subject areas.

All newly appointed directors are offered the opportunity to familiarise themselves with the Group's operations, strategies, risks, and key processes, enabling them to gain a comprehensive understanding at their discretion. Directors further benefit from ongoing learning through training programmes conducted by principals, external experts, and internal resource personnel. Training needs are reviewed periodically to ensure timely and relevant development interventions that strengthen the Board's overall effectiveness and governance capacity.

4.6 Board Secretary

S S P Corporate Services Pvt Limited serves as the Board Secretary to the CGE Group. The Board Secretary plays a pivotal role in supporting the Board in the effective discharge of its governance responsibilities and in ensuring adherence to good corporate governance practices.

In this capacity, the Board Secretary provides the Board with timely, accurate, and relevant information relating to the Group's operations, Board procedures, and updates on applicable laws and regulations. Guidance is also offered on matters of strategic and regulatory interest to enable informed decision-making.

Additionally, the Board Secretary is responsible for maintaining comprehensive records of Board proceedings, including minutes of meetings, and ensuring that these records are readily accessible to directors whenever required. This function reinforces transparency, accountability, and the efficient functioning of the Board.

4.7 Changes to the Board

4.7.1. Board Tenure

Executive Directors are appointed and recommended for re-election subject to the recommended Group retirement age. Non-Executive Directors are appointed and recommended for re-election subject to the age limits as per the statutory provisions at the time of their re-appointment.

4.7.2 Re-election / Re-appointment

Annually, 1/3 of the board of directors retire by rotation and remain eligible to present themselves for re-election at the immediate next AGM. Directors who retire are those who have served longest since their appointment or immediate past re-election. Moreover, any new Director who has been appointed to the Board during the year is also required to stand for re-election at the next Annual General Meeting (AGM).

The process of re-electing directors gives the shareholders to the opportunity to review the composition of the Board. The names of the directors eligible for re-election is provided to the shareholders in advance to enable them to make an informed decision concerning their election.

Names of retiring Directors eligible for re-election at the upcoming Annual General Meeting are given in the notable of meetings for the AGM as shown on page 197.

4.8 Timely Supply of Information

All members of the Board are updated and supplied with timely, accurate and comprehensive information to enable them to successfully perform their duties.

Quarterly performance reports are given to Directors, along with any additional reports or documentation considered relevant. The Chairman is responsible for ensuring that all Directors are well informed on matters that come up during meetings, thus enabling individual directors to engage in healthy debate to support objective decision making.

Accordingly, directors have access to:

- Board minutes, reports and agendas which are circulated before Board meetings providing sufficient time period to review and call for any additional information and clarification;
- Clarification on any matter contained in the Board minutes;
- The advice of experts and professionals if and when required;
- Advice and services provided by the Group Secretaries; and
- Information wherever necessary to carry out duties and responsibilities more effectively and efficiently and information updates from management on topical matters, formulation of new regulations and best practices as relevant to the Group's business.

Corporate Governance Review

4.9 Role of Chairman of the Board and the CEO

4.9.1 The Chairman of the Board

GRI 2-12

Non Executive Chairman of the CGE Group Board is Mr. Wickrema Senaka Weerasooria. In his role as Chairman, he leads all Board meetings and ensures that the functions and responsibilities of the Board are effectively discharged by its members.

The Chairman provides strategic oversight of the Board's composition, ensuring an appropriate balance of power between executive and non-executive directors and fostering constructive relationships among all members. Additionally, it is the Chairman's duty to guide directors on their roles, responsibilities, and obligations, ensuring that they are well-informed to contribute effectively to the governance and strategic direction of the Group.

4.9.2 The Chief Executive Officer (CEO)

The CEO of the Group operates under the delegated author of the Board in overseeing the Group's business activities including implementation of business strategies approved by the Board. There is a clear division of responsibilities between the Chairman and the CEO, consistent with best practices, ensuring that no one individual has unfettered power over decision making which confirms the balance of power and authority.

4.9.3 Board Meetings

The Board of Directors of the CGE Group meets at least quarterly to provide effective oversight of the Group's operations, financial performance, and strategic direction. Additional meetings are convened as necessary to address emerging matters or priority issues requiring Board attention. These meetings enable the Board to engage in detailed discussions, monitor progress against key objectives, and address challenges in a timely and informed manner.

To enhance the quality of decision-making, senior executives and relevant members of management are invited to attend Board meetings when their expertise is required in relation to specific agenda items. Their participation ensures that the Board receives comprehensive insights into operational developments, financial performance, strategic initiatives, and risk management, fostering strong collaboration between the Board and the leadership team.

The Chairman plays a central role in ensuring that Board meetings are conducted efficiently and in accordance with best Corporate Governance practices. This includes setting the agenda, leading discussions, and ensuring that all directors have the opportunity to express their views. By fostering an open, transparent, and constructive environment, the Chairman supports robust deliberations and guides the Board in steering the Group towards its long-term strategic objectives.

The Chief Executive Officer provides regular updates during Board meetings on business performance, operational progress, strategic initiatives, and key risks and opportunities. These updates enable the Board to make well-informed decisions and effectively monitor the implementation of strategies across the organisation.

S S P Corporate Services (Private) Limited, the Company Secretaries, facilitate the efficient conduct of Board meetings and ensure that Directors receive timely and accurate information, including Key Performance Indicators (KPIs), prior to meetings. The Board Secretaries are required to prepare the Board pack containing the agenda and any other relevant information, which is then circulated to board members at east 07 days prior to the meeting, giving directors adequate time to prepare for the meeting.

In addition, the General Manager provides regular updates on ongoing business matters and reports on the Group's latest financial position at Board meetings, further supporting informed decision-making and effective oversight.

The Board met four (4) times over the past year to evaluate the overall strategic development of the Group.

Composition of the Board and Board Committees and Attendance at Meetings for 2025

Name of the Director	Expertise Field	Age	Date of Joined	Capacity	No. of Shares Held	Board			Board Committees			
						Position	No. of Meetings Held	No. of Meetings Attended	Audit Committee	Nomination and Governance Committee	Remuneration Committee	Related Party Transactions Review Committee
Mr. Wickrema Senaka Weerasooria	IT, Commercial Law and Science	61	15 Feb 2015	Non-Executive Chairman	2,800	Chairman	4	4	Member	Member	Member	Member
Mr. Cheng Chih Kwong	Accountancy and Business Management	77	Since 1998	Executive Director and Chief Executive Officer	397	Member	4	4	-	-	-	-
Mr. Bernard Cheng Koh Chuen	Business Administration	52	1 Aug 2012	Non-Executive Director	-	Member	4	4	-	-	-	-
Mr. Cheng Eng Loong	Science and Biochemistry	55	1 Aug 2012	Non-Executive Director	-	Member	4	4	-	-	-	-
Mr. Timothy Allan Brent Speldewinde	Accounting	65	1 Jan 2025	Non-Executive Independent Director	-	Member	4	4	Chairman	Member	Member	Chairman
Mr. Indrajit Asela Wickramasinghe	Banking , Business Management	59	1 Jan 2025	Non-Executive Independent Director	-	Member	4	4	Member	Chairman	Chairman	Member

Board Minutes

The Company Secretaries prepare the Board minutes and in the event of a matter not being unanimously adopted at a Board meeting, the concerns expressed in such situations are recorded in the minutes. Minutes of the Board meetings are circulated to all directors and adopted at subsequent Board meetings. Actions are made in response to unresolved issues.

4.9.4 Board Committees

Certain functions of the Board have been assigned to the Board Committees in order to monitor, review and enhance the accountability for several areas which require in-depth skills and knowledge. The Board has the final decision-making rights and responsibilities over these sub-committees, thus upholding the good governance practices of the Group. The five Board sub-committees that have been established are as follows:

I. Remuneration Committee
II. Audit Committee
III. Nomination and Governance Committee
IV. Related-Party Transactions Review Committee
V. Sustainability Committee

Remuneration Committee

The Remuneration Committee has diligently fulfilled its responsibilities during the year, ensuring that executive compensation remains aligned with the Company's performance, long-term strategy, and market benchmarks. The Committee undertook a comprehensive review of the remuneration packages of Executive directors and senior management to maintain competitiveness and relevance in line with industry standards. It also evaluated incentive structures to reinforce a performance-driven culture while safeguarding the interests of shareholders.

In compliance with CSE Listing Rule No. 9.11, the Committee is comprised entirely of Independent Non-Executive Directors, as required under Rule No. 9.11.1. Its composition and activities are aligned with the Code of Best Practice on Corporate Governance, particularly Section 8.3, which underscores the importance of transparency in remuneration policies. The Committee operates under a formally approved Terms of Reference, in accordance with CSE Listing Rule No. 9.12.5.

This committee comprises two (2) Non-Executive Independent Directors one (1) Non-Executive Chairman, one of whom is the Chairman of the Committee. Members of the Remuneration Committee are appointed by the Board. The detailed report by the Remuneration Committee appears on page 218.

Audit Committee

The Audit Committee plays a critical role in upholding the integrity of the Company's financial reporting and ensuring the effectiveness of internal controls. The Committee functions in accordance with a clearly defined Terms of Reference and complies with CSE Listing Rule No. 9.13.2. In keeping with Listing Rule No. 9 of the CSE, the Committee diligently carried out its duties throughout the year, supported by a structured work plan, focused activities, and well-informed deliberations.The Committee assists the Board in discharging its responsibility for the financial reporting process. This Committee consists of two (2) Non-Executive Independent Directors, one of whom is the Chairman of the Committee. Members of the Audit Committee are appointed by the Board. The detailed report by the Audit Committee appears on pages 215 to 217.

Corporate Governance Review

Nomination and Governance Committee

During the year, the Nomination & Governance Committee effectively fulfilled its mandate by overseeing Board nominations, succession planning, and the strengthening of governance practices across the Company. The Committee undertook a structured evaluation of the performance of the Board, its Committees, their respective Chairpersons, and the CEO. It also recommended new Board appointments where necessary and ensured that the Company's governance framework remained strong, aligned with Section A.07 of the Code of Best Practice, and fully compliant with the applicable CSE Listing Rules.The Nomination and Governance Committee consists of one (1) Non-Executive Director and two (2) Non-Executive Independent Directors, one of whom is the Chairman of the Committee. Members of the Nomination and Governance Committee are appointed by the Board. The report by the Nomination and Governance Committee appears on page 220.

Related-Party Transactions Review Committee

The Related-Party Transactions (RPTR) Review Committee is entrusted with ensuring that all related party transactions are conducted in full compliance with CSE Listing Rule No. 09 and LKAS 24, and that such transactions are carried out in a manner that upholds the best interests of the Company and its shareholders. In line with the Corporate Governance requirements under Listing Rule No. 9, the Committee diligently executed its responsibilities during the year, overseeing and reviewing RPTs through a structured programme of activities, evaluations, and informed deliberations. The Related-Party Transaction Review Committee consists of one (01) Executive Director and two (02) Non-Executive Independent Directors, one of whom is the Chairman of the Committee. Members of the Related-Party Transaction. Review Committee are appointed by the Board. The report by the Related-Party Transaction Review Committee appears on page 221

In accordance with the Terms of Reference as set out by the Board, the above sub-committees carry out their duties and responsibilities. The proceedings of their meetings are regularly communicated to the Board.

Sustainability Committee

The Sustainability Committee is responsible for the implementation of sustainability initiatives within CGE Group. Members of the Sustainability Committee are appointed by the Board. This Committee consists of one (1) Non–Executive Director and two (02) Independent Non-Executive Directors ,one of the whom is the chairman of the Committee. The report by the Sustainability Committee appears on page 249.

Management Committee / HOD Meetings

CGE has established a structured management oversight mechanism through its monthly Heads of Department (HOD) Meetings, which act as the central forum for reviewing operational performance, resolving challenges, and steering organisational progress. This committee-style platform enhances cross-functional coordination while reinforcing the effective execution of Corporate Governance across the Company.

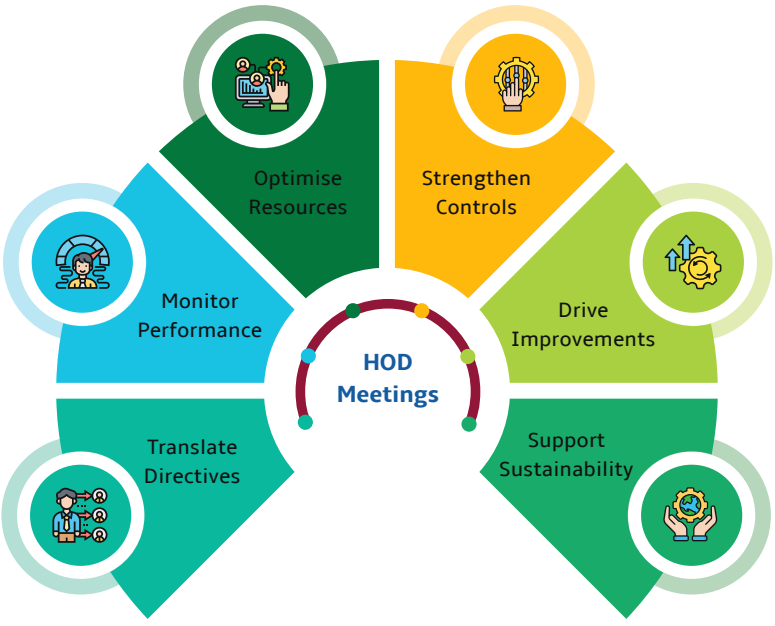
The HOD Meeting comprises senior management representatives, including all departmental heads from key operational and support functions. Their collective expertise ensures that decisions are well-grounded, practical, and aligned with the Company's strategic priorities.

The Committee is chaired by the General Manager, who provides strategic direction and guides discussions to ensure that organisational priorities, performance objectives, and compliance responsibilities are consistently upheld.

Role and Responsibilities

The HOD Meetings serve as the Company's core management forum, responsible for:

- Translating Board directives into clear and actionable operational plans.
- Monitoring departmental performance, identifying risks, and prioritising critical issues.
- Ensuring optimal resource utilisation and strong coordination between operational and support units.
- Reinforcing internal controls and governance practices through timely reviews and follow-up actions.
- Driving continuous improvement by identifying gaps, recommending solutions, and ensuring accountability.
- Supporting the implementation of sustainability initiatives, including ESG-related objectives across departments.



Key Functions of the Committee

- Reviewing monthly operational performance, budgets, and KPIs.
- Identifying emerging challenges and ensuring prompt corrective actions.
- Enhancing inter-departmental collaboration for process efficiency and workflow improvements.
- Overseeing implementation of company-wide policies, SOPs, and regulatory requirements.
- Monitoring progress of strategic projects, digitisation efforts, and system upgrades.
- Ensuring alignment between day-to-day operations and the Company's long-term strategic goals.

5. Shareholder / Investor Relationship

Stakeholder relations are a vital component of CGE's corporate governance mechanism.

The primary means of communication between the Group and its stakeholders is via the Annual and Quarterly Financial Reports and the Annual General Meeting (AGM).

5.1 Release of Information to the Public and CSE

All material and price-sensitive information is communicated to the CSE in a timely and accurate manner to minimise the information gap among shareholders / investors and the Group.

5.2 Annual General Meetings (AGM)

Effective relationships with shareholders are maintained through the AGM which provides all shareholders the opportunity to vote and raise specific queries regarding the Group's operations.

5.3 Serious Loss of Capital

In the unlikely event of the Group's net assets value falls below half of the stated capital, all shareholders would be duly notified at an Extraordinary General Meeting (EGM) in terms of Section 220 of the Companies Act No. 7 of 2007.

5.4. Going Concern

The Company always maintains sufficient financial resources along with a diversified business model and a range of related businesses. The Board of Directors, on the recommendations of the Audit Committee, is satisfied that the Company has sufficient resources to continue its operation as a going concern for the short-term. Thus, the Company will continue to adopt a going concern stance in the preparation of the final accounts.

6. Best Practices

CGE's governance practices are based on the Group's core beliefs of corporate sustainability through good governance practices. In addition to being fully compliant with the regulatory requirements relating to good governance, the CGE Group Board strongly believes that best practices reaffirms the commitment to sustainable growth and shareholder satisfaction.

6.1 Regulatory Framework

CGE practice Corporate Governance through a well-structured regulatory framework that consists of statutes, regulations, codes, internal and external governance systems and controls and certification mechanisms on page 184.

6.2 Compliance and Adherence

Compliance with mandatory and voluntary regulatory governance requirements are established via an effective monitoring mechanism to support timely review of the governance structure and assessment of the level of adherence to specific provisions by the Board of Directors and specific sub-committees. The level of compliance is stated in the table appearing on page 185.

Corporate Governance Review

7. Internet of Things and Cybersecurity

7.1 Board Responsibility

7.1.1 Cybersecurity and IT Governance

CGE maintains a robust Cybersecurity and IT Governance framework designed to safeguard the integrity, confidentiality, and availability of the Group's information systems. In line with global best practices and the Group-wide Cybersecurity and Protection Policy, CGE ensures that both technical infrastructure and employee behaviours are aligned to effectively prevent, detect, and respond to cyber threats.

7.1.2 Governance and Oversight

The Board closely monitors developments in digital technology and cybersecurity risks, ensuring that IT systems remain resilient and support operational excellence. Oversight of cybersecurity is entrusted to the General Manager / Country IT Head, a qualified IT professional responsible for:

- Developing the IT budget and presenting IT risk management policies for Board approval.
- Implementing IT General and Application Controls to protect confidential and operationally sensitive information.
- Ensuring adherence to the Group's Cybersecurity and Protection Policy across all locations.

7.1.3 Cybersecurity and Protection Policy

CGE has implemented a comprehensive cybersecurity infrastructure across the Prima Group, including:

- Next-generation firewalls with behavioural threat detection and continuous self-updates.
- Intrusion Prevention Systems (IPS) integrated within firewalls, supplemented by dedicated IPS solutions where public-facing applications are hosted.
- Advanced endpoint protection with self-learning detection capabilities, uniform deployment across all users, and restricted administrator privileges.
- Secure network architecture, including segregated server networks, DMZ configurations for web services, and mandatory VPN with multi-factor authentication (MFA) for remote access.
- Email security solutions to filter and block malicious incoming communications.

In addition, the Group ensures that all hardware, operating systems, and software applications are promptly updated with vendor-released security patches. Legacy systems with no vendor support are isolated to minimise exposure to cyber threats.

7.1.4 Human-Centric Security Practices

Recognising that cybersecurity also relies on employee behaviour, CGE enforces mandatory safe-practice guidelines across all staff, including:

- Avoiding suspicious links, attachments, and unverified instructions in emails.
- Verifying unusual requests received via email or messaging channels.
- Restricting the use of external software, unauthorised wireless devices, and unsafe website downloads.
- Participating in quarterly simulated phishing campaigns, with mandatory awareness training for staff who fail security tests.

This Group-wide emphasis ensures a strong security culture complemented by rigorous technical controls.

Business Continuity and Recovery

While no system can guarantee absolute protection, CGE maintains a formal Backup and Recovery Procedure designed to ensure continuity of mission-critical operations in the event of a cyber incident or disaster. These systems undergo periodic testing to ensure readiness and effectiveness.

7.1.5 Effectiveness of Cyber-Security Risk Management

The Board periodically reviews the effectiveness of the Group's cybersecurity risk management systems and receives assurance through structured reporting and evaluations.

For further information on the cybersecurity risk identification process, please refer to the Risk Management Report on page 234.

7.2 AI Governance and Responsible Use Policy

CGE has adopted a AI Governance and Responsible Use Policy to ensure that Artificial Intelligence technologies are used safely, ethically, and in a manner that supports operational excellence. The Policy enables employees to utilise approved AI tools to enhance productivity and innovation, while safeguarding the confidentiality, integrity, and privacy of Company information.

The Policy applies to all employees of the Prima Group across Singapore, Sri Lanka, China, and Australia covering permanent, contract, and part-time

staff. It clearly outlines the types of AI tools that may be used for work purposes, including Company-subscribed AI solutions and certain approved Generative AI platforms provided they are used responsibly.

To ensure responsible AI use, employees are required to exercise professional judgment, verify outputs generated by AI, and refrain from using AI for unethical, harmful, or non-compliant activities. Strict guidelines prohibit the submission of confidential, sensitive, or personal data including information shared under NDAs into any AI system, particularly public platforms.

The Policy underscores the importance of maintaining data security, preventing misuse, and ensuring compliance with applicable laws, regulations, and contractual obligations. Employees are encouraged to seek clarification from Group IT where necessary.

CGE will review and update the AI Governance Policy periodically to remain aligned with evolving technologies, regulatory expectations, and best practices.

The number of IT-related training sessions conducted – 24

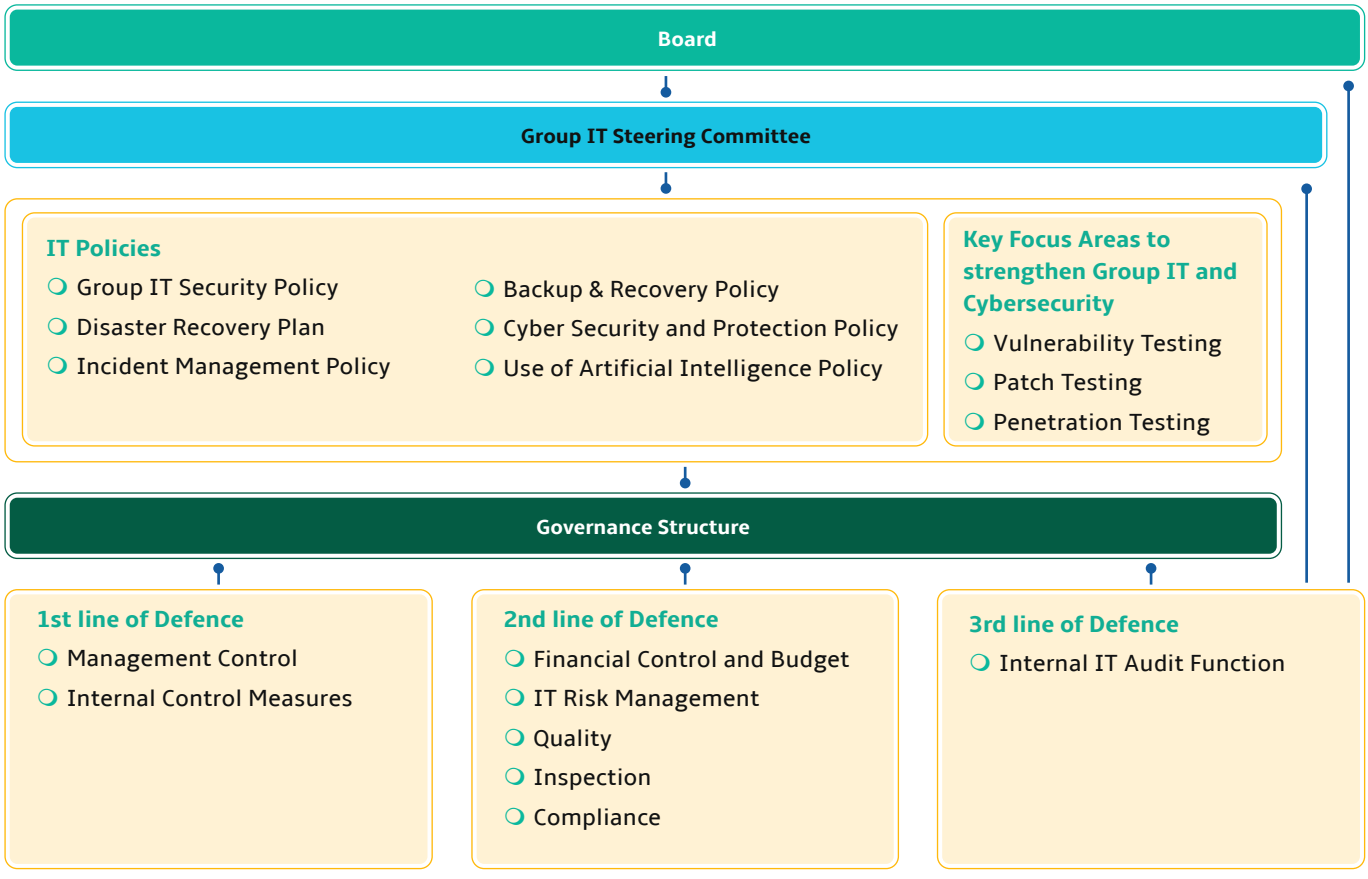
Cybersecurity and data protection training conducted – 04

7.3 Group IT Steering Committee

The Group IT Steering Committee is responsible on ensuring the governance framework via implementing IT best practices within the Group and minimizing the IT operational risk. The Committee is further overseeing the large investments in ICT and the emerging technologies for upgrade the existing technology within the Group and optimises the IT performance.

7.4 IT Governance Structure

The Group IT maintains strong governance structure as in below inclusive of 3 lines of defense model governance, policies and procedures within Group of Companies.



Corporate Governance Review

8. Environment, Social and Governance (ESG)

GRI 2-9, 12, 13, 14

By incorporating ESG principles into its risk assessment and strategic decision-making processes, the Company not only mitigates sustainability-related risks but also identifies and seizes opportunities that contribute to long-term value creation. This comprehensive and forward-thinking alignment reinforces the sustainability of operations, ensuring resilience to emerging challenges while fostering stakeholder trust and maintaining a competitive advantage in the marketplace.

ESG considerations form an integral part of CGE's long-term business strategy and overall value-creation process. Guided by the respective Sustainability Team Heads, the Board continuously reviews, identifies, and responds to ESG-related risks and opportunities that influence CGE's performance across the short, medium, and long term.

CGE's Sustainability Governance Structure

To proactively prepare for these regulatory changes and to embed sustainability into its core business operations, CGE has established a strong internal governance framework for sustainability.

Establishment of the Sustainability Committee

Formed in February 2024, the Sustainability Committee is responsible for guiding the Company's sustainability journey. The Committee ensures that CGE's practices are aligned with global sustainability frameworks, including SLFRS S1 and SLFRS S2, while driving the integration of Environmental, Social, and Governance (ESG) considerations into business operations.

Further details can be found in Note 6: Sustainability and Climate-related Governance under the SLFRS Sustainability-related Financial Disclosures.

In alignment with the new Corporate Governance listing rules issued by the CSE in 2024, the Board formally approved a Policy on Environmental, Social, and Governance (ESG) Sustainability. This policy was implemented with effect from September 2024, reflecting the Company's commitment to sustainable and responsible business practices.

8.1 Provision of Information to Investors

The Company has included environmental, social and governance factors in its business models and provides sufficient information on the Annual Report can be found under "Approach to Sustainability and Commitment to the SDGs," available on pages 249 to 253.)

8.2.The Environment

The Group adopts an integrated approach that mitigates environmental threats and improves best practices in the Group's engagements to fulfill its obligation towards the environment. Such best practices include pollution prevention, sustainable use of resources, protection of the environment and bio-diversity and restoration of natural resources.

8.3 Social Factors

The Group adopts an integrated approach to build a strong relationship with the community and strives towards sustainable development.

8.4 Governance

The Group established a governance structure to support its ability to create value and manage risks on all pertinent aspects of ESG. As part of its commitment to long-term value creation, the Board actively monitors and directs the identification, evaluation, and management of Sustainability Related Risks and Opportunities (SRROs) including Climate Related Risks and Opportunities (CRROs) such as physical risks, from extreme weather events and transition risks related to evolving regulatory frameworks.

9. Disclosures

The tables given below provide relevant details and disclosures mandated by the Companies Act No. 7 of 2007 and the Listing Rules of CSE.

9.1 Disclosures Required by the Companies Act No. 7 of 2007

Section Reference	Requirement	Annual Report Reference
168 (1) (a)	The nature of the business of the Group and the Group together with any change there of during the accounting period	Page 320
168 (1) (b)	Signed Financial Statements of the Group and the Company for the accounting period completed	Pages 328 to 385
168 (1) (c)	Auditor's Report on Financial Statements of the Group and the Company	Page 324 to 327
168 (1) (d)	Accounting policies and any changes therein	Pages 332 to 345
168 (1) (e)	Particulars of the entries made in the interest register during the accounting period	Page 320
168 (1) (f)	Remuneration and other benefits paid to directors of the Group during the accounting period	Page 380
168 (1) (g)	Corporate donations made by the Group during the accounting period	Page 320
168 (1) (h)	Information on the Directorate of the Group and its subsidiaries during and at the end of the accounting period	Pages 14 to 15
168 (1) (i)	Amounts paid / payable to the External Auditor as audit fees and fees for other services rendered during the accounting period	Page 349
168 (1) (j)	Auditor's relationship or any interest in the Group and its subsidiaries	Page 321
168 (1) (k)	Acknowledgement of the contents of this Report and Signatures on behalf of the Board	Pages 322 to 323

9.2 Disclosures Required by Section 9 of the Listing Rules of the Colombo Stock Exchange

Rule No.	Subject	Requirement	Compliance Status	Remarks
Disclosures Regarding Board of Directors				
9.2.1	Policies	Listed Entities shall establish and maintain the 12 policies and disclose the fact of existence of such policies together with the details relating to the implementation of such policies by the Entity on its website;	Compliant	Corporate Governance Review - Page 184
9.3.3	Chairperson of the Board of Director	Chairperson of the Board of Directors cannot be the chairperson of 1) Nominations and Governance Committee, 2) Remuneration Committee, 3) Audit Committee, 4) Related-Party Transaction Review Committee	Compliant	Mr. Wickrama Senaka Weerasooria, Chairman does not hold chairmanship in any committee
9.6.1	Chairperson and CEO Duality	The Chairperson of every Listed Entity shall be a Non-Executive Director and the positions of the Chairperson and CEO shall not be held by the same individual unless otherwise a SID is appointed by such entity.	Compliant	Mr. Wickrama Senaka Weerasooria, is a Non-Executive Chairman and the positions of the Chairperson and CEO shall not be held by the same individual
9.7.2	Fitness of Directors and CEO	Listed entities shall ensure that persons recommended by the Nominations and Governance Committee as directors are fit and proper as required in terms of these Rules	Compliant	Declaration as per the listing rules related to fit and proper assessment criteria has been obtained and ensured that the said criteria are met by all the directors

Corporate Governance Review

Rule No.	Subject	Requirement	Compliance Status	Remarks
9.8.1	Minimum Directors	The Board of Directors of a Listed Entity shall, at a minimum, consist of five (05) Directors	Compliant	Corporate Governance Review - Page 184
9.8.2(a)	Independent Directors	The Board of Directors of Listed Entities shall include at least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors of the Listed Group at any given time, whichever is higher.	Compliant	Corporate Governance Review - Page 184
9.8.3(ix)	Independence Criteria	Revision to Independence Criteria as prescribed in this rule.	Compliant	Mr. Wickrama Senaka Weerasooria, ceased from an Independent Non-Executive Chairman with effect from 31st December 2024 and positioned as Non-Executive Chairman with effect from 1st January 2025. Mr. I. A. Wickramasinghe and Mr. T. A. B. Speldewinde are appointed as the new Independent Non-Executive Directors with effect from 1st January 2025
9.8.5 (a)	Independent Directors	Each Non-Executive Director should submit a declaration of independence / non-independence in the prescribed format annually.	Compliant	Non-Executive Directors have submitted declarations during the year 2025
9.10.2 (i-iii)	New appointment of Directors	A brief resume of the newly appointed Directors should be provided to the Colombo Stock Exchange for dissemination to the public.	Compliant	Board of Directors - Pages 14 to 15
9.10.4(a-i)	The Disclosures Related to Directors	A brief resume of each director should be included in the Annual Report including the area of his / her expertise. Disclosure on material business relationship with other directors of the Company Committee Meeting Attendance & the position bearing of each board committee	Compliant	Board of Directors - Pages 14 to 15 Report of the Board of Directors on the State of Affairs of the Group - Pages 320 to 322 Committee Reports -Pages 215 to 222
Disclosures Regarding the Nomination and Governance Committee				
9.11.1	Nomination and Governance Committee	Listed Entities shall have a Nominations and Governance Committee.	Compliant	Nomination & Governance Committee Report - Page 220
9.11.4	Composition of Nomination and Governance Committee	The members of the Nominations and Governance Committee shall comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity and not comprise of Executive Directors of the Listed Entity.	Compliant	Nomination & Governance Committee Report - Page 220

Rule No.	Subject	Requirement	Compliance Status	Remarks
9.11.5	Functions of the Nomination and Governance Committee	i. Evaluate the appointment of Directors to the Board of Directors and Board Committees of the Listed Entity. ii. Consider and recommend the re-appointment/re-election of current Directors iii. Establish and maintain formal and transparent procedure/criteria to evaluate, select and appoint/re-appoint Directors of the Listed Entity. iv. Develop succession plan for Board of Directors and Key Management Personnel of the Listed Entity v. Review and recommend the overall corporate governance framework of the Listed Entity taking into account the Listing Rules of the Exchange, other applicable regulatory requirements and industry/international best practices.	Compliant	Nomination & Governance Committee Report - Page 220
9.11.6	Disclosure in Annual Report	a) the names of the Chairperson and members of the Committee and the nature of directorships held by such members); b) the date of appointment to the Committee; c) whether a documented policy and processes are in place when nominating directors; d) whether all directors should be required to submit themselves for re-election at regular intervals and at least once in every three (3) years; e) a disclosure on Board diversity in the range of experience, skills, age, and gender as an essential factor for effective Board performance;	Compliant	Nomination & Governance Committee Report - Page 220
Disclosures Regarding the Remuneration Committee				
9.12.2	Remuneration Committee	A Listed Company shall have a Remuneration Committee.	Compliant	Remuneration Committee Report - Page 218
9.12.6(1) (a)	Composition of Remuneration Committee	The members of the Remuneration Committee shall comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity.	Compliant	Remuneration Committee Report - Page 218
9.12.7 (2)	Functions of the Remuneration Committee	The Remuneration Committee shall recommend the remuneration of the Chief Executive Officer and Executive Directors.	Compliant	Remuneration Committee Report - Page 218

Corporate Governance Review

Rule No.	Subject	Requirement	Compliance Status	Remarks
9.12.8	Disclosure in Annual Report	a) Names of the Chairperson and members of the Remuneration Committee and the nature of directorships held by such members (b) A statement regarding the remuneration policy (c) The aggregate remuneration of the executive and non-executive directors	Compliant	Remuneration Committee Report - Page 218
Disclosures Regarding the Audit Committee				
9.13.1	Audit Committee	A Listed Company shall have an Audit Committee.	Compliant	Audit Committee Report - Pages 215 to 217
9.13.3 (1) and 9.13.3 (7)	Composition of the Audit Committee	The Committee shall comprise of Non-Executive Directors, the majority of whom shall be independent. The Chairman of the Committee should be a Member of a recognised professional accounting body	Compliant	Audit Committee Report - Pages 215 to 217
9.13.4(1)	Functions of the Audit Committee	a. Oversee the Entity's compliance with financial reporting requirements, information requirements under these Rules, the Companies Act and the SEC Act and other relevant financial reporting related regulations and requirements.	Compliant	Audit Committee Report - Pages 215 to 217
		b. Review the quarterly results and year-end Financial Statements with special reference to major accounting policy changes, significant management judgements, conflict of interest situation and external auditor resignation and re-appointment.	Compliant	Audit Committee Report - Pages 215 to 217
		c. To make recommendations to the Board pertaining to appointment, re-appointment and removal of external auditors and to approve the remuneration and terms of engagement of the external auditors.	Compliant	Audit Committee Report - Pages 215 to 217
		d. Obtain and review the assurance received from CEO and FC on the financial records which have been properly maintained and given a true and fair view of the Company's operations and finances.	Compliant	Audit Committee Report - Pages 215 to 217
		e. Review processes to ensure the adequacy of CGE's internal controls and risk management procedures, risk policies to meet the requirements of the Sri Lanka Auditing Standards and to prevent the leakage of material information to unauthorised persons.	Compliant	Audit Committee Report - Pages 215 to 217

Rule No.	Subject	Requirement	Compliance Status	Remarks
		f. Take prompt corrective action to mitigate the effects of specific risks in the case such risks are at levels beyond the prudent levels decided by the committee on the basis of the Listed Entity's policies and regulatory requirements.	Compliant	Audit Committee Report - Pages 215 to 217
9.13.5	Disclosure in Annual Report relating to the Audit Committee	a. Names of Directors comprising the Audit Committee.	Compliant	Audit Committee Report - Pages 215 to 217
		b. The Audit Committee shall make a determination of the independence of the Auditor and disclose the basis for such determination.	Compliant	Audit Committee Report - Pages 215 to 217
		c. The Annual Report shall contain a Report of the Audit Committee setting out the manner of compliance with their functions.	Compliant	Audit Committee Report - Pages 215 to 217
Disclosures Regarding Related-Party Transactions Review Committee				
9.14.2	Composition of the Related-Party Transactions Review Committee (RPTRC)	The Related-Party Transactions Review Committee shall comprise of a minimum of three (03) Directors of the Listed Entity, out of which two (02) members shall be Independent Directors of the Listed Entity	Compliant	Related-Party Transactions Review Committee Report - Pages 221 to 222
9.14.3	Functions of the Related-Party Transactions Review Committee (RPTRC)	1) Reviewing the Related-Party Transactions as set out (2) Ensuring interests of shareholders as a whole are taken into account by a Listed Entity when entering into Related Party Transactions and to prevent Directors, CEOs or Substantial Shareholders taking advantage of their positions. (3) Ensure the objective and the economic and commercial substance of the Related-Party Transactions should take precedence over the legal form and technicality. (4) Establish and maintain a clear policy, procedure and process in place for the identification, clarification and reporting the Related-Party Transactions on an end-to-end basis across the entity's operations.	Compliant	Related-Party Transactions Review Committee Report - Pages 221 to 222

Corporate Governance Review

Rule No.	Subject	Requirement	Compliance Status	Remarks
9.14.4	General Requirements	1) The Related-Party Transactions Review Committee shall meet at least once a calendar quarter. It shall ensure that the minutes of all meetings are properly documented and communicated to the Board of Directors. (2) The members of the Related-Party Transactions Review Committee should ensure that they have, or have access to, enough knowledge or expertise to assess all aspects of proposed Related-Party Transactions, and where necessary, should obtain appropriate professional and expert advice from an appropriately qualified person. (3) Where necessary, the Committee shall request the Board of Directors to approve the Related-Party Transactions which are under review by the Committee. In such instances, the approval of the Board of Directors should be obtained prior to entering into the relevant Related-Party Transaction.	Compliant	Related-Party Transactions Review Committee Report - Pages 221 to 222
9.14.5	Review of Related Party Transactions by the Related-Party Transactions Review Committee	Subject to the exemptions given in terms of Rule 9.14.10, the Related Party Transactions Review Committee shall review in advance all proposed Related-Party Transactions	Compliant	Related-Party Transactions Review Committee Report - Pages 221 to 222
Disclosures Required by Section 9.14.7 of the Listing Rules of the CSE				
9.14.7 (1)	Immediate disclosure	(a) of any non-recurrent Related-Party Transaction with a value exceeding 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements; or (b)of the latest transaction, if the aggregate value of all non-recurrent Related-Party Transactions entered into with the same Related-Party during the same financial year amounts to 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements.	Compliant	Related-Party Transactions Note in the Financial Statements- Page 221

Rule No.	Subject	Requirement	Compliance Status	Remarks
9.14.8 (1)	Disclosure in the Annual Report	In the case of non-recurrent Related Party Transactions, if the aggregate value of the non-recurrent Related-Party Transactions exceeds 10% of the equity or 5% of the Total Assets whichever is lower, of the Listed Entity according to the latest Audited Financial Statements.	Compliant	Related-Party Transactions Note in the Financial Statements - Page 221
9.14.8 (2)	Disclosure in the Annual Report	In the case of recurrent Related-Party Transactions, if the aggregate value of the recurrent Related-Party Transactions exceeds 10% of the Gross revenue / income as per the latest Audited Financial Statements.	Compliant	Related-Party Transactions Note in the Financial Statements - Page 221
9.14.8 (3)	Disclosure in the Annual Report	Annual Report shall contain a report compiled by the RPTR Committee including the following: ❍ Names of the Directors who are in the Committee; ❍ Statement about related-party transactions reviewed during the financial year; ❍ Policies and procedures adopted by the RPTRC.	Compliant	Related-Party Transactions Review - Pages 221 to 222
9.14.8 (4)	Disclosure in the Annual Report	A declaration by the Board of Directors as an affirmative statement of compliance with the rules pertaining to Related-Party Transactions or a negative statement in the event the Entity has not entered into any Related-Party Transactions.	Compliant	Report of the Board of Directors on the State of Affairs of the Group - Pages 320 to 322
9.14.9	Acquisition and disposal of assets from /to related parties	Acquisition and disposal of assets from /to related parties except for transactions set out in Rule 9.14.10 shall be obtained competent independent advice and referred to board approval	Compliant	No acquisition or disposal of substantial assets from/to related parties took place during the year under review.
9.17	Additional Disclosures	i) All material interests in contracts involving in the Entity and whether they have refrained from voting on matters in which they were materially interested; iv) Disclosure of relevant areas of any material non-compliance with law or regulation and any fines	Compliant	Report of Board of Directors on the State of Affairs of the Group - Page 320-322 Statement of the Directors' Responsibility - Page 323

Corporate Governance Review

9.3 Disclosures Required by the Code of Best Practice on Corporate Governance Jointly Issued by SEC and CA Sri Lanka 2017 (Amended 2023)

Rule No.	Subject	Compliance Status	Reference
A	**Directors**		
A.1	The Board	Yes	Corporate Governance Review - Section 4
A.2	Chairman and Chief Executive Officer	Yes	No one individual has unfettered powers of decision-making.
A.3	Chairman's Role	Yes	Corporate Governance Review - Section 4.9.1
A.4	Financial Acumen	Yes	Corporate Governance Review
A.5	Board Balance	Yes	Corporate Governance Review - Section 4.3
A.6	Supply of Information	Yes	Corporate Governance Review - Section 4.8
A.7	Appointments to the Board	Yes	Corporate Governance Review - Section 4.10.2. Nomination and Governance Committee Report, Board of Directors - Pages 14 to 15
A.8	Re-election	Yes	Corporate Governance Review - Section 4.7.2
A.9	Appraisal of Board Performance	Yes	Corporate Governance Review - Section 4.4
A.10	Disclosure of Information in respect of Directors	Yes	Board of Directors - Pages 14 to 15
A.11	Appraisal of Chief Executive Officer	Yes	Corporate Governance Review - Section 4.4
B	**Directors' Remuneration**		
B.1	Remuneration Procedure	Yes	Corporate Governance Review - Section 4.10.2, Remuneration Committee Report - Page 218
B. 2	The Level and Makeup of Remuneration	Yes	Corporate Governance Review - Section 4.10.2, Remuneration Committee Report - Page 218
B.3	Disclosure of Remuneration	Yes	Corporate Governance Review - Section 4.10.2, Remuneration Committee Report - Page 218
C	**Relations with Shareholders**		
C.1	Constructive Use of the AGM and Conduct of General Meetings	Yes	Corporate Governance Review - Section 5
C.2	Communication with Shareholders	Yes	Corporate Governance Review - Section 5
C.3	Major and Material Transactions	Yes	Notes to the Financial Statements

Rule No.	Subject	Compliance Status	Reference
D	**Accountability and Audit**		
D.1	Financial and Business Reporting (The Annual Report)	Yes	Corporate Governance Review - Section 4.1, Report of the Board of Directors on the State of Affairs of the Group, Statement of the Directors' Responsibility, Independent Auditor's Report, Management Discussion and Analysis, Notes to the Financial Statements relating to Related-Party Transactions.
D.2	Risk Management and Internal Control	Yes	Risk Management Review, Corporate Governance Review - Section 3.1.2.2
D.3	Audit Committee	Yes	Audit Committee Report - Pages 215 to 217
D.4	Risk Committee	Yes	Risk and Opportunity Management Report - Pages 223 to 246
D.5	Related Party Transactions Review Committee	Yes	Related-Party Transactions Review Committee Report - Pages 221 to 222
D.6	Code of Business Conduct and Ethics	Yes	Corporate Governance Review - Section 3.1.2.3 and 6
D.7	Corporate Governance Disclosures	Yes	Corporate Governance Review
E	**Institutional Investors**		
E.1	Shareholder Voting	Yes	Corporate Governance Review - Section 5, Institutional Investors are encouraged to provide feedback on the governance arrangements.
E.2	Evaluation of Governance Disclosures	Yes	Corporate Governance Review
F	**Other Investors**		
F.1	Investing / Divesting Decisions	Yes	The extensive nature of the information given in the Annual Report assists the shareholders in carrying out adequate analysis when making their decisions.
F.2	Shareholder Voting	Yes	Proxy Form
G	**Internet of Things and Cybersecurity**	Yes	Corporate Governance Review - Section 7
H	**Environmental, Societal, and Governance (ESG)**	Yes	Corporate Governance Review - Section 8
I	**Special Considerations for Listed Entities**	Yes	Corporate Governance Review - Section 9.2

Corporate Governance Review

9.4 Disclosures Specified by section 7.6 of the Listing Rules of the Colombo Stock Exchange

1. Disclosures specified by Section 7.6 of the Listing Rules of the Colombo Stock Exchange are contained in this Annual Report.
2. There is no evidence of the book value being substantially different from the market value of land and other fixed assets of the Group or its subsidiaries

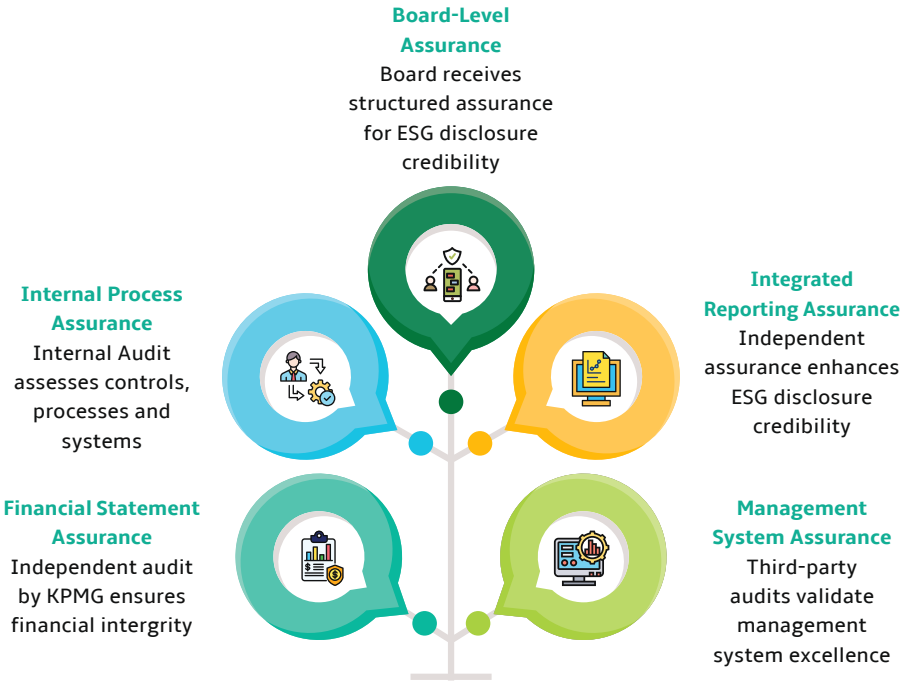
10. Assurance

GRI 2-5

Assurance is a vital element of CGE's governance framework, providing confidence that the Company's systems, controls, and reporting practices operate with integrity and transparency. It enables CGE to proactively identify risks, strengthen accountability, and uphold sound governance principles across all functions.

CGE adopts a structured and multi-level assurance approach, which includes internal audits, compliance reviews, risk-based assessments, and periodic external evaluations. These processes validate the reliability of financial reporting, operational controls, IT and data protection measures, and adherence to regulatory and industry requirements.

From 2025 onwards, CGE has further strengthened its assurance landscape by obtaining independent sustainability assurance. This covers sustainability disclosures aligned with SLFRS S1 and S2, as well as key reporting frameworks such as the Global Reporting Initiative , Sustainability Accounting Standards Board (SASB), and the <IR> Framework. This additional layer of assurance enhances the credibility of CGE's environmental, social, governance, and climate-related reporting.



11. Human Resource Governance

CGE's Human Resource Governance framework designed to support a fair, transparent, and performance-driven work environment. The framework ensures that employees have clear channels to raise concerns, access guidance, and engage with management at all levels. CGE encourages an environment of openness and mutual respect, where employee welfare and development remain key priorities.

The Company utilises an integrated HR management system that supports core HR functions. This system enables timely decision-making, strengthens data integrity, and enhances the overall employee experience.

CGE also places a strong emphasis on employee development, ensuring that training, leadership development, and capability-building initiatives are aligned with organisational goals and future talent needs.

Further insights into our people-focused initiatives and performance can be found under “Human Capital,” on pages 135 to 162.

12. Tax Governance

CGE promotes responsible tax practices and aligns closely with the Group’s broader ESG commitments. The framework emphasises compliance, transparency, and strong stakeholder engagement, ensuring that all tax-related decisions support sustainable business practices, uphold societal expectations, and reflect ethical corporate conduct.

Key elements of the framework include:

- Continuous compliance with local and international tax laws to prevent non-compliance and reputational risk.
- Transparent tax disclosures, providing stakeholders with clear insight into the Company’s tax strategy and practices.
- Strong accountability, ensuring tax obligations are fulfilled responsibly, balancing the interests of shareholders with wider societal responsibilities.
- Voluntary compliance and efficient tax management as central pillars of the Group’s tax strategy.
- A decentralised tax structure, through which specialised expertise is developed within each industry group. This ensures effective execution of the tax strategy, full compliance with evolving legislation, and proactive management of tax risks across the Group.

Corporate Governance Review

Driving Sustainable Value through Governance

Sustainable Value Creation, Cost Optimisation & Efficient Operations

- Long-term strategic planning aligned with market trends
- Business diversification & new market entry
- Investment in technology, process innovation, and efficiency
- Major capital project evaluation and resource allocation
- Monthly & quarterly financial performance reviews
- Working capital & cash flow management
- Cost optimisation initiatives
- Credit control, procurement, and AP/AR efficiency
- Treasury oversight & liquidity planning
- Reliable financial reporting and disclosures

Customer-Centric Value Delivery

- Long-term strategic planning aligned with market trends
- Business diversification & new market entry
- Investment in technology and process innovation (to enhance customer experience)
- Transparent communication with stakeholders

Human Capital & Workplace Wellbeing

- Board composition & succession planning
- Board/Committee evaluations
- Director training & leadership development programmes
- Oversight of ethics, organisational culture, and ESG commitments

Environmental Sustainability & Climate Action

- ESG integration into strategic decisions
- Strengthening the ERM framework
- Monitoring ESG, operational, and strategic risks
- Compliance with laws, regulations, and SLFRS S1 & S2
- Internal audits and control improvements
- Crisis management, business continuity, and cybersecurity
- Corporate reporting & sustainability disclosures

Financial Capital

- Year-on-year Revenue Growth – 24% (2024-22%)
- NPAT - Rs. 4.12 Bn (2024- 3.14 Bn)
- Total Assets Rs. 25.89 Bn (2024 - Rs. 23.11 Bn)
- Group earnings per share (EPS) - Rs. 57.68 (2024 - Rs. 40.28)
- Dividend per share - Rs. 15.00 (2024 - Rs. 23.00)
- Dividend Payout Ratio (%) - 30.33 (2024 - 74.58)
- Taxes Paid – Rs. 1,100.5 Mn (2024 - Rs. 1,164.1 Mn)

Manufactured Capital

- Asset turnover Ratio – 1.22
- Plant Utilisation – < 60%
- Approx. Rs. 3.0 Bn Investment in Chicken Processing Plant Automation
- Approx. Rs. 600.0 Mn Investment in New GP Fram
- Rs. 47.0 Mn Invested in IT system
- Upgrade Rs. 215.0 Mn invested in constructing EC Houses

Human Capital

- Zero incidents of discrimination (maintained from 2024).
- Employee receiving performance evaluation – 100%
- Zero incidents of child labour
- Zero Incidents of Non-compliance of Regulations
- 70% Employees serving the Company for over 5 Years
- Rs. 558.6 Mn Workmen's Insurance Cover

Social & Relationship Capital

- Obtained FSSC 22000 certification for food safety
- 95% of Customer Satisfaction Index
- Reported zero incidents of non-compliance related to marketing communications in 2025
- Rs. 1.9 Mn spent on community initiatives

Intellectual Capital

- FSSC 22000 Certification
- Introduced 02 new products
- Initiatives for Business
- Continuity Management
- System (BCMS) aligned with ISO 22301:2019
- Introduced A new Weighing System which reduces manual intervention

Natural Capital

- Calculated the carbon footprint of 1 kg of chicken product
- Initiated Scope 3 carbon emissions assessment
- Completed ISO 50001 Energy Management pilot Project
- Implemented zero polythene initiatives
- Introduced a food waste measurement and dashboard system
- Conducted a Water Footprint Assessment
- Invested Rs. 42.0 Mn in renewable energy

Audit Committee Report

The Audit Committee functions as a sub-committee of the Main Board, overseeing financial and related activities to provide additional assurance on the reliability of the Financial Statements through an independent and objective review process. It is further entrusted with ensuring the overall quality of financial reporting and the accuracy and clarity of related communications to shareholders and the public.

Composition of the Committee

The Committee comprise of two (2) Non-Executive Independent Directors as at 31st December 2025 complying with Listing Rule No 9.13.3 of the Colombo Stock Exchange.

Committee Members

Mr. T. A. B. Speldewinde
Chairman
Non-Executive Independent Director

Mr. Wickrema Senaka Weerasooria
Member
Non-Executive Chairman

Mr. I. A. Wickramasinghe
Member
Non-Executive Independent Director

Mr. Dharshana De Silva
Secretary to the Committee
Assistant Group General Manager

The Group General Manager,General Manager,Financial Controller and any other officers as may be required by the Committee attend the meetings by invitation.

Financial Acumen of the Committee

The Chairman and other Members of the Audit Committee possess the necessary financial acumen to review, understand and interpret financial and other related information, identify any deviation or non-compliance with the reporting requirements, as well as to determine any misuse of the Company assets.

The Chairman of the Committee, Mr. T. A. B. Speldewinde, is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka (ICASL) and a Fellow of the Chartered Institute of Management Accountants, United Kingdom (CIMA). His profile, together with those of the other Committee members, is presented on pages 14 to 15.

Functions of the Committee

The Audit Committee reports directly to the Board.

The functions of the Committee are to assist the Board in the following:

1. Preparation, fair presentation and adequate disclosures in the financial statements of the Group, in accordance with the Sri Lanka Accounting Standards (LKAS/ SLFRS);
2. Ensure compliance with financial reporting requirements and information requirements of the Companies Act, SEC Act and other relevant financial reporting requirements;
3. Reviewing quarterly results and year-end financial statements with special reference to major accounting policy changes, significant management judgements, conflict of interest situations, external auditor resignations and re-appointments;
4. Obtain and review the assurance received from Chief Executive Officer (CEO) and Financial Controller (FC) to ensure financial records have been properly maintained and present a true and fair view of the Group's operations and finances.
5. Reviewing processes to ensure the adequacy of CGE's internal controls and risk management procedures to meet the requirements of the Sri Lanka Auditing Standards and to prevent any leakage of material information to unauthorised persons;
6. Assessing the Group's ability to continue as a going - concern in the foreseeable future;
7. Evaluating the adequacy, performance and objectivity of the Group's internal audit function;
8. Ensuring independence, performance and objectivity of the Group's external audit function and making recommendation on appointment, re-appointment, removal and remuneration of external auditors;
9. Establishing procedures to identify, monitor and manage significant business and financial risks whilst updating the business continuity plan for corrective action to ensure mitigationof specific risks;
10. Reviewing the risk policies adopted by the Group on an annual basis.
11. Developing and implementing a policy on the engagement of the external auditor regarding the supply of non audit services;
12. Assistance in performing special investigations and any other related assignments.

Audit Committee Report

Meetings

The Audit Committee met four (4) times during the year. Members' attendance to the meetings held during the year ended 31 December 2025 are given below;

Members	Attended / Eligible to Attend
Mr. T. A. B. Speldewinde	4/4
Mr. Wickrema Senaka Weerasooria	4/4
Mr. I. A. Wickramasinghe	4/4

Activities in 2025

1. Financial reporting

The Audit Committee reviewed the Group's quarterly reports and explanatory notes in consultation with Management, ensuring there were no deviations before submitting them to the Board ahead of publication. The Committee also collaborated with the Board to confirm that all financial and non-financial disclosures to stakeholders provide a fair and accurate representation of the Group's performance and position. Furthermore, the Committee examined the Audited Financial Statements for the year ended 31 December 2025, together with the Independent Auditors' Report, and recommended them to the Board for circulation.

Salient Features of the Review are as follows;

- The evaluation of the appropriateness of Accounting Standards and the Policies adopted by the Group, in the preparation and presentation of Financial Statements with due considerationof its completeness and consistency.
- Compliance with the relevant reporting standards, laws and regulations.
- Assessing the adequacy and validity of the estimations and judgments made by the Management on significant and complex accounting transactions and regulatory pronouncements for the purpose of understanding their impact on the Financial Statements.
- Assessing the Group's ability to continue as a going-concern in the foreseeable future.
- Discussion of Key Audit Matters pertaining to the preparation of Financial Statements and evaluation to the extent of internal and external auditors' involvement.
- Assessing the follow-up actions taken by the Management to enhance fair presentation of Financial Reports.
- Reviewing the assurance received from CEO and FC that financial records have been properly maintained and present a true and fair view of the operations of the Group.

2. Internal Controls and Risk Management

The Audit Committee is responsible for reviewing the adequacy and effectiveness of the Group's internal controls and risk management procedures. Based on its observations and findings, the Committee recommends and supports the implementation of appropriate risk-mitigating strategies to address both internal and external threats.

The Committee also monitors regulatory matters that could significantly impact the Financial Statements, including any instances of non-compliance with ethical guidelines or misappropriation of assets. In addition, it reviews the Group's Whistleblowing Policy and engages with Management to introduce necessary improvements to safeguard shareholder investments and fulfill stakeholder expectations.

3. Internal Audit

The Audit Committee is responsible for evaluating the effectiveness of the Internal Audit function and recommending measures for its continuous enhancement. Internal auditors have unrestricted access to the Committee and present their reports on a quarterly basis. The Committee reviewed the audits undertaken by the Internal Audit Department, discussed key observations, and assessed the adequacy of the related management action plans. It also examined the scope of audits and the appropriateness of the judgements made by the internal auditors.

With regard to the CGE Audit, the Committee reviewed key control elements and procedures across the Group, as detailed in the Annual Audit Plan. The Annual Internal Audit Plan is approved by the Audit Committee, and its progress is monitored quarterly to ensure alignment with the evolving business environment and to address new and emerging risks effectively.

During the financial year 2025, The Committee reviewed the findings and recommendations submitted by the internal auditors, together with management's responses, and provided additional guidance and recommendations for improvement where necessary.

4. External Audit

The Audit Committee reviews the independence, performance and objectivity of the external auditors and is further responsible for:

- Making recommendations to the Board regarding the appointment, re-appointment and removal of the external auditors at the Annual General Meeting;
- Approving the remuneration and terms of the external auditor's engagement;
- The Discussion and review of the external audit's scope and plan including the coordination with internal audit prior to the commencement of external audit;
- The Discussion with the external auditors and management on the key audit findings and their recommendations and ensure that the management has taken appropriate actions to satisfactorily resolve highlighted issues;
- The Discussion of the Group's Annual Financial Statements in the context of current developments in respect of compliance and reporting requirements due to changes in the Accounting Standards, Auditing Standards, and Inland Revenue Act etc;
- Reviewing non-audit services provided by the external auditors, evaluating the impact on objectivity, independence and disclosures basis for such determinations.

Compliance and Other Responsibilities

The Committee is responsible for reporting to the Board regarding Committee activities on a regular basis, including matters relating to compliance with applicable laws and regulations. Accordingly, the committee:

- Reviews the effectiveness of the system of monitoring and compliance with the applicable laws and regulations by the Group;
- Obtains regular updates regarding compliances from the Management;
- Addresses any non-compliance identified by the management and internal and external auditors with actions taken to rectify such matters;
- Monitors and evaluates letters received from regulatory institutions and oversees follow-up actions taken by the Management.

Ethics and Good Governance

The Committee continued to place strong emphasis on promoting ethical conduct across all staff members. To reinforce this commitment, the Internal Code of Business Conduct and Ethics, together with the Whistleblowing and Anti-Bribery and Corruption Policies, were implemented and strengthened through continuous awareness programmes and training sessions for all employees.

Robust procedures are in place to ensure that any incidents reported through the Whistleblowing mechanism or identified through other channels are subjected to independent and impartial investigation. The Whistleblower Policy further guarantees strict confidentiality of the identities of those who raise concerns.

Evaluation of the Functions of the Committee

The Board reviews the performance of the Audit Committee throughout the year and has concluded that the Committee has fulfilled its responsibilities to the Board's complete satisfaction. The Board looks forward to the Committee's continued support in meeting the expectations of all stakeholders in the future.

T. A. B. Speldewinde
Chairman, Audit Committee

Remuneration Committee Report

The Remuneration Committee considers and recommends the Company's remuneration policy and the remuneration packages of the Chairman, Chief Executive Officer (CEO) and the Executive Directors.It's as a Sub-committee appointed by the Board to provide independent oversight and guidance on the remuneration of individual top management personals, in alignment with the Group's Remuneration Policy. The Committee operates strictly within the parameters defined in its Terms of Reference, ensuring that its decisions are made with transparency, and integrity.

In fulfilling its mandate, the Committee takes all necessary steps to avoid any potential conflicts of interest. Members are required to remain free from business, personal, or other relationships that could compromise their ability to exercise independent and unbiased judgement. Accordingly, no Director participates in discussions or decisions regarding his or her own remuneration, thereby upholding the highest standards of governance and fairness within the Board.

Composition of the Committee

The Committee comprises of two (2) Non-Executive Independent Directors as required by rule 9.12.6 of the 'Listing Rules of the Colombo Stock Exchange' whose profiles are given on pages 14 to 15. The chairmanship of the Committee is bearing by Non-Executive Independent Director.

Committee Members

Mr. I. A. Wickramasinghe
Chairman
Non-Executive Independent Director

Mr. Wickrema Senaka Weerasooria
Member
Non-Executive Chairman

Mr. T. A. B. Speldewinde
Member
Non-Executive Independent Director

S S P Corporate Services (Pvt) Ltd
Secretary to the Committee

The Group General Manager ,General Manager,Group Treasurer and any other officers as may be required by the Committee attend the meetings by invitation.

Meetings

The Remuneration Committee met one (1) time during the year.

Attendance of members at meetings held during the year ended 31 December 2025 are given below:

Members	Attended / Eligible to Attend
Mr. I. A. Wickramasinghe	1/1
Mr. Wickrema Senaka Weerasooria	1/1
Mr. T. A. B. Speldewinde	1/1

Remuneration Policy

GRI 2-19

The Remuneration Policy is crafted to attract, retain, and motivate highly qualified, innovative, and experienced individuals to the Board by offering competitive, market-aligned rewards. The policy ensures that compensation packages reflect both individual contribution and the overall performance of the Group, maintaining fairness, transparency, and accountability. Remuneration is structured to correspond to each Director's expertise, responsibilities, and impact, while being closely linked to the creation of value for stakeholders and the long-term success of the Company.

Functions of the Committee

- Recommend to the Board the overall remuneration framework for Executive Directors and Non – Executive directors.
- Evaluate the compensation packages of the executive directors, and non- executive directors.
- Review the Group's compensation guidelines and structures, ensuring alignment with industry standards and best practices.
- Periodically review information relating to payments made to Executive and non-executive directors to ensure competitiveness with market benchmarks.

- Assess the performance of the Executive Directors and Non – Executive Directors against Board-approved targets and objectives.
- Support the Board in succession planning.
- Recommend annual salary increments, and other relevant remuneration adjustments.

Activities in 2025

During the year, the Committee focused on the following key areas:

- Reviewed and updated the Company's Remuneration Policy to ensure alignment with industry standards and to confirm its effective application to the Chairman, Chief Executive Officer and the Executive Directors.
- Evaluated and recommended the remuneration packages including annual salary adjustments and performance-based incentives for the above personnel.

Disclosure

The total sum that was paid as Directors Remunerations in the year under review is set out in Note 32 .1 to the Financial Statements.

I. A. Wickramasinghe
Chairman, Remuneration Committee

Nomination and Governance Committee Report

GRI 2-10

The Nomination & Governance Committee is entrusted with the responsibility of reviewing the composition of the Board, including facilitating a formal, transparent, and objective process for all new Board appointments. The Committee operates under a clearly defined Terms of Reference approved by the Board and carries out its duties in alignment with CSE Listing Rule No. 9.11 and the Code of Best Practices, ensuring that the Company's governance practices remain compliant with applicable standards.

Composition of the Committee

The Committee, as of the end of 2025, consisted of two (2) non-executive independent directors whose profiles are given on pages 14 to 15. The chairmanship of the Committee is bearing by Non-Executive Independent Director.

Committee Members

Mr. I. A. Wickramasinghe
Chairman
Non-Executive Independent Director

Mr. Wickrema Senaka Weerasooria
Member
Non-Executive Chairman

Mr. T. A. B. Speldewinde
Member
Non-Executive Independent Director

S S P Corporate Services (Pvt) Ltd
Secretary to the Committee

The Group General Manager ,General Manager and any other officers as may be required by the Committee attend the meetings by invitation.

Meetings

The Nomination & Governance Committee met once during the year.

Attendance of members at meetings held during the year ended 31 December 2025 are given below:

Members	Attended / Eligible to Attend
Mr. I. A. Wickramasinghe	1/1
Mr. Wickrema Senaka Weerasooria	1/1
Mr. T. A. B. Speldewinde	1/1

Terms of Reference

The Nomination and Governance Committee operates in accordance with the Board-approved Terms of Reference, which clearly outline its purpose, scope, duties, and responsibilities. Guided by these parameters, the Committee ensures that the Company's governance framework remains transparent and aligned with regulatory requirements and best practices.

During the year, the Committee carried out its responsibilities within the boundaries of its Terms of Reference, including the following key activities:

- Evaluated the tenure of existing directors to determine the necessity for re-election based on applicable legal provisions or re-appointment upon completion of their designated term.
- Examined the structure, size, skill mix, diversity, and overall competencies of the Board to ensure it remains appropriately balanced and capable of guiding the Company's strategic direction.
- Established and maintained a formal process for the periodic assessment of the performance of the Board of Directors, ensuring effective functioning and continuous improvement.
- Assessed the independence and contribution of Non-Executive Directors to ensure objective judgment and sound oversight are consistently upheld.
- Developed and reviewed succession plans for the Board of Directors and Key Management Personnel, ensuring leadership continuity and sustained corporate stability.
- Confirmed that no member of the Nomination and Governance Committee participates in decisions relating to his or her own appointment.
- Reviewed and recommended improvements to the Company's Corporate Governance Framework, ensuring alignment with the Listing Rules of the Colombo Stock Exchange, relevant regulatory requirements, and evolving industry and international best practices.
- Provided recommendations to the Board on any other matters pertaining to the Board of Directors, governance processes, and oversight enhancements.

Compliance with Corporate Governance Requirements

The Company has fully complied with all Corporate Governance requirements stipulated under the Listing Rules of the Colombo Stock Exchange during the year.

I. A. Wickramasinghe
Chairman, Nomination and Governance Committee

Related-Party Transactions Review Committee Report

The Related-Party Transactions Review Committee (RPTRC) was established by the Board of Directors with the objective of providing independent oversight of the Group's Related-Party Transactions in relation to transactions as defined by LKAS 24. The Committee plays a critical governance role by ensuring that all such transactions are conducted transparently, on arm's-length terms, and in the best interests of the Company and its shareholders.

The Committee acts on behalf of the Board to ensure full compliance with the Listing Rules of the Colombo Stock Exchange and the Code of Best Practices on Related-Party Transactions ("the Code") issued by the Securities and Exchange Commission of Sri Lanka.

Furthermore, the RPTRC has adopted the best practices recommended by the Institute of Chartered Accountants of Sri Lanka, strengthening its governance processes and ensuring that its activities are aligned with standards.

Composition of the Committee

The Committee comprises two (2) Non-Executive Independent Directors, whose profiles are given on pages 14 to 15 in compliance with Listing Rule No. 9.14.2 of the Colombo Stock Exchange.

Committee Members

Mr. T. A. B. Speldewinde
Chairman
Non-Executive Independent Director

Mr. Wickrema Senaka Weerasooria
Member
Non-Executive Chairman

Mr. I. A. Wickramasinghe
Member
Non-Executive Independent Director

SSP Corporate Services Pvt Ltd
Sectratary to the Committee

The Group General Manager,General Manager,Financial Controller and any other officers as may be required by the Committee attend the meetings by invitation.

Meetings

The RPTRC met four (4) times during the year. Members' attendance to the meetings held during the year ended 31 December 2025 are given below:

Members	Attended / Eligible to Attend
Mr. T. A. B. Speldewinde	4/4
Mr. Wickrema Senaka Weerasooria	4/4
Mr. I. A. Wickramasinghe	4/4

Policies and Procedures

To promote enhanced transparency and uphold the highest standards of good governance, the members of the Board of Directors have been formally identified as Key Management Personnel (KMP)of the Company. This designation ensures that all individuals who exercise significant influence over strategic and operational decisions are subject to the governance and disclosure requirements applicable to Related-Party Transactions.

In line with the Company's Related-Party Transactions Policy, detailed declarations were obtained from each KMP during the year. These declarations enable CGE to accurately identify any existing or potential Related-Party Transactions (RPTs), assess their relevance, and ensure full compliance with the applicable disclosure obligations under regulatory frameworks.

Responsibilities

The RPTRC is charged with reviewing, in advance, all proposed transactions in accordance with the procedures laid down by Section 9.14 of the Listing Rules of the Colombo Stock Exchange. Other responsibilities of the Committee remain unchanged.

Functions of the Committee

The key function of the Committee is to act on behalf of the Board to ensure that all related-party transactions of the Company and its Llisted Subsidiaries are in accordance with the Code of Best Practices.

The key functions of the RPTRC are as follows;

- Adoption of policies and procedures to ensure that all related party transactions of the entity are transacted on normal commercial terms and are not prejudicial to the interests of the entity and to its minority shareholders;
- Reviewing and overseeing of existing policies and procedures concerning related party transactions;
- Reviewing in advance, all proposed related party transactions of the Company, except those which are explicitly exempted by the Code of Best Practices;
- Determining whether related part transactions that are to be entered into, by the Company require the approval of the Board or Shareholders of the Company;
- Establishing procedures and processes for identification, clarification and reporting of recurrent and non-recurrent related-party transactions, on an end-to-end basis across the Company's operation and to obtain required approvals from the Board or Shareholders of the Company;

Related-Party Transactions Review Committee Report

- Ensuring that no Director / Substantial Shareholder of the Company, participates in any discussion on proposed related-party transactions for which he or she is a related party, unless such Director/Substantial Shareholder is requested to do so by the Committee, for the express purpose of providing information to the RPTRC;
- If a potential conflict is identified in regard a particular related party transaction the RPTRC may recommend the creation of a special committee (including an independent consultant, if necessary) to review and approve the proposed transaction;
- Meeting with the Management, Internal Auditors / External Auditors as and when necessary to carry out the assigned duties;
- Reviewing the transfer of resources, services or obligations between related parties regardless of whether a price is charged;
- Reviewing the economic and commercial substance of both recurrent / non-recurrent related party transactions with precedence over the legal form and technicality;
- Sharing information with the Audit Committee as and when necessary and appropriate, to permit the Audit Committee to carry out its statutory, regulatory and other responsibilities with regard related part transactions;
- Ensuring immediate market disclosures along with appropriate disclosures in the Annual Report as required by 'the Code' are made in a timely and detailed manner;
- Updating the Board on related-party transactions of the Group on a quarterly basis;

Activities in 2025

- Disclosures in relation to posting of quarter confirmations and proposed transaction confirmations, were obtained and such disclosures were reviewed by the RPTRC at quarterly Committee meetings;
- The threshold for the determination of related party transactions which require either shareholders' approval or immediate market disclosures,along with the criteria for the determination of Key Management Personnel (KMP) were reviewed;
- The Committee also ensured that its' members did not have any conflicts of interest regarding the proposed related-party transactions;

The RPTRC convenes quarterly. The minutes of all meetings are properly documented and communicated to the Board of Directors.

Disclosures

A comprehensive disclosure of all Related-Party Transactions, including both recurrent and non-recurrent transactions required under Section 9.14.8 of the Listing Rules of the Colombo Stock Exchange, has been provided in Note 33 to the Financial Statements, presented on pages 380 of this Report.

Declaration

A declaration by the Board of Directors as an affirmative statement of compliance with the rules set out in the CSE Listing Rules 9.14.8(4) pertaining to RPTs is given on page 320 of this Annual Report.

T. A. B. Speldewinde
Chairman, Related-Party Transactions Review Committee

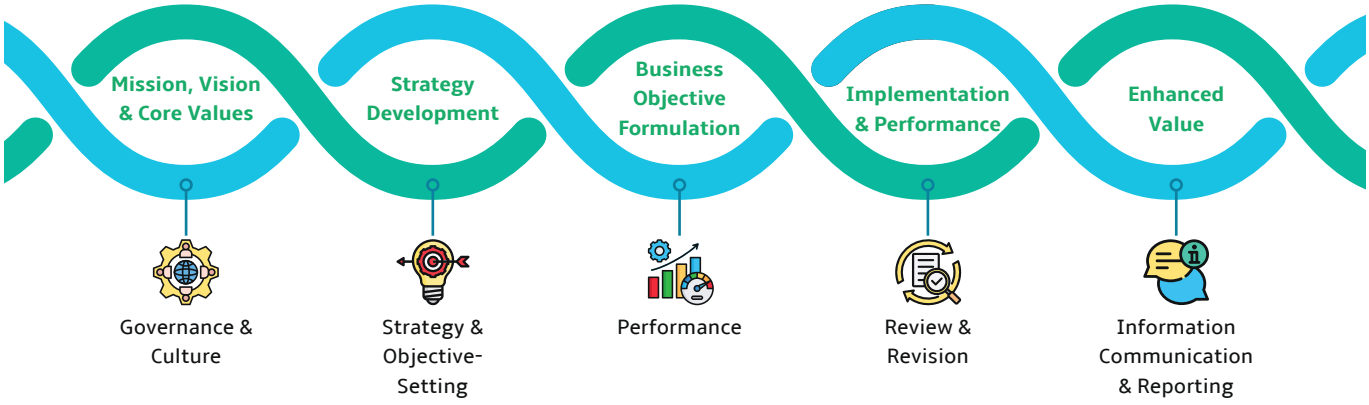
Risk and Opportunity Management Report

At CGE, our Risk and Opportunity Management Framework is central for sustaining business resilience, supporting strategic growth, and for ensuring long-term value creation to all stakeholders. Operating within a dynamic Poultry-business landscape, we recognise the importance of proactively identifying and addressing both risks and emerging opportunities that influence our short, medium, and long-term performance.

In strengthening our governance practices, we have integrated Sustainability-Related Risks and Opportunities (SRROs) and Climate-Related Risks and Opportunities (CRROs) into our risk management processes. This alignment with evolving regulatory standards and industry best practices enhances the depth, relevance, and forward-looking nature of our assessments.

The Board of Directors provides overall oversight, while the Management Team and business units collaborate to systematically identify, evaluate, and respond to material risks and opportunities across the value chain. This enterprise-wide, integrated approach embeds risk awareness into everyday decision-making and ensures that opportunities for innovation, operational efficiency, and sustainable growth are effectively captured.

Coso's Enterprise Risk Management Framework



Enterprise Risk and Opportunity Management (EROM) Framework

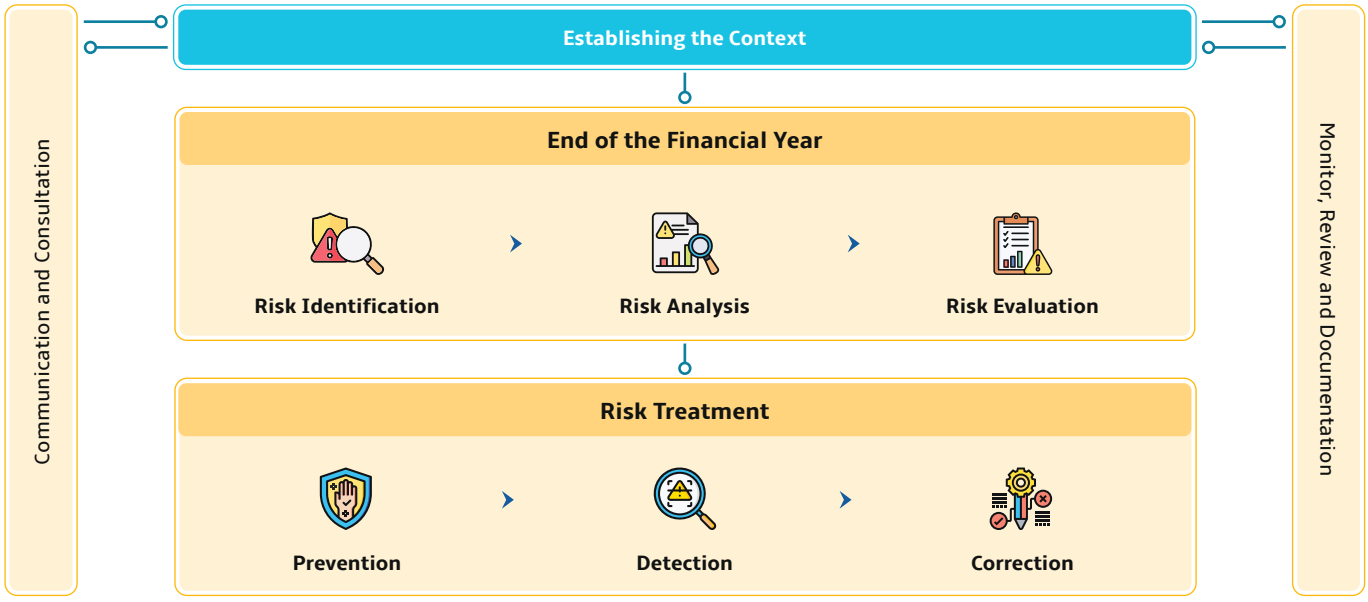
The Management has established a comprehensive Enterprise Risk Management (ERM) Framework, which is aligned with the globally recognised COSO Enterprise Risk Management Framework and ISO 31000 Risk Management.

This framework enables the identification of potential risks related to the environment, business operations, and products. It serves as a cornerstone of CGE's strategic management approach, reinforcing resilience and adaptability in an evolving operating landscape.

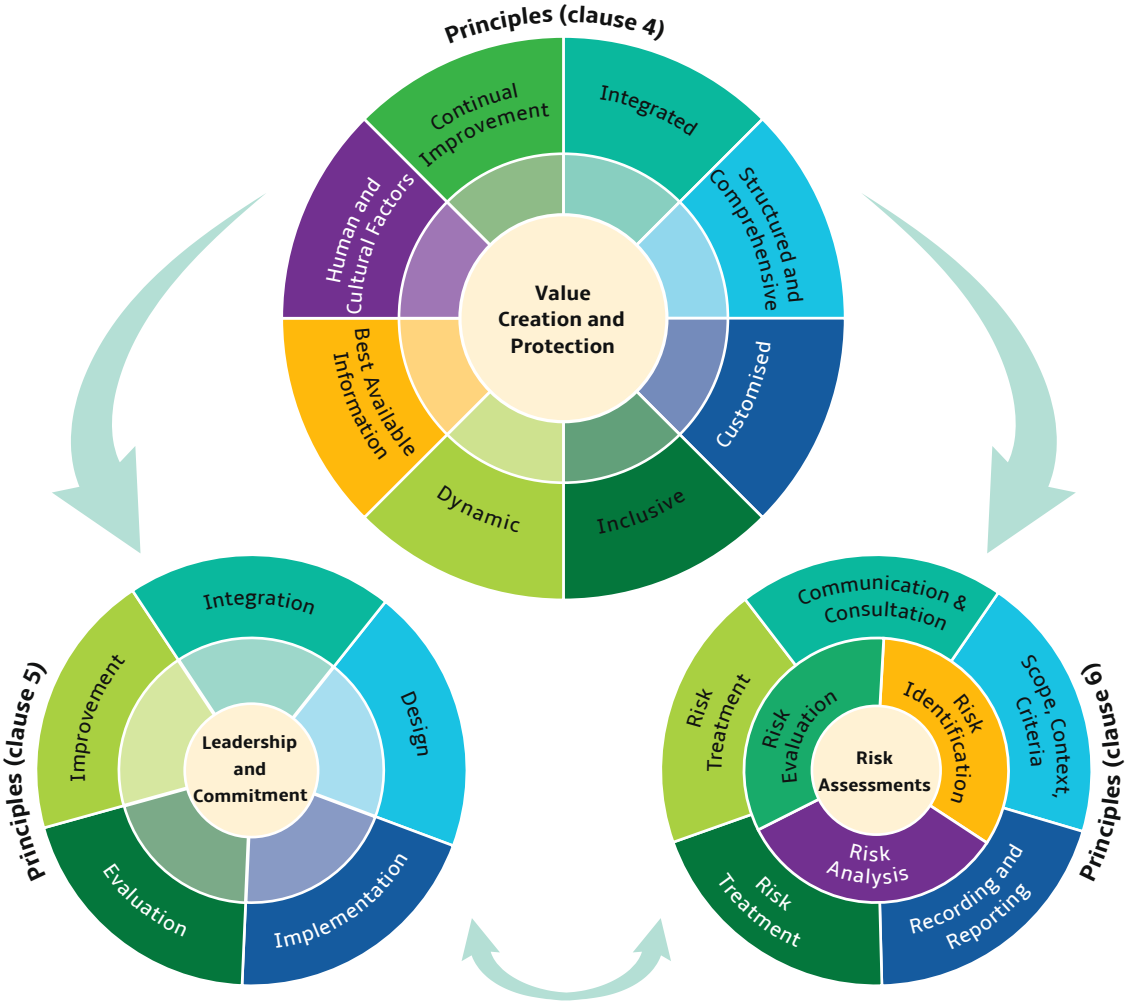
Built on well-defined policies, procedures, and processes, the ERM framework guides the Group in evaluating, identifying, preventing, rectifying, and reporting risks. This structured methodology allows risks to be mapped and assessed based on their likelihood and impact. Appropriate mitigation strategies are then formulated and implemented, supported by continuous monitoring to ensure effective risk alleviation and robust control across the organisation.

Risk and Opportunity Management Report

ISO 31000 Risk Management Standards – Process (Clause 06)



ISO 31000 Risk Management Standard: Principals, Framework and Process



Risk Awareness Culture at CGE

CGE places a strong risk management culture throughout the organisation. The Risk Management Framework has been seamlessly integrated into the organisational ethos, reflecting the Company's commitment to proactive risk identification, evaluation, and mitigation. This framework ensures that the philosophy and expectations of risk management are effectively communicated to all levels of the organisation, empowering employees to play an active role in managing risks. The risk management process at CGE operates through a dual approach:

- Top-Down Initiatives: Led by the Board of Directors to set strategic direction and establish oversight.
- Bottom-Up Initiatives: Driven by employees at the operational levels, including farms and plants, to identify and escalate potential risks.
- A series of initiatives has been implemented to strengthen risk awareness and engagement among employees, including:
- Conducting regular discussions with employees to address specific risks and explore appropriate response strategies.
- Organising risk-focused induction programmes for new recruits to familiarise them with the Company's risk management philosophy and processes.
- Motivating employees to escalate newly identified risks to upper management, fostering a culture of accountability and collaboration.
- Ensuring consistent dissemination of Enterprise Risk Management (ERM) policies, procedures, and standards across the organisation.
- Conducting targeted workshops and training sessions to enhance risk awareness and develop employee capabilities in managing risks effectively.

This approach reflects the Company's dedication to building a resilient, risk-aware workforce that aligns with its long-term strategic objectives.

Risk Governance



The Board

The Board holds overall responsibility for managing risk. They ensure that risk management is integrated into all business processes and that a strong, knowledge-based risk culture is promoted across the organisation. The Board guides the Audit Committee, senior management and employees in developing effective strategies, policies, procedures and internal controls, while reviewing the Company's risk profile to determine its overall risk appetite.

Audit Committee

The Audit Committee plays a key role in reviewing how well the Company's risk management and internal control systems function. It assesses whether the mechanisms for identifying, evaluating and tracking risks are robust and whether the resulting risk exposure aligns with the Company's approved risk appetite. The Committee also keeps the Board informed by highlighting new or developing risks and any major shifts in the Company's overall risk landscape.

Senior Management

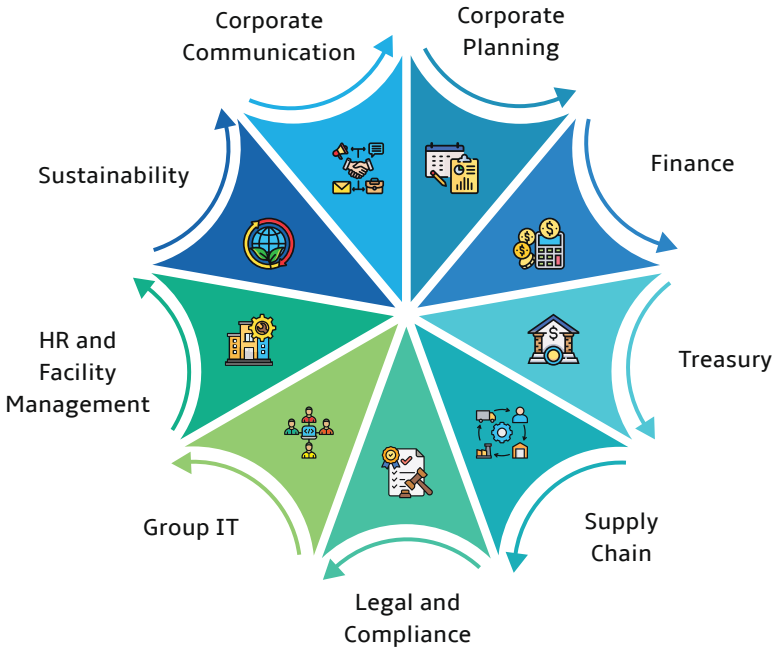
Senior Management is responsible for communicating the Company's risk management policies and procedures across the organisation and ensuring employees understand and follow them. They continuously review processes, events, uncertainties and environmental changes that could impact the Group whether by reducing future earnings, diminishing asset values, or creating legal, regulatory or reputational risks. In addition, Senior Management identifies and evaluates mitigation options, implements appropriate risk management strategies, and oversees the monitoring and reporting of potential risks and their impacts to the Board.

Employees

Employees form an important first line of defence in managing risks. Management provides them with the necessary guidance, documentation and training so they remain vigilant and able to identify situations that could harm the organisation. It is also their duty to highlight any breakdowns in risk controls or ineffective practices they observe and to work collaboratively with Management to support the achievement of the Company's overall risk management goals.

Risk and Opportunity Management Report

Strategic business leaders are accountable for fostering the sustainable growth and profitability of their respective ventures, with support provided by Group below are the functions.

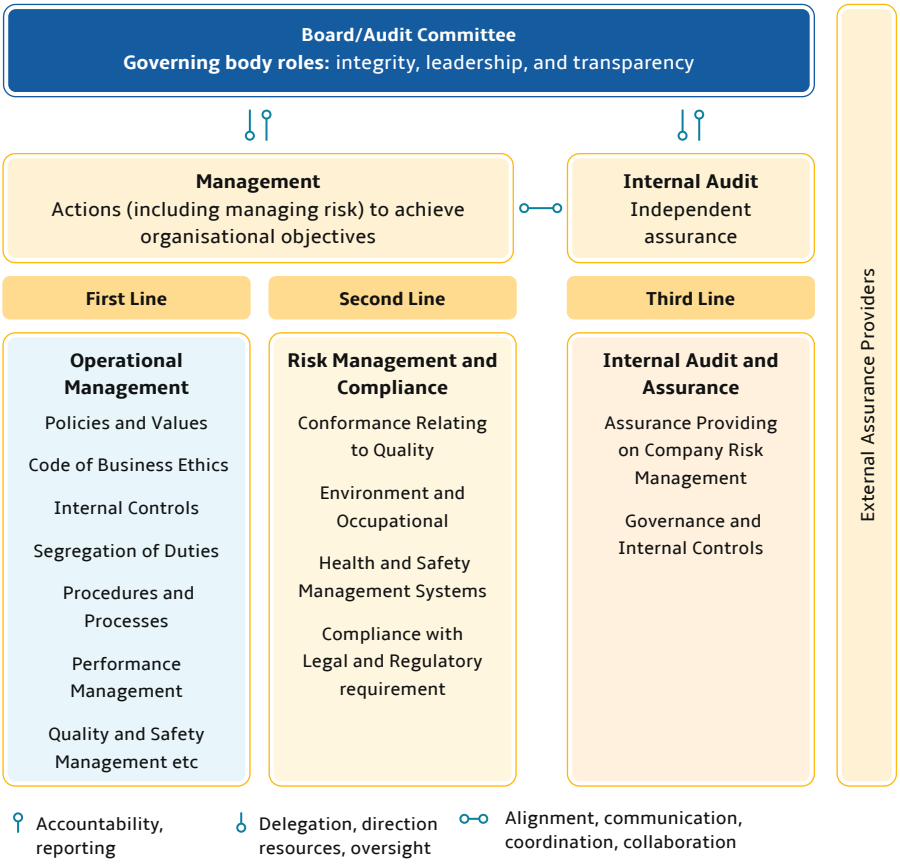


Departments	Key Responsibilities in Risk & Opportunity Management
Corporate Planning & New Business Development	Identify strategic risks and opportunities.
Finance	Assess the financial implications of various risks and opportunities. Identify, mitigate, and prevent risks that could lead to financial losses, reputational damage, or operational disruptions.
Treasury	Manage liquidity and cost of funding.
Supply Chain Management	Leverage group synergies to optimise pricing and availability.
Legal and Compliance	Ensure adherence to laws, regulations, internal policies, and voluntarily committed standards.
Group IT	Manage cybersecurity risks, data privacy risks, data security, and other technology-related risks and opportunities.
HR and Facility Management	Ensure operational continuity, employee safety, regulatory compliance, and disaster preparedness. Identify and manage risks and opportunities related to human capital.
Sustainability	Drive continuous improvement in ESG risk management, fostering a culture of sustainability and resilience.
Corporate Communication	Communicate corporate and employer brand equity in an appropriate and consistent manner.

Three Lines of Defence (Three Lines of Model)

We recognise that proactively identifying, evaluating, and managing risks is fundamental to maintain a strong and resilient risk management environment. These practices are essential in safeguarding operational continuity and supporting the Group's long-term value creation, helping us meet our financial, operational, and social objectives.

To strengthen risk oversight, the Board adopts a structured Three Lines of Defence model. This framework clearly allocates responsibilities and oversight across different layers of the organisation, enabling a systematic and holistic approach to identifying, managing, and mitigating risks across the Group..



Operational Management – First Line of Defence

Operational teams form the frontline of risk management, taking ownership of identifying, assessing, and managing risks within their daily activities. They are responsible for implementing and maintaining effective controls to address operational risks and ensure adherence to CGE's policies and values. This includes areas such as internal controls, segregation of duties, standard operating procedures, performance monitoring, and quality and safety management. The first line ensures that risks are proactively managed and appropriately reported.

Risk Management and Compliance Functions – Second Line of Defence

The second line comprises dedicated risk management and compliance teams that provide oversight and support to operational units. These teams establish risk policies, offer guidance on emerging or complex risks, and monitor adherence to regulatory and internal standards. They conduct independent risk assessments and help ensure that operational activities align with CGE's quality, environmental, and occupational health and safety management systems, as well as legal and regulatory requirements.

Internal Audit and Assurance – Third Line of Defence

The third line is represented by the internal audit function, which provides independent assurance on the effectiveness of CGE's risk management framework, governance processes, and internal controls. Internal auditors evaluate the performance of both operational and risk/compliance functions, identify gaps, recommend improvements, and report directly to the Board or Audit Committee. This ensures objective oversight and strengthens the integrity of the overall risk management system, covering areas such as quality, environmental management, occupational health and safety, and internal audit processes.

Risk Appetite

Risk appetite refers to the level and types of risks the Company is prepared to undertake in pursuit of its business objectives. To this end, the Company has established a well-defined approach to identifying risks embedded within its processes and activities. These risks are systematically prioritised based on their potential impact on the business.

Risk and Opportunity Management Report

Through this approach, the Company aims to achieve the following benefits:

- Foster a shared understanding of risks across the organisation to enable effective risk management.
- Enhance competitiveness by improving risk awareness and management.
- Optimise internal resource management, contributing to cost reduction.
- Provide valuable insights to the Board to support informed decision-making.
- Create an environment that supports sustainable, long-term growth.

Risk Evaluation Process

The Company employs a systematic approach to evaluate risks, considering both their likelihood of occurrence and potential impact on business operations.

Likelihood Assessment: Each risk is assessed for its probability based on historical data, industry trends, and the effectiveness of existing controls. A 1-to-5 scale is used, where 1 indicates a rare occurrence and 5 represents a risk that is almost certain to materialise.

Impact Assessment: The potential consequences of each risk are evaluated in terms of operational, financial, regulatory, and reputational effects. Impact is also rated on a 1-to-5 scale, with 1 reflecting minimal impact and 5 representing severe or extreme consequences.

Risk Rating and Prioritisation: The likelihood and impact scores are combined and plotted on a risk matrix to determine the overall risk level. Each risk is then categorised as Insignificant, Low, Medium, High, or Ultra High, guiding management in prioritising actions and allocating resources effectively.

This structured evaluation process provides a clear, consistent framework for identifying, assessing, and managing risks across the Company, ensuring informed decision-making and proactive risk mitigation.

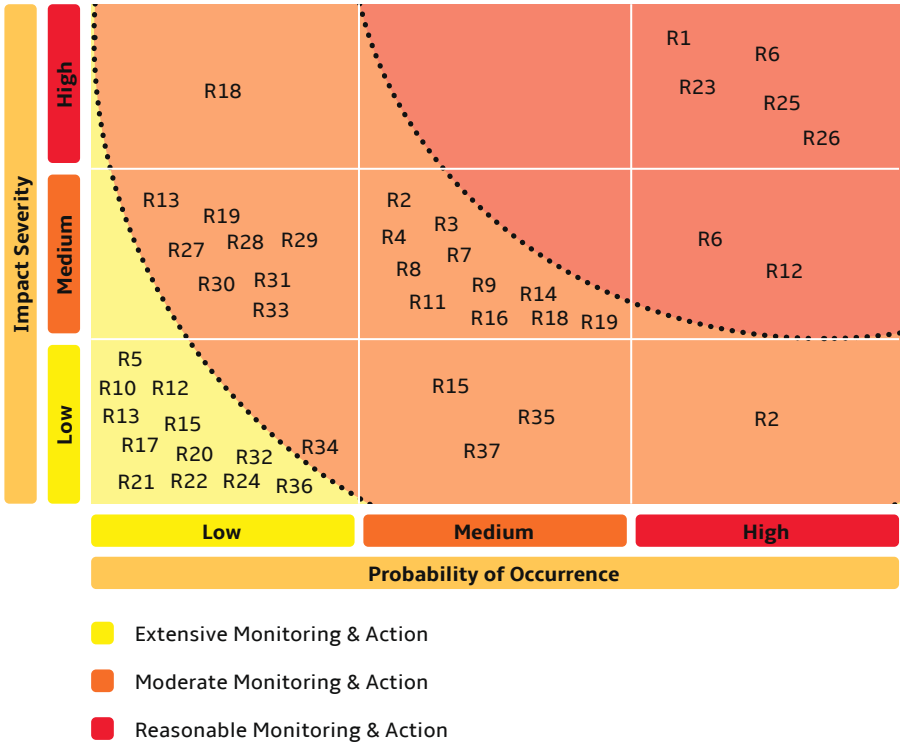
Guideline for Risk Rating

Impact						
Extreme	5	5	10	15	20	25
High	4	4	8	12	16	20
Moderate	3	3	6	9	12	15
Minor	2	2	4	6	8	10
Insufficient	1	1	2	3	4	5
		Rare to Occur	Unlikely to Occur	Possible to Occur	Likely to Occur	Almost Certain to Occur
		1	2	3	4	5
		Probability				

Risk Rating — Insignificant | Low | Medium | High | Ultra High

Further to above, upon assessment of the likelihood of occurrence and the extent of the business impact of each risk, it is plotted in the following matrix too to identify the nature and extent of action required. A ranking of high, moderate, low is assigned based on the risk factor derived through probability and impact.

Risk MAP



Risk and Opportunity Management

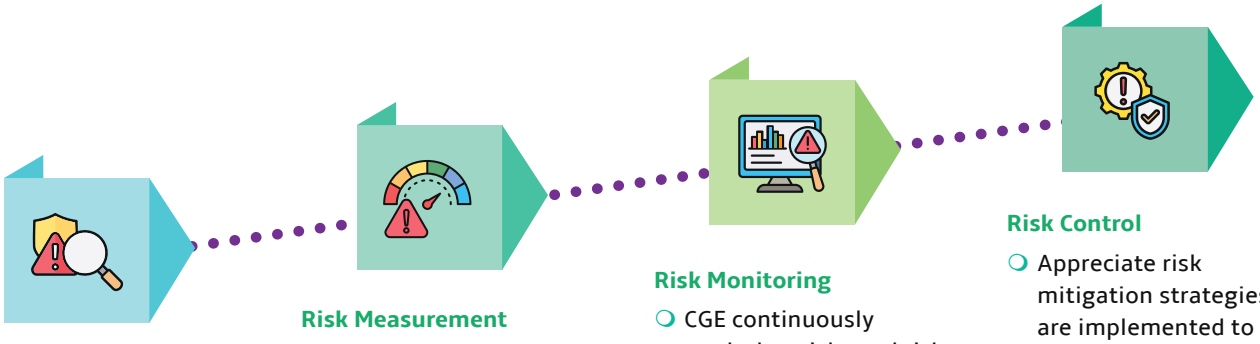
Risk and Opportunity Management is integral to our strategic planning, enabling the organisation to remain resilient and adaptable in a dynamic business environment. By systematically identifying, evaluating, and addressing risks, we ensure that our risk management practices are closely aligned with our corporate objectives, supporting sustainable growth and long-term value creation.

To better understand the external factors that may impact our business, we utilise the PESTEL Analysis Framework. This approach allows us to assess risks and opportunities across six key dimensions: Political, Economic, Social, Technological, Environmental, and Legal. Each dimension provides insights into potential challenges and emerging opportunities, ensuring that our mitigation strategies are proactive and effective.

Our Enterprise Risk Management (ERM) framework embeds risk considerations into decision-making at every level of the organisation. This integration strengthens operational and strategic planning, reinforces stakeholder confidence, improves efficiency, and safeguards business continuity.

Risk and Opportunity Management Report

Risk and Opportunity Management Process



Risk Identification

- Potential risks operations, finances, compliance, the environment and strategic activities are systematically identified through continuous assessments, employee insights, and external developments.
- This ensures that emerging threats and opportunities are recognised early.

Risk Measurement

- Once identified each risk is evaluated to determine it's likelihood and potential impact on the organisation.
- This includes assessing financial consequences, operational disruptions, and regulatory exposures.
- The measurement process helps prioritise risks based on their significance.

Risk Monitoring

- CGE continuously tracks key risks and risk indicators to detect changes in their severity or likelihood.
- Regular reviews reporting mechanisms and performance dashboards help management stay informed and ensure timely responses to evolving risk conditions.

Risk Control

- Appreciate risk mitigation strategies are implemented to minimise the impact or likelihood of identified risks.
- These controls may include policy enhancements, process improvements, internal controls, contingency planning and risk transfer mechanisms.
- Each control is designed to align with CGE's overall Risk Appetite and strategic goals.

The table below presents a comprehensive view of the risks identified through the PESTEL framework, along with the corresponding mitigation measures implemented by CGE.

Key Risks	Impact to CGE (Risk and Opportunity)	Impacted Capital	Risk Mitigation Strategy	Risk Rating
Political Risks R1) Sourcing of raw materials and government policy changes	Disruptions in supply chains and policy shifts could lead to higher costs and potential delays in production, affecting overall profitability and operational efficiency.	Financial Capital	❍ The sourcing of raw materials is a critical aspect of our operations, ensuring the uninterrupted production of high-quality products that meet market expectations. To achieve this, we prioritise securing raw materials at the right time, in the right quantity, and at the expected standard of quality. ❍ Our strategy includes maintaining multiple sources for raw materials, both locally and internationally, to mitigate risks associated with supply chain disruptions and ensure consistent availability. Additionally, we invest in continuous research and development to identify and adopt alternative raw materials that align with our quality standards and operational needs. ❍ We recognise the importance of adhering to regulatory requirements, particularly in obtaining import permits from the Government promptly. To navigate the frequent changes in government policies, we conduct periodic evaluations and adapt to new regulations and guidelines to remain compliant. ❍ Where necessary, we seek independent professional advice to enhance our decision-making processes and ensure our sourcing strategies are robust, sustainable, and aligned with industry best practices. This proactive approach allows us to meet our operational goals effectively while maintaining our commitment to quality and sustainability.	High
Economic Risks R2) Exchange rate fluctuations	Fluctuating exchange rates may increase the cost of imported materials and equipment, impacting the cost structure and profit margins.	Financial Capital	❍ Timely monitoring of international transactions is essential to address exchange rate volatility effectively. By leveraging an efficient treasury function, the Company evaluates the need for forward exchange contracts to hedge against unfavorable currency movements. ❍ To further reduce reliance on foreign currencies, the Company actively explores and sources local substitute materials where feasible. This strategy not only reduces forex exposure but also strengthens the resilience of the supply chain. ❍ Building and maintaining strong relationships with banks and suppliers is another critical element of our strategy. These partnerships provide CGE with access to favorable terms, financial support, and insights into market trends, enabling better management of exchange rate risks. ❍ Maintaining positive cash and cash equivalent balances is a vital safeguard against currency fluctuations. Adequate liquidity ensures the Company is well-positioned to meet its obligations and absorb unforeseen currency-related challenges. ❍ Continuous monitoring of emerging macroeconomic developments allows CGE to anticipate market trends and adapt its strategies accordingly. By staying informed about global economic conditions and central bank policies, we ensure that our approach to managing exchange rate risks remains both proactive and robust.	Medium

Risk and Opportunity Management Report

Key Risks	Impact to CGE (Risk and Opportunity)	Impacted Capital	Risk Mitigation Strategy	Risk Rating
R3) Interest rate fluctuations	Rising interest rates could increase borrowing costs, affecting the CGE's financial position and limiting its ability to invest in growth opportunities.	Financial Capital	❍ Our strategy includes maintaining an optimal investments, carefully balanced to minimise exposure to interest rate volatility while maximizing returns. By diversifying our investment portfolio, we ensure that our financial performance remains steady, even in changing economic conditions. ❍ Continuous monitoring of emerging macroeconomic developments is another key aspect of our approach. This allows us to stay informed about market trends, central bank policies, and global economic shifts, enabling timely and informed decision-making. ❍ Effective cash flow management is integral to navigating interest rate fluctuations. By ensuring adequate liquidity and aligning cash inflows with operational requirements, we safeguard the Company's financial health and ability to meet its obligations. ❍ Through these proactive measures, we aim to reduce the impact of interest rate fluctuations, protect shareholder value, and support sustainable financial growth	Medium
R4) Credit risk arises from credit exposure to customers on unsecured debts	An increase in bad debts or delayed payments from customers could strain cash flow and negatively impact financial stability.	Financial Capital	❍ CGE ensures timely assessment of customer creditworthiness and requires appropriate collateral to mitigate potential risks. We closely monitor outstanding debts and actively work to ensure that all payments are settled on time, maintaining healthy cash flow. ❍ To further manage credit risk, we establish credit controls that define the value and terms of credit offered to customers. Additionally, we ensure that proper documentation is maintained for all credit transactions, promoting transparency and accountability in our financial operations.	Medium
R5) Availability of sufficient funds to settle dues	Insufficient liquidity could result in delayed payments, impacting Our relationship with suppliers and creditors, and damaging its reputation.	Financial Capital	❍ CGE ensures the availability of an OD facility with the bank, allowing for access to funds at short notice when needed. Additionally, we focus on optimizing our pricing strategy to enhance competitiveness and maximise profitability, ensuring financial stability and growth.	Low
R6) Price volatility	Sudden price increases in raw materials and energy could lead to unpredictable production costs, squeezing profit margins and increasing financial uncertainty.	Financial Capital	❍ CGE engages in continuous market surveillance, staying informed on market trends and fluctuations. We also maintain sufficient storage capacity to manage inventory effectively, ensuring we can respond to market changes. Additionally, we optimise production planning to align with market demands and minimise the effects of price fluctuations on operations.	High

Key Risks	Impact to CGE (Risk and Opportunity)	Impacted Capital	Risk Mitigation Strategy	Risk Rating
R7) Threat of substitutes	The emergence of substitute products could reduce demand for the CGE's offerings, leading to a loss of market share and revenue.	Financial Capital	❍ Actively invests in promotional activities to enhance brand visibility and customer loyalty. Additionally, we focus on product development, continuously innovating and improving our offerings to stay competitive and meet evolving customer preferences.	Medium
Social Risks R8) Recruiting and retaining skilled employees	Difficulty in attracting and retaining skilled employees could result in a shortage of expertise, slowing down production and innovation.	Human Capital	❍ We maintain and regularly update a Competency Matrix and skill pool. This tool helps identify existing capabilities, gaps, and opportunities for employee development, ensuring the right talent is available to meet business needs. ❍ A comprehensive and up-to-date succession plan is also in place to ensure business continuity by identifying and nurturing internal talent for future leadership roles. This proactive approach safeguards the Company against potential disruptions while promoting career growth for employees. ❍ Adopting HR best practices is central to our human resource strategy. By implementing industry-leading approaches to recruitment, onboarding, training, and employee engagement, we foster a supportive and dynamic workplace culture that attracts and retains top talent. ❍ We also conduct periodic reviews of remuneration levels, making adjustments as needed to remain competitive in the market. This ensures our compensation packages reflect industry standards and align with employee expectations, addressing changing economic and demographic dynamics effectively.	Medium
R9) Sourcing of Skilled Labour	Limited availability of skilled labor could result in operational delays, lower product quality, and reduced competitiveness.	Human Capital	❍ To ensure a steady supply of skilled labour, CGE actively engages with multiple labour suppliers and establishes formal agreements to secure reliable and qualified talent. This approach enables us to meet operational demands efficiently while maintaining high standards of expertise across all areas of the business.	Medium
R10) Low productivity and employee engagement	Decreased productivity and low employee morale can lead to inefficiencies, higher operational costs, and lower overall business performance.	Human Capital	❍ An open-door policy is maintained to encourage employees to voice their grievances and share feedback directly with management. This transparent communication channel helps build trust, resolve issues promptly, and create a workplace environment where employees feel valued and heard. ❍ We also prioritise livelihood development programmes and training initiatives to enhance employee skills and improve their quality of life. These programmes are designed to empower employees, increase their job satisfaction, and enable them to contribute more effectively to CGE's goals. By investing in their personal and professional growth, we ensure a motivated and skilled workforce. ❍ Regular employee council meetings are conducted to provide a platform for employees to discuss concerns, share ideas, and collaborate on solutions. These meetings foster a sense of community and mutual respect, strengthening the connection between employees and the organisation.	Low

Risk and Opportunity Management Report

Key Risks	Impact to CGE (Risk and Opportunity)	Impacted Capital	Risk Mitigation Strategy	Risk Rating
R11) Employee health & safety	Failure to ensure a safe working environment can lead to accidents, legal consequences, and damage to the Company's reputation.	Human Capital	❍ In compliance with government regulations, the CGE has issued comprehensive health and safety guidelines to ensure a safe working environment. We provide Personal Protection Equipment (PPE) and disinfectants to both employees and visitors, prioritizing their well-being on the premises. ❍ To maintain high standards of hygiene, we follow strict good hygiene practices, which include extensive cleaning regimes and the installation of hand-sanitising stations throughout the facility. ❍ Additionally, the Company has established a dedicated Health & Safety Committee to oversee and continually enhance safety protocols. This ongoing commitment ensures that we maintain a safe and healthy work environment for all, with a focus on continuous improvement in health and safety practices	Medium
Technological Risks R12) Risk of technological obsolescence	Outdated or ineffective technology can lead to inefficiencies, increased operational costs, and reduced competitiveness in the market.	Intellectual Capital	❍ We make regular investments in new technology to stay at the forefront of industry innovations. By embracing cutting-edge solutions, we enhance operational efficiency, improve product quality, and maintain our competitive edge. ❍ Ensure to upgrading of existing systems, processes, and machinery to align with current technological standards. This proactive approach minimises downtime, optimises performance.	Low
R13) Cyber security and IT system failures	Data breaches or IT system failures could disrupt operations, lead to the loss of sensitive information, and damage the Company's reputation.	Intellectual Capital	❍ We enforce stringent controls over IT infrastructure, including access control mechanisms, firewalls, and unique user IDs, to prevent unauthorised access and enhance system security. Regular data backups are performed to ensure critical information is securely stored and retrievable in the event of a system failure. ❍ Continuous training programs are conducted for employees to raise awareness about information security best practices. ❍ Developed and maintains a comprehensive disaster recovery plan, ensuring a swift and coordinated response to system disruptions. This plan minimises downtime and mitigates the impact on operations. ❍ Timely upgrading of preventive software, including antivirus and security patches, to stay ahead of emerging cybersecurity risks.	Low
Environmental Risks R14) Waste and disposal management	Poor waste management practices can lead to environmental damage, regulatory fines, and increased operational costs.	Natural Capital	❍ Adoption of a central drain system designed to efficiently collect and channel liquid waste for proper treatment and disposal. This system streamlines waste management processes, minimises risks of contamination, and supports operational efficiency. ❍ For waste that requires specialised handling, the Company employs incineration methods alongside the disposal of liquid waste through a dilutive and cleansing process. These measures ensure that all liquid waste is treated to remove harmful substances, reducing its environmental footprint and preventing adverse effects on surrounding ecosystems. ❍ To maintain rigorous standards, CGE conducts frequent quality checks on wastewater. These checks monitor key parameters to ensure that wastewater meets established environmental and safety standards before being released.	Medium

Key Risks	Impact to CGE (Risk and Opportunity)	Impacted Capital	Risk Mitigation Strategy	Risk Rating
R15) Negative impact on the environment due to operations	Environmental damage caused by operations could result in legal penalties, loss of customer trust, and negative publicity, affecting the Company's long-term sustainability.	Natural Capital	❍ We ensure that environmental factors are carefully considered in all decision-making processes and adopt sustainable practices across our operations. ❍ We prioritise obtaining all necessary approvals for business operations, ensuring compliance with environmental regulations and standards. Additionally, we continuously assess our carbon footprint and restructure processes where necessary to minimise its impact on the environment. ❍ Promoting energy-saving initiatives is also a key part of our strategy to reduce resource consumption and enhance operational efficiency, contributing to the overall sustainability of our business.	Low
R16) Natural catastrophes adversely affecting operations of the Company	Natural disasters could disrupt operations, cause physical damage to assets, and increase insurance and recovery costs, leading to significant operational and financial setbacks.	Natural Capital	❍ We have invested in environmentally controlled houses to protect critical assets and operations from adverse weather conditions. Additionally, we adhere to industry best practices that focus on sustainable operations, minimizing vulnerability to climate-related disruptions. ❍ To further safeguard against unforeseen events, the Company has secured comprehensive insurance coverage, providing financial protection in case of damage caused by natural catastrophes. ❍ Furthermore, CGE has adopted an ESG framework, aligning its operations with sustainability goals and integrating climate risk management into our broader business strategy. This holistic approach helps mitigate risks and ensure long-term operational stability in the face of changing environmental conditions	Medium
Legal Risks R17) Compliance with regulatory changes	Non-compliance with changing regulations could lead to legal penalties, damage to the Company's reputation, and potential disruption to operations.	Social and Relationship Capital	❍ A proactive approach is adopted to regularly update and review the list of applicable regulations to reflect any amendments, new legislation, or changes in industry practices. ❍ CGE establishes a clear system for tracking regulatory updates and integrates them into its internal policies and procedures. By staying ahead of regulatory changes and continuously adapting to the evolving legal landscape.	Low

Risk and Opportunity Management Report

Key Risks	Impact to CGE (Risk and Opportunity)	Impacted Capital	Risk Mitigation Strategy	Risk Rating
R18) Product quality and safety standards	Failure to meet product quality and safety standards could result in recalls, legal liabilities, and a loss of customer trust, damaging the brand's reputation.	Social and Relationship Capital	❍ CGE places a strong emphasis on regularly monitoring and updating processes. This approach allows us to identify areas for improvement and ensure that our practices remain aligned with industry standards and evolving best practices. ❍ Continuous quality checks are implemented at every stage of production to maintain consistency and meet rigorous quality standards. These checks are reinforced by establishing quality checkpoints at critical production stages, ensuring that any potential issues are detected and addressed promptly. ❍ CGE maintains buffer stocks of raw materials, ensuring a steady supply for uninterrupted production while mitigating any potential disruptions in the supply chain. ❍ We also conduct thorough tests on the input of raw materials, including experimental farm tests, to evaluate their quality and suitability before being used in production. This guarantees that only the highest-quality materials are used in our processes. ❍ CGE offers continuous training programmes to enhance staff knowledge and skills. This ongoing development ensures that employees are equipped with the latest industry insights and techniques to contribute to the overall quality improvement process.	Medium
R19) Business probity risk-A potential increase of fraudulent activity due to the pressures surrounding the economic crisis	Increased fraudulent activities could lead to financial losses, legal consequences, and reputational damage, undermining stakeholder confidence in the Company.	Intellectual Capital	❍ CGE remains committed to continuous monitoring of its operations, identifying any potential vulnerability that could lead to fraud or misconduct. ❍ In addition, CGE prioritises implementing process improvements to strengthen internal controls and safeguard against fraudulent activity. By enhancing oversight mechanisms, ensuring transparency, and fostering a culture of accountability, we aim to reduce the likelihood of such risks materialising and uphold the highest standards of ethical business conduct.	Medium

Financial implications throughout the value chain are further quantified in the SLFRS Sustainability-Related Financial Disclosures (Note 9: Strategy and Decision-Making)

Opportunities Identified for CGE

CGE operates in a dynamic operating environment where several identified risks also present strategic opportunities. By proactively managing these risks, CGE can strengthen resilience, improve operational efficiency, and create long-term sustainable value for stakeholders.

Sustainable Packaging and Product Innovation

The transition towards sustainable packaging presents CGE with a significant opportunity to enhance its environmental performance while responding to evolving regulatory, customer, and market expectations. CGE has already implemented several practical measures to reduce the environmental impact of its packaging across operations. For chicken products, CGE uses biodegradable and food-grade polythene, balancing environmental responsibility with strict food safety and quality requirements.

Building on these initiatives, CGE has the opportunity to further innovate by exploring alternative sustainable materials, optimising packaging design, and collaborating with suppliers to reduce the overall packaging footprint across the value chain. These actions not only support waste reduction and regulatory compliance but also enhance brand reputation, strengthen customer trust, and position CGE as a responsible and forward-looking player in the poultry industry. By embedding sustainable packaging practices throughout the product lifecycle, CGE can create long-term value while contributing positively to its broader ESG objectives.

Operational Efficiency and Cost Optimisation

Risks related to rising input costs, energy prices, and supply chain disruptions create opportunities to improve operational efficiency. Through process optimisation, waste reduction, energy-efficient technologies, and improved resource management, CGE can lower operating costs while improving productivity. These initiatives also contribute to reduced environmental impact and improved margins over the medium to long term.

Strengthening Supply Chain Resilience

Supply chain risks, including raw material availability and price volatility, provide an opportunity for CGE to diversify suppliers, establish long-term contracts, and enhance supplier sustainability standards. Strengthening supplier relationships and improving traceability can reduce dependency risks, improve continuity of operations, and support responsible sourcing objectives.

Market Expansion and Customer Trust

Compliance, food safety, and quality-related risks present opportunities to strengthen CGE's market positioning. By exceeding regulatory requirements and maintaining high quality and safety standards, CGE can enhance customer confidence, expand into premium market segments, and strengthen relationships with key distributors and retailers.

Digitalisation and Data-Driven Decision Making

Risks related to operational complexity and monitoring gaps create opportunities to leverage digital tools and data analytics. Enhanced digital systems can improve forecasting, inventory management, traceability, and risk monitoring, enabling faster and more informed decision-making while strengthening internal controls and reporting accuracy.

Human Capital Development

Workforce-related risks highlight opportunities to invest in employee training, health and safety, and leadership development. By building a skilled and engaged workforce, CGE can improve productivity, reduce operational disruptions, and strengthen organisational culture, supporting long-term business sustainability.

Strategic ESG Intergration

Strategic ESG integration presents CGE with an opportunity to strengthen long-term resilience and regulatory readiness while enhancing stakeholder confidence. By embedding ESG considerations into business strategy and decision-making, CGE can support effective climate risk management and value creation.

Investments in energy transition initiatives, such as solar power and energy efficiency improvements, enable CGE to reduce greenhouse gas emissions, manage energy cost volatility, and support decarbonisation objectives in line with SLFRS S2. These actions also position CGE to access sustainability-linked financing and improve overall competitiveness through a structured and credible ESG framework.

Risk and Opportunity Management Report

SUSTAINABILITY & CLIMATE - RELATED RISK & OPPORTUNITIES (SRROS & CRROS)

CGE remains deeply committed to sustainability and climate action, recognizing the profound impact these factors have on its operations, stakeholders, and the broader environment. In adopting the SLFRS S1 and S2 frameworks, CGE has integrated Sustainability Risk and Opportunities (SRROs) and Climate-Related Risk and Opportunities (CRROs) into its Enterprise Risk Management framework to address both current and emerging challenges effectively.

Sustainability -Related Risk and Opportunities (SRROs):

Sustainability - Related Risk and Opportunities (SRROs) are critical components of CGE's commitment to building a sustainable and resilient business model. These risks and opportunities focus on environmental, social, and governance (ESG) factors that directly influence CGE's operational sustainability and stakeholder value. As the global business landscape evolves, ESG factors have become increasingly pivotal in determining a company's reputation, operational efficiency, and long-term success.

Risks associated with SRROs include challenges such as non-compliance with ESG standards, resource depletion, reputational damage, and rapidly evolving stakeholder expectations. These risks, if unaddressed, can lead to operational inefficiencies, financial penalties, and a loss of stakeholder trust. Conversely, opportunities within SRROs present pathways for CGE to improve operational efficiencies, foster innovation, enhance brand reputation, and align with sustainable market trends. By seizing these opportunities, CGE strengthens its competitive position while contributing positively to the global sustainability agenda.

CGE proactively addresses SRROs through a structured and forward-thinking approach. Incorporating ESG into decision-making ensures that every strategic and operational decision reflects a commitment to sustainability, embedding ESG principles at the core of the business. This approach not only mitigates risks but also aligns CGE's operations with global sustainability goals.

Additionally, stakeholder engagement is integral to CGE's strategy. By collaborating with internal teams, external partners, and regulatory bodies, CGE aligns its priorities with global ESG objectives, ensuring inclusivity and responsiveness to stakeholder needs. This engagement fosters trust, strengthens relationships, and enhances the company's adaptability in a rapidly changing environment.

Finally, CGE emphasises monitoring and reporting as a cornerstone of its SRRO strategy. Robust mechanisms are in place to track ESG-related performance, enabling the Company to measure progress, identify areas for improvement, and maintain transparency. Through comprehensive reporting, CGE demonstrates its accountability to stakeholders and its commitment to continuous improvement in sustainability practices.

By addressing SRROs through these proactive measures, CGE not only mitigates risks but also leverages opportunities to enhance operational resilience, drive innovation, and create long-term value for stakeholders. This approach underscores the Company's dedication to fostering a sustainable future while ensuring business continuity and growth.

Climate-Related Risk and Opportunities (CRROs):

Climate-Related Risks and Opportunities (CRROs) encompass the potential challenges and advantages arising from the impact of climate change on CGE's operations, value chain, and stakeholders. These considerations are integral to ensuring long-term business sustainability while aligning with global climate action goals.

Climate-Related Risks recognise two primary categories of risks. Physical risks arise from direct environmental factors such as extreme weather events, long-term temperature changes, or rising sea levels, which can result in damage to infrastructure, operational disruptions, or increased maintenance costs. Transitional risks, on the other hand, carbon pricing, evolving consumer preferences, and technological advancements. These transitional factors can lead to increased operational costs, potential disruptions, or the need for significant process adaptations to remain competitive and compliant.

Alongside the risks, climate change presents opportunities for innovation and growth. By adopting energy-efficient practices and renewable energy sources, CGE can reduce operational costs and minimise carbon emissions. The development of green and sustainable product lines meets the growing demand from environmentally conscious consumers, enhancing brand reputation and market positioning. Furthermore, collaboration with industry leaders and stakeholders on shared climate goals positions CGE as a proactive contributor to combating climate change, fostering partnerships and innovation.

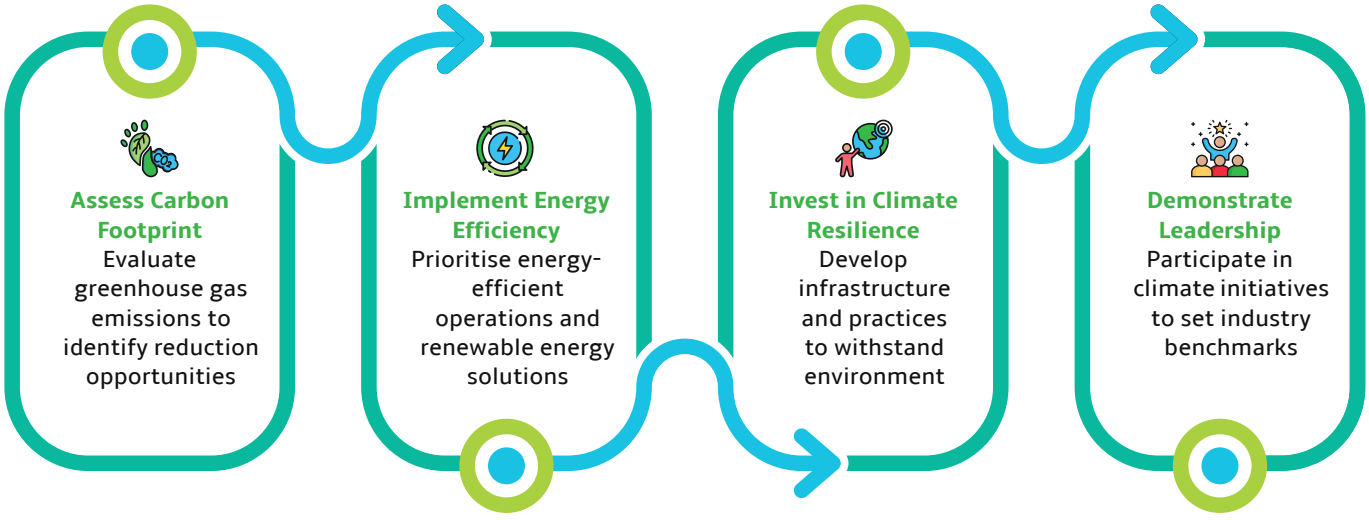
GRI 13.2 Climate Adaption and resilience (Sector Topic Disclosures)

CGE's Climate-Focused Strategies

CGE remains committed to addressing climate-related risks while capitalizing on opportunities through targeted strategies:

1. Carbon Footprint Management: We actively assesses and reduces greenhouse gas emissions by prioritizing energy-efficient operations and exploring renewable energy solutions.
2. Climate Adaptation Measures: CGE invests in climate-resilient infrastructure (EC Houses) and operational practices to minimise disruptions from environmental changes or natural disasters.
3. Leadership in Climate Action: By taking an active role in national and global climate initiatives, CGE demonstrates leadership in sustainability, setting benchmarks for the industry and fostering collective action on climate change.

These measures underline CGE's commitment to aligning its business practices with sustainable development goals and ensuring resilience in the face of evolving climate challenges



CGE's Commitment to Sustainability and Climate Resilience

We firmly believe that addressing sustainability and climate-related challenges is not just a responsibility but an opportunity to drive innovation and create lasting value. The Company's approach is rooted in the following principles:

Proactive Adaptation
Continuously evolving business processes to align with sustainability and climate goals.

Long-term Resilience
Strengthening the Group's ability to withstand and thrive amid environmental, social and economic changes.

Collaboration and Innovation
Partnering with stakeholders, including employees, suppliers and customers, to foster a collective commitment to sustainability and climate action.

Transparent Reporting
Regularly disclosing progress on SRROs and CRROs to ensure accountability and build stakeholder trust.

Risk and Opportunity Management Report

Sustainability Related Risk Report

Key Risk Events for 2025	Impacts to CGE (Risks & Opportunities)	Impacted Capital	Risk Mitigation Strategy / Management Approaches	Risk / Rating
R20) Customer Retention (Loss of customers due to changing preferences)	❍ Customer dissatisfaction could lead to reduced loyalty and revenue loss. ❍ Inability to meet evolving customer needs may weaken market position.	Financial, Social & Relationship	❍ Conducting customer satisfaction surveys to identify and address changing preferences. ❍ Implementing a robust Complaint Management System (CMS) for efficient resolution of issues. ❍ Running awareness programs to educate customers on CGE's offerings and values. ❍ Promptly attending to complaints to build trust and loyalty.	Low
R21) Supply Chain Stability (Risk of losing suppliers or disrupted supply chain)	❍ Supply chain disruptions can delay production, increasing costs and reducing efficiency. ❍ Loss of reliable suppliers may impact the availability of critical materials.	Financial, Social & Relationship	❍ Conducting supplier grading surveys to assess reliability and maintain a robust supplier base. ❍ Evaluating supplier satisfaction levels periodically to identify and address concerns. ❍ Building long-term, collaborative relationships with key suppliers to ensure stability.	Low
R22) Reputational Risk (Governance or ethical issues)	❍ Non-compliance with governance standards can significantly damage CGE's credibility, eroding stakeholder trust and market reputation. ❍ Ethical lapses in supply chain or manufacturing processes may lead to reputational harm, loss of customer loyalty, and financial penalties.	Social & Relationship, Financial	❍ Adhering to corporate governance principles to ensure transparent and accountable decision-making. ❍ Adoption of ethical practices across the supply chain and manufacturing processes to uphold integrity and maintain stakeholder confidence. ❍ Initiating ESG practices within operations to align with global sustainability standards and bolster CGE's reputation as a responsible corporate entity. ❍ Engaging in CSR and brand activities to reinforce community relations and demonstrate the Company's commitment to social responsibility. ❍ Obtaining international quality certifications such as ISO 9001, ISO 22000, GMP, HACCP, and HALAL to validate product quality and safety, enhancing brand credibility.	Low
R23) Machine Breakdown and System Failures (Operational disruptions due to equipment failures)	❍ Operational disruptions due to machine failures, leading to reduced productivity and potential delays in meeting customer demands. ❍ Increased maintenance costs and downtime impacting overall efficiency and profitability. ❍ Prolonged system failures may cause workflow bottle necks and affect employee productivity.	Manufactured, Financial	❍ Continuous check-ups and upgrades to ensure machines and systems operate efficiently and remain aligned with industry standards. ❍ Adherence to a maintenance plan for scheduled servicing and inspections to prevent unexpected breakdowns. ❍ Evaluation of man-hours and machine hours to optimise utilisation and identify inefficiencies. ❍ Replacing machinery at the right time based on an operational plan to avoid overuse and ensure reliable performance. ❍ Conducting downtime analysis and monitoring to identify root causes of breakdowns and implement corrective measures to minimise recurrence.	High

Key Risk Events for 2025	Impacts to CGE (Risks & Opportunities)	Impacted Capital	Risk Mitigation Strategy / Management Approaches	Risk / Rating
R24) Corporate Brand Equity (ESG reputation)	❍ CGE's brand value and stakeholder trust are closely tied to its ESG reputation. ❍ Poor ESG management could weaken brand equity and stakeholder relationships.	Social & Relationship, Intellectual	❍ Promoting responsible ESG practices to stakeholders through transparent communication. ❍ Strengthening brand loyalty by demonstrating leadership in sustainability and corporate responsibility.	Low
R25) Renewable Energy Initiatives (Transition to sustainable energy sources)	❍ Transitioning to renewable energy reduces long-term operational costs and enhances CGE's ESG profile. ❍ Renewable energy investments position CGE as a forward-thinking, environmentally responsible leader.	Natural, Financial	❍ Installing solar power systems on new EC houses to adopt sustainable energy solutions. ❍ Exploring additional renewable energy investments to drive operational efficiency and environmental sustainability.	High
R26) Transition to sustainable / eco-friendly packaging materials	❍ Enhanced brand reputation, compliance with emerging environmental regulations, improved ESG performance, stronger customer and retailer preference for sustainable products.	Natural, Social & Relationship	Gradual transition to sustainable packaging through pilot projects ❍ Engage suppliers to secure cost-effective and certified sustainable materials ❍ Continuous monitoring of regulatory developments and industry best practices ❍ Integration of sustainability goals into procurement and product design	High

Financial implications throughout the value chain are further quantified in the SLFRS Sustainability-Related Financial Disclosures (Note 9: Strategy and Decision-Making)

Our approach prioritises proactive risk mitigation strategies, leveraging opportunities to enhance efficiency, foster innovation, and build long-term stakeholder trust. From addressing climate-related challenges and governance risks to embracing advancements in technology and sustainability practices, CGE is committed to embedding resilience and adaptability into its operations.

As we navigate an ever-changing business environment, CGE will continue to evolve its risk management strategies to protect and enhance enterprise value, ensuring that we remain a responsible and forward-thinking leader in our industry.

Risk and Opportunity Management Report

CLIMATE RISK REPORT

Our Climate Ecosystem

As an integrated poultry company, climate risk is a critical aspect of CGE's operations. Climate-related risks affect CGE's farming activities, feed production, processing facilities, logistics, and supply chain in different ways. Recognising the importance of integrating climate risk into core strategic planning, CGE adopts a proactive approach to identifying and managing both physical and transition climate risks, while also seeking to capture climate-related opportunities ahead of industry peers.

Given CGE's exposure to climate-sensitive agricultural inputs, biological assets, and energy-intensive operations, it is essential to assess climate-related risks to ensure operational continuity, regulatory compliance, and long-term competitiveness. Beyond compliance, the urgency of climate action and the transition toward a low-carbon economy require CGE to take decisive and structured actions. As a responsible corporate citizen, CGE is committed to strengthening climate resilience and demonstrating leadership in managing climate-related challenges.

Commitment to a Low-Carbon Transition

CGE is committed to progressively transitioning toward a low-carbon operating model in line with emerging regulatory expectations and best practices. Over recent years, CGE has strengthened the integration of climate considerations into its corporate strategy, supporting efforts to reduce environmental impacts particularly those related to energy consumption, greenhouse gas emissions, and resource use.

Our Climate Journey So Far

As CGE's sustainability journey evolves, increasing emphasis has been placed on embedding climate considerations into core business practices. Climate-related risks and opportunities are assessed alongside other strategic and operational risks, supporting informed decision-making at both management and Board levels. This structured approach enables CGE to identify priority climate risks and implement targeted mitigation actions across operations.

Our Climate Governance Structure

As outlined in the Risk Governance section, oversight of climate-related risks and opportunities is embedded within CGE's existing governance framework. The same governance bodies responsible for enterprise risk management also oversee climate-related matters. Where necessary, sustainability and operational teams provide technical inputs to support and strengthen climate-related decision-making.

Structured Climate Risk Assessment and Scenario-Based Approach

To standardise our climate risk management practices in line with TCFD guidance and SLFRS S2 requirements, CGE has adopted a structured approach that considers multiple climate scenarios and distinct time horizons. This approach enables CGE to assess potential climate impacts under different future pathways, taking into account the evolving regulatory landscape in Sri Lanka and broader global climate developments.

Scenario Analysis

CGE applies a scenario-based approach to climate risk assessment, drawing on the Representative Concentration Pathways (RCPs) developed by the Intergovernmental Panel on Climate Change (IPCC). For the purpose of risk management and reporting, CGE has aligned its climate scenarios as follows:

- RCP 8.5 – business-as-usual scenario (BAU)
- RCP 6.0 and RCP 4.5 – intermediate transition scenario
- RCP 2.6 – low-carbon scenario

To enhance the robustness of risk evaluation, CGE also considers supplementary, business-relevant scenarios tailored to our poultry operations:

- **Severe Physical Risk Scenario** – Capturing intensified heatwaves, droughts, and water stress affecting biological assets, feed supply, and farm operations.
- **Accelerated Policy & Regulatory Transition Scenario** – Accounting for rapid tightening of environmental regulations, carbon pricing, and compliance requirements.
- **Energy Price Shock Scenario** – Considering sudden increases in fossil fuel costs impacting farms, feed mills, and processing facilities.
- **Technology & Innovation Acceleration Scenario** – Reflecting rapid adoption of renewable energy, energy-efficient equipment, and sustainable packaging, highlighting climate-related opportunities.
- **Supply Chain Disruption Scenario** – Assessing climate-induced impacts on feed, packaging, and logistics supply chains.

Scenario	Description	Focus
Severe Physical Risk	Intensified heatwaves, droughts, and water stress	Physical risks
Accelerated Policy & Regulatory Transition	Tightening regulations and carbon pricing	Transition risks
Energy Price Shock	Sudden increase in fossil fuel costs	Transition risks
Technology & Innovation Acceleration	Rapid adoption of renewable energy and sustainable practices	Opportunities
Supply Chain Disruption	Impacts on feed, packaging, and logistics	Physical and transition risks

This comprehensive scenario framework allows CGE to assess both physical and transition risks under multiple future pathways, consider financial and operational implications, and identify strategic climate-related opportunities, supporting informed decision-making and alignment with SLFRS S2 and TCFD guidance.

Managing Climate Risks and Opportunities

CGE continues to strengthen its climate risk mitigation strategies through targeted operational improvements, energy efficiency initiatives, and enhanced resource management. Climate-related opportunities, including energy transition initiatives, decarbonisation efforts, and sustainable packaging practices, are evaluated alongside risks to support balanced and forward-looking decision-making.

We take a structured and proactive approach to managing climate-related risks across its operations. Following sector-specific climate risk assessments, material climate risks at the Group level are re-evaluated based on their potential impact and likelihood. These risks are then discussed collaboratively within relevant risk teams and committees, ensuring robust mitigation strategies and the identification of climate-related opportunities.

All climate risks are classified in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) and IFRS S2 standards. Under these frameworks, climate risks are grouped into two primary categories: physical risks and transition risks. Physical risks are further divided into acute and chronic risks, while transition risks are categorised into policy and legal, technology, market, and reputational risks.

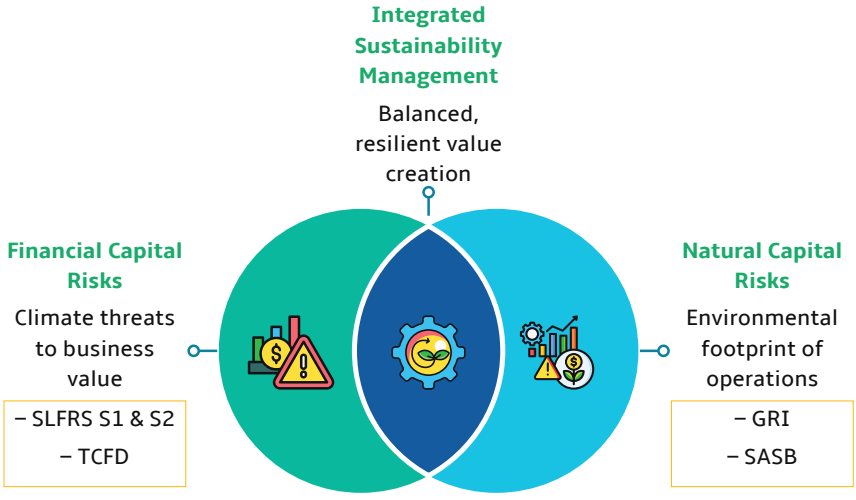
Physical climate risks are identified through comprehensive analyses, including national disaster vulnerability maps, climate projections, and cross-functional workshops. Transition risks are assessed based on global climate scenarios (RCPs), anticipated market shifts, potential international policy developments with discussions facilitated across relevant functions.

Double Materiality of Climate Risks in CGE

The concept of double materiality is central to how we manage climate-related risks and our capital strategy. On one side, climate risks can disrupt business operations and present long-term challenges to our financial capital. On the other, our operational activities affect natural capital, contributing to resource use and shaping our share of the global carbon footprint.

To address these dual impacts, CGE aligns with international best practices. We apply SLFRS S1/S2 and TCFD frameworks to evaluate how climate risks influence our business performance, while GRI and SASB standards help us measure and manage the environmental effects of our operations. This integrated approach ensures a balanced understanding of sustainability performance across all forms of capital, supporting informed decision-making and long-term resilience.

Navigating Dual Sustainability Impacts at CGE



Risk and Opportunity Management Report

CGE Climate Risk & Scenario Analysis (Short, Medium, Long-Term Impacts)

Time Horizons Applied All sustainability and climate-related risks and opportunities are assessed across the following time horizons:

- Short term: up to 3 year
- Medium term: 3 to 6 years
- Long term: beyond 6 years

Risk	Risk Category	Impacted Capital	Impacted Operations	BAU Scenario (ST/MT/LT)			Intermediate Scenario (ST/MT/LT)		
R27)Reduced poultry productivity due to rising temperatures affecting bird health and feed conversion ratios	Physical – Chronic	NC, MC, HC, FC	Farms, Hatcheries	H	H	M	M	M	L
R28) Increased mortality and operational disruptions due to extreme weather events (floods, heatwaves)	Physical – Acute	MC, HC, FC, NC	Farms, Processing Facilities, Logistics	H	H	M	M	M	L
R29)Erratic rainfall and drought impacting feed crop availability and raw material costs	Physical – Chronic	NC, FC, MC	Feed Mills, Supply Chain	H	H	M	M	M	L
R30)Water stress in drought-prone areas affecting farming and processing operations	Physical – Chronic	NC, MC, FC	Farms, Processing Facilities	H	H	M	M	M	L
R31)Rising energy costs and exposure to fossil fuel price volatility	Transition – Market	FC, MC, NC	Farms, Feed Mills, Processing Facilities	H	H	M	M	M	L
R32)Increased regulatory and compliance costs related to emissions, waste, and environmental standards	Transition – Policy & Legal	FC, IC, HC, S&RC	Group-wide	H	H	M	M	M	L
R33)Supply chain disruptions due to climate impacts on suppliers and transport networks	Physical – Acute	FC, MC, S&RC	Supply Chain, Logistics	H	H	M	M	M	L
R34) Changing customer and retailer preferences toward low-carbon and sustainable products	Transition – Market	S&RC, FC, IC	Sales, Branding	M	M	Opportunity	M	M	Opportunity
R35)Increased operational costs related to waste management and packaging materials	Transition – Market	MC, FC, NC	Processing, Distribution	M	M	Opportunity	M	M	Opportunity
R36)Decarbonisation requirements impacting long-term competitiveness	Transition – Technology	IC, FC, MC, NC	Group-wide	M	M	Opportunity	M	M	Opportunity

Financial implications throughout the value chain are further quantified in the SLFRS Sustainability-Related Financial Disclosures (Note 9: Strategy and Decision-Making)

H = High Risk | M = Medium Risk | L = Low Risk

	Low-Carbon Scenario (ST/MT/LT)			Mitigation / Opportunity Actions	Risk Rating
	L	L	L	Constructing environmentally controlled houses to ensure stable production conditions despite weather changes. - Installing lightning arresters and surge protectors to protect infrastructure from climate-induced damages. - Securing insurance coverage to mitigate financial losses from extreme weather events. - Adopting the ESG framework to enhance preparedness for climate-related challenges.	Medium
	L	L	L	Strengthening farm infrastructure; emergency preparedness plans; diversification of farm locations	Medium
	L	L	L	Supplier diversification; contract farming; sourcing from multiple regions; inventory planning	Medium
	L	L	L	Developing internal water storage infrastructure to maintain supply during shortages. - Adopting water-saving techniques to conserve resources and ensure sustainable operations. - Water efficiency measures	Medium
	L	L	L	Investment in renewable energy (solar); energy efficiency improvements; monitoring energy intensity KPIs	Medium
	L	L	L	Alignment with SLFRS S1 & S2; strengthening ESG governance; proactive compliance monitoring	Low
	L	L	L	Enhancing supply chain resilience; alternative logistics planning; supplier risk assessments	Medium
	Opportunity	Opportunity	Opportunity	- Prioritizing R&D for sustainable manufacturing technologies to reduce emissions. - Evaluating financial and environmental returns on renewable energy investments to maximise value. - Establishing CGE as a sustainability leader by marketing achievements in low-carbon transitions- and Sustainable packaging initiatives,	Low
	Opportunity	Opportunity	Opportunity	Sustainable packaging innovation; reuse of feed bags; biodegradable and food-grade materials	Medium
	Opportunity	Opportunity	Opportunity	Energy transition strategy; solar adoption; emissions measurement and reduction roadmap	Low

Risk and Opportunity Management Report

Key Opportunities Identified

- Energy transition through solar power installations and energy efficiency initiatives
- Decarbonisation aligned with emerging SLFRS S2 climate disclosure expectations
- Improved operational resilience and cost optimisation
- Enhanced ESG performance and stakeholder confidence
- Sustainable packaging innovation and waste reduction
- Strengthened supply chain resilience and food security and sustainable business model.

Strategy

For CGE, identifying material risks and opportunities is essential to guiding strategic priorities and ensuring long-term resilience. As a poultry business, CGE operates in a dynamic environment influenced by regulatory changes, biosecurity needs, supply chain volatility, and climate-related challenges. Recognising these factors allows us to integrate proactive risk management with opportunity-focused planning.

Strengthening resilience involves improving biosecurity, enhancing supply chain stability, adopting climate-adaptive practices, and leveraging technology to drive efficiency and traceability. At the same time, rising demand for responsibly produced protein and value-added products creates new growth opportunities for CGE.

Clear disclosure of how our operations impact stakeholders and how external developments affect our business supports transparency and accountability. In line with expectations under SLFRS S1 and S2, CGE remains committed to comprehensive reporting that reinforces stakeholder trust and supports sustainable long-term performance.

Metrics and Targets

Establishing clear metrics and targets is essential to evaluating the effectiveness of our sustainability priorities and ensuring alignment with evolving reporting expectations under SLFRS S1 and S2. As a poultry organisation, we rely on measurable indicators to monitor our environmental footprint, operational efficiency, animal welfare standards, workforce well-being, and overall governance performance.

A structured measurement framework allows CGE to track progress against defined goals, assess the tangible outcomes of our initiatives, and identify areas requiring further improvement. These metrics also help us quantify the benefits generated through improved resource efficiency, reduced emissions, enhanced biosecurity, responsible waste management, and strengthened community impact.

Integrating risk-related metrics into our targets supports the broader Enterprise Risk Management (ERM) process. By linking key risks such as disease outbreaks, supply chain instability, regulatory changes, feed cost volatility, and climate-related disruptions to quantifiable performance indicators, CGE ensures that risk mitigation is both proactive and data-driven. This provides stakeholders with clear insight into how we monitor our exposure, assess emerging threats, and measure the effectiveness of our response strategies.

Through transparent disclosure of our metrics and targets, CGE reinforces its commitment to accountability, responsible stewardship, and continuous improvement. These measures also demonstrate how external expectations such as regulatory requirements, industry standards, and stakeholder priorities inform the development of our sustainability performance goals and risk management approach.

Future Roadmap

CGE will continue to strengthen climate governance, refine scenario analysis, and integrate climate-related metrics into strategic and capital allocation decisions. By balancing risk mitigation with opportunity capture, CGE aims to protect long-term value while supporting a resilient and sustainable business model.

Further information on SRROs, CRROs, strategy, metrics, and targets is provided in the SLFRS Sustainability Related Financial Disclosures (Refer page 262).

Independent Sustainability Assurance Statement

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INDEPENDENT ASSURANCE REPORT TO THE BOARD OF THE DIRECTORS OF CEYLON GRAIN ELEVATORS PLC ON THE INFORMATION PRESENTED WITH REFERENCE TO THE GRI, SLFRS S1 and S2, SASB STANDARDS AND THE INTEGRATED REPORTING <IR> FRAMEWORK IN THE INTERGRATED ANNUAL REPORT – 2025

Scope

We have been engaged by the management of Ceylon Grain Elevators PLC ("the Company") to perform an independent limited assurance engagement, as defined by the Sri Lanka Standards on Assurance Engagements, on the information presented with reference to the GRI (Global Reporting Initiative), SLFRS S1 and S2, SASB (Sustainability Accounting Standards Board) Standards and the Integrated Reporting <IR> Framework ("Information") in its Integrated Annual Report for the year ended 31 December 2025 (the "Report").

Management's Responsibility

Management of the Company is responsible for preparation and presentation of the information with reference to the GRI, SLFRS S1 and S2, SASB standards and the Integrated Reporting <IR> framework. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the information that is free from material misstatement, whether due to fraud or error.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. The firm applies Sri Lanka Standards on Quality Management and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a conclusion on the information presented in Report with reference to the GRI, SLFRS S1 and S2, SASB standards and the Integrated Reporting <IR> framework. We conducted our limited assurance engagement in accordance with the Sri Lanka Standard on Assurance Engagements 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information ("SLSAE 3000") issued by the Institute of Chartered Accountants of Sri Lanka. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the information is free from material misstatement.

A limited assurance engagement undertaken in accordance with SLSAE 3000 involves assessing the risks of material misstatement of the information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the information.

C S Manoharan FCA, T U Jayasinghe FCA, M D B Boyagoda FCA, H A C H Gunarathne FCA, M P M T Gunasekara FCA, N R Gunasekera FCA, M S J Henry FCA, M M R Hilmy FCA, H P V Lakdeva FCA, K M D R P Manatunga ACA, M M M Manzeer FCA, L A C Tillekeratne ACA, D C A J Yapa ACA

Independent Sustainability Assurance Statement

Deloitte.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and were included,

- Comparing of the content of the Report against the GRI, SLFRS S1 and S2, SASB standards and the Integrated Reporting <IR> framework.
- Inquiring relevant organization's personnel to understand the process for collection, analysis, aggregation, and presentation of data.
- Cross checking the non-financial data /information presented in the Report with the supporting documents and schedules maintained by the Company.
- Checking the calculations performed by the organization on a sample basis through recalculation.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the information, as defined above, for the year ended 31 December 2025, is not presented, in all material respects, with reference to the GRI, SLFRS S1 and S2, SASB standards and the Integrated Reporting <IR> Framework.

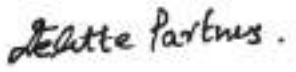
Disclosures covered by our Limited assurance engagement

The selected Sustainability Related Disclosures pertaining to sustainability standards (Notwithstanding the <IR> Framework) covered by our Limited assurance engagement are:

Sustainability Related Disclosures	Ceylon Grain Elevators PLC's sections	Page Number
SASB Standards – Meat, Poultry & Dairy	SASB Content Index	304 to 310
GRI Standards	GRI Content Index	296 to 303
SLFRS S1. Paragraph 26 – 27	Governance	274 to 275
SLFRS S1. Paragraph 28 – 40	Strategy	276 to 290
SLFRS S1. Paragraph 43 – 44	Risk management	290 to 291
SLFRS S1. Paragraph 45 – 53	Metrics & Targets	292 to 295
SLFRS S2. Paragraph 05 – 06	Governance	274 to 275
SLFRS S2. Paragraph 08 – 21	Strategy	276 to 290
SLFRS S2. Paragraph 24 – 26	Risk management	290 to 291
SLFRS S2. Paragraph 27 – 37	Metrics & Targets	292 to 295

Other Matter

Our assurance is not extending to the prospective/comparative information, or any other information presented in the Report other than based on the GRI, SLFRS S1 and S2, SASB standards and the Integrated Reporting <IR> framework. Further, we do not provide any assurance on the assumptions and achievability of prospective information presented in the Report including forward-looking statements and growth-related projections.



Deloitte Partners Sri Lanka
Chartered Accountants
Colombo
5 May 2026

Approach to Sustainability and Commitment to SDGs

Overview

Sustainability remains a cornerstone of CGE's long-term strategy, shaping how the Group creates value while responding to evolving environmental, social, and governance (ESG) priorities. Building on the strong foundation established in 2023,CGE continues to embed sustainability across its integrated operations, including feed milling, breeder and commercial farming, and chicken processing.

During the year, the Group further strengthened its commitment to responsible business practices by enhancing operational efficiencies, improving resource management, and aligning its sustainability agenda with emerging regulatory and stakeholder expectations. Through a structured and forward-looking approach, CGE continues to position itself as a responsible, resilient, and forward-thinking industry leader, contributing to sustainable food systems and long-term stakeholder value creation.

Governance

Strong governance remains central to CGE's sustainability journey. The Board of Directors provides strategic oversight and direction, ensuring that sustainability considerations are embedded into the Group's overall business strategy and decision-making processes.

In 2025, the Board continued to reinforce its commitment to ESG integration by strengthening oversight mechanisms and ensuring alignment with the latest sustainability-related disclosure requirements under SLFRS S1 and S2. The Board works closely with the Sustainability Committee and Corporate Management to monitor progress, manage risks, and capitalise on emerging opportunities in sustainability.

Sustainability Committee

The Sustainability Committee, established in February 2024, continued to play a pivotal role in 2025 in overseeing the Group's sustainability agenda. The Committee is responsible for guiding the integration of ESG considerations into CGE's operations and ensuring alignment with regulatory developments and best practices.

During the year, the Committee focused on strengthening the identification, assessment, and management of sustainability-related risks and opportunities, particularly those related to climate change, resource efficiency, and social impact. It also supported the implementation of structured reporting frameworks in line with SLFRS S1 and S2, enhancing transparency and accountability.

The Committee works in close collaboration with the Board and Corporate Management to drive sustainability strategies that are aligned with CGE's corporate objectives and stakeholder expectations, ensuring that ESG considerations remain integral to long-term value creation.

Composition of the Committee

The Sustainability Committee comprises Non-Executive Independent Directors with diverse expertise in governance, risk management, and sustainability. Their collective experience provides strong guidance in shaping CGE's sustainability strategy and overseeing its effective implementation.

Following changes effective 1 January 2025, the Committee composition reflects a blend of continuity and refreshed leadership to further strengthen governance and oversight.

Committee Members

- Mr. I. A. Wickramasinghe

Chairman / Non-Executive Independent Director

- Mr. Wickrema Senaka Weerasooria

Member / Non-Executive Chairman

- Mr. T. A. B. Speldewinde

Member / Non-Executive Independent Director

Sustainability Governance Structure

GRI 2-14

A detailed overview of the governance structure, including the roles and responsibilities of the Board and the Sustainability Committee, is provided in the SLFRS Disclosures, Note 6: Sustainability and Climate-related Governance (Page No. 274).

Sustainability Strategy

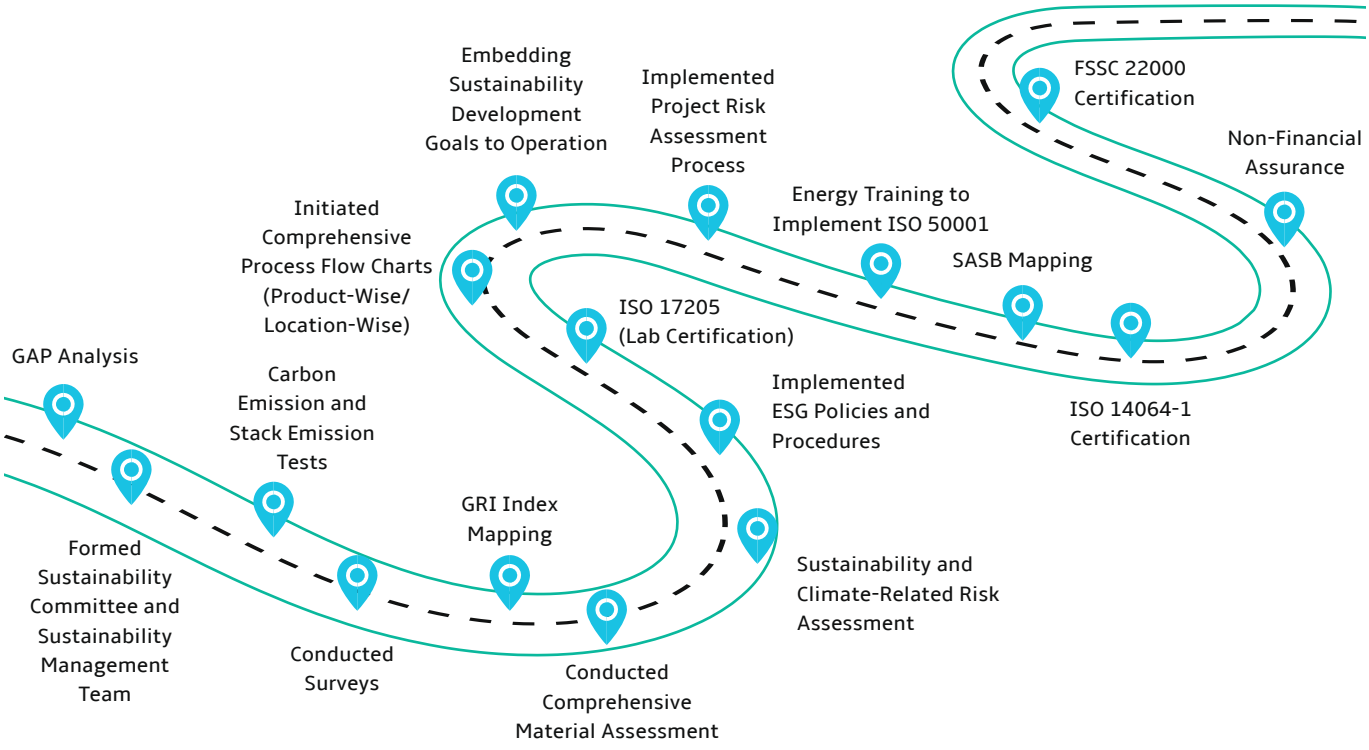
In 2025, CGE further strengthened its sustainability journey with the formalisation of a comprehensive Environmental, Social, and Governance (ESG) and Sustainability Policy, developed in line with Section 9.2 of the Colombo Stock Exchange (CSE) Listing Rules on Corporate Governance.

This policy establishes a structured foundation for integrating sustainability into CGE's core business strategy and decision-making processes. It guides the Group's efforts to proactively manage environmental and social risks while identifying opportunities that create long-term value for both the organisation and the broader community.

Alongside this, CGE has implemented key supporting policies covering Energy, Materials & Waste Management, Water Management, and Occupational Health & Safety, ensuring that sustainability considerations are embedded in day-to-day operations.

Approach to Sustainability and Commitment to SDGs

The policy also reinforces CGE's commitment to responsible business conduct, regulatory compliance, and continuous improvement, ensuring that sustainability remains central across all operational segments.



Key Focus Areas – 2025



Climate and Energy
Enhancing energy efficiency and adopting renewable energy sources

Water and Resource
Optimising water consumption and improving waste management

Animal Welfare
Improving housing conditions and health monitoring for animals

Employee Well-being
Implementing robust health and safety standards and training

Community Engagement
Supporting local communities and contributing to economic development

ESG Implementation
Setting targets, monitoring performance, and ensuring assurance

Key Sustainability Metrics and Targets (2025)

A detailed overview of the Sustainability Metrics & Targets is provided in the SLFRS Disclosures, Note 13: Metrics and Targets (Page 292).

Monitoring and Review

Progress against these targets is reviewed periodically by the Sustainability Committee and the Board, ensuring alignment with CGE's strategic priorities and evolving regulatory requirements. Performance outcomes and updates will continue to be disclosed transparently in future reporting cycles.

Double Materiality Approach

A detailed overview of the Double Materiality Approach is provided in the Material Topic (Page 36).

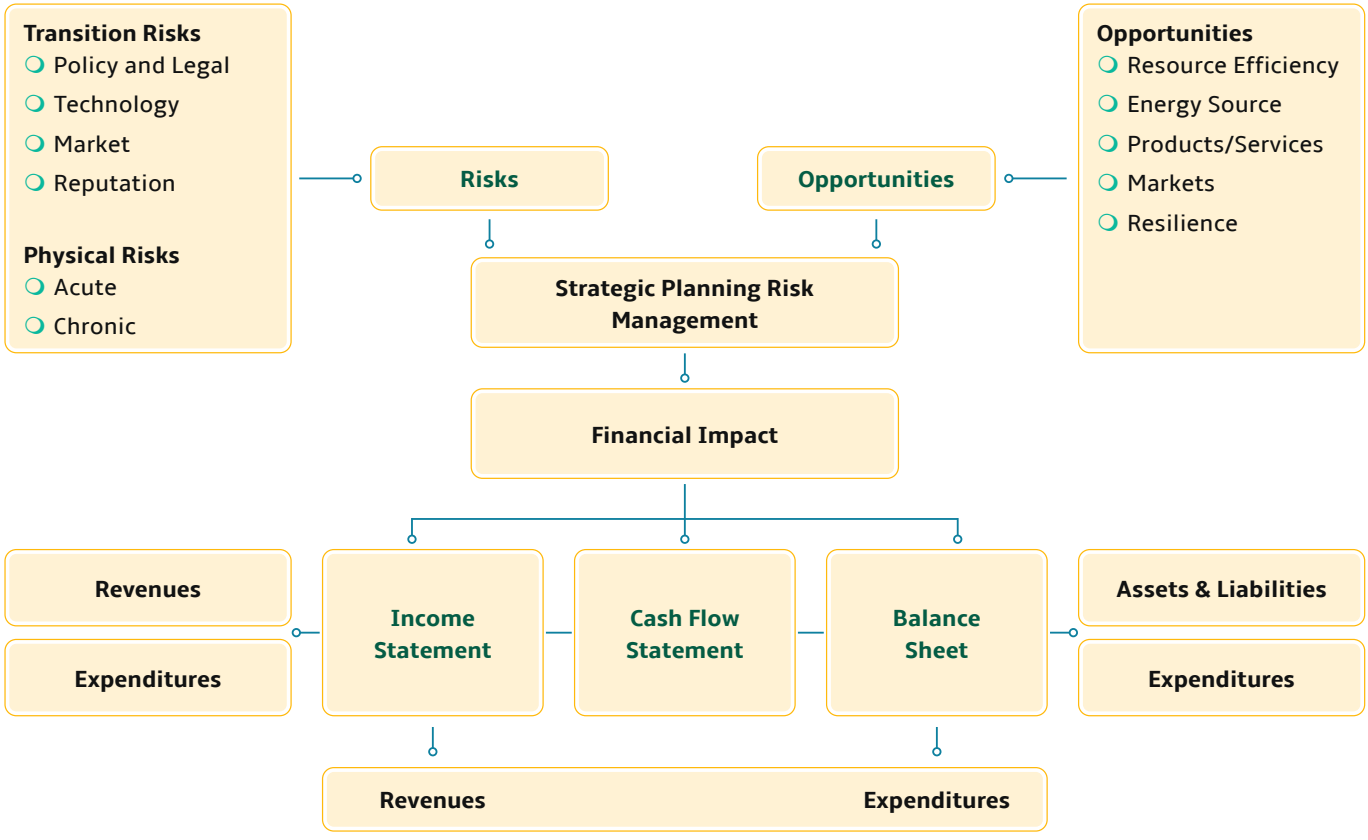
Climate Risk and Opportunity Management (SLFRS S2 Alignment)

CGE recognises climate change as a critical factor that can influence its operations, supply chain, and long-term value creation. In line with SLFRS S2, the Group has taken steps to identify, assess, and manage climate-related risks and opportunities across its value chain.

Physical risks, such as extreme weather conditions, water scarcity, and temperature variations may impact agricultural productivity and operational efficiency. Transition risks including evolving regulations, market expectations, and shifts toward low-carbon practices, are also considered in strategic planning.

At the same time, CGE continues to explore climate-related opportunities, including energy efficiency improvements, adoption of renewable energy, and sustainable farming practices that enhance resilience and reduce environmental impact.

Climate-related considerations are integrated into the Group's enterprise risk management framework, with oversight provided by the Sustainability Committee and the Board, ensuring proactive and informed decision-making.



A detailed overview of the Sustainability and Climate Risk & Opportunity is provided in alignment of Key Sustainability Risks & Opportunities (Page 238).

Approach to Sustainability and Commitment to SDGs

Alignment with the United Nations Sustainable Development Goals (SDGs)

CGE recognises the importance of aligning its business practices with the United Nations Sustainable Development Goals (SDGs) to drive meaningful environmental, social, and economic impact. As part of this commitment, the Group has mapped its operations and initiatives against relevant SDGs, ensuring that its activities contribute to global sustainability priorities while enhancing long-term stakeholder value.

This alignment reflects CGE's integrated approach to sustainability from responsible resource management and sustainable production practices to employee well-being and community development. By embedding SDGs into its strategy, CGE continues to strengthen resilience, mitigate risks, and create a positive impact on society and the environment.

Future Roadmap

CGE remains committed to continuously enhancing its sustainability practices and disclosures in line with evolving regulatory requirements and stakeholder expectations. Looking ahead, the Group aims to further strengthen its ESG data systems, expand climate-related disclosures, and refine its targets to drive measurable progress.

Through innovation, responsible resource management, and strong governance, CGE is well-positioned to create long-term sustainable value while contributing positively to the environment, society, and the economy.

SDG	SDG Sub-Goals (Target & Name)	GRI Reference	CGE Practices and Contributions
No Poverty 	1.1 Eradicate extreme poverty; 1.2 Reduce poverty; 1.4 Equal access to resources	GRI 202, 203, 207	❍ Providing employment to local communities Sourcing from local suppliers ❍ Supporting out-grower farms ❍ Contributing to national income through taxes ❍ Complying with government minimum wage regulations
Zero Hunger 	2.1 End hunger; 2.3 Support small-scale producers; 2.4 Sustainable food production	GRI 413	❍ Cultivating coconut and banana within farms ❍ Operating out-grower farms ❍ Supplying DOCs, eggs, and chicken ❍ Supporting community nutrition with protein-rich products
Good Health & Well-being 	3.8 Access to healthcare; 3.9 Reduce pollution-related health risks	GRI 403, 305, 306	❍ Medical insurance ❍ Maintaining safe workplaces ❍ No GMO use ❍ No hazardous waste generation; ❍ Low carbon emissions ❍ Zero fatalities
Quality Education 	4.3 Access to education; 4.4 Skills for employment; 4.7 Sustainability awareness	GRI 404	❍ CSR initiative "Empowering Tomorrow's Children"; vocational training; employee development programmes
Gender Equality 	5.1 End discrimination; 5.5 Equal participation	GRI 405, 406	❍ Equal opportunity employment ❍ Non-discriminatory hiring and promotions ❍ Equal pay (1:1 ratio) ❍ Leadership inclusivity
Clean Water & Sanitation 	6.3 Improve water quality; 6.4 Water efficiency	GRI 303, 306	❍ Wastewater treatment plants ❍ Natural filtration through trees ❍ Responsible water discharge practices

SDG	SDG Sub-Goals (Target & Name)	GRI Reference	CGE Practices and Contributions
Affordable & Clean Energy 	7.2 Renewable energy; 7.3 Energy efficiency	GRI 302	❍ Installation of capacitor banks ❍ Improving energy efficiency across all operational locations
Decent Work & Economic Growth 	8.5 Full employment; 8.8 Safe workplaces	GRI 401, 404	❍ Low employee turnover ❍ Safe working conditions ❍ Fair labour practices ❍ Training and development ❍ Performance and career reviews
Industry, Innovation & Infrastructure 	9.1 Infrastructure development; 9.4 Sustainable industrialisation	GRI 203	❍ Continuous investment in infrastructure and technology to enhance efficiency and value creation
Reduced Inequalities 	10.2 Social inclusion; 10.3 Equal opportunity	GRI 405	❍ No discrimination based on location, nationality, caste, or religion; inclusive workforce practices
Sustainable Cities & Communities 	11.2 a Rural-urban linkages	GRI 203	❍ Developing rural farms to generate employment and promote local economic growth
Responsible Consumption & Production 	12.2 Resource efficiency; 12.4 Waste management; 12.5 Waste reduction	GRI 301–306	❍ Zero waste initiatives ❍ Rendered meal production ❍ By-product reuse ❍ GHG measurement across operations ❍ Water recycling and treatment
Climate Action 	13.1 Climate resilience; 13.2 Climate integration into strategy	GRI 201, 302–306	❍ Carbon reduction strategies ❍ Monitoring energy and emissions ❍ Identifying climate risks and opportunities ❍ Planning mitigation actions
Life Below Water 	14.1 Reduce marine pollution	GRI 304	❍ Compliance with environmental standards Responsible discharge to minimise water pollution
Life on Land 	15.1 Ecosystem conservation; 15.5 Biodiversity protection	GRI 304, 305	❍ Reforestation and land conservation ❍ Sustainable farming; biodiversity protection; environmental impact assessments
Peace, Justice & Strong Institutions 	16.5 Reduce corruption; 16.6 Accountable institutions	GRI 206, 403, 307, 416	❍ Strong compliance culture ❍ Workplace safety ❍ Environmental law adherence ❍ Customer data protection; no anti-competitive behaviour or legal violations
Partnerships for the Goals 	17.16 Partnerships; 17.17 Public-private collaboration	GRI 207	❍ Collaboration with government, universities, and industry partners ❍ Participation in sustainability policy discussions

Consolidated Statement of ESG Performance

Category	Indicator	Note	2025	2024	2023
Environmental Performance					
Energy	Non-renewable energy consumption (GJ)	2.1	72,962.68	90,592.90	67,737.35
	Non-renewable energy consumption to generate Rs. 1 Mn turnover (GJ)	2.1	2.45	3.78	3.46
	Renewable energy consumption (% of total energy use)	2.1	Implementation is underway.	Implementation is underway.	Implementation is underway.
Water	Total water consumption (m^3)	2.2	471,541	454,413	391,175
	Total water usage to generate Rs. one million turnover (m^3)	2.2	15.8	18.94	19.96
Waste	Non-hazardous waste (kg)				
	*Non-Hazardous	3.1	227,098	174,460.00	179,432.00
	*Chicken Processing waste	3.1	6,646,250	4,549,500.00	3,855,750.00
	*Packing Waste	3.1	Nil	Nil	Nil
	* Poultry Litter	3.1	Nil	Nil	Nil
	*Hazardous waste (kg)	3.1	Nil	Nil	Nil
	Scrap Sale Income (Rs.)	3.2	18,680,302	6,340,805	12,485,027
	Litter Sale Income (Rs.)	3.2	10,155,000	11,986,000	10,467,165
Emission	Scope 1 emissions (tCO_2e)	4.1	6,769.3	4947.56	7,908
	Scope 2 emissions (tCO_2e)	4.2	6,377.7	7474.24	5,547
	Scope 3 emissions (tCO_2e)	4.3	4,153.90	N/A	N/A
	Carbon emission to generate Rs. one million turnover	4.4	0.58	0.52	0.69
Social Performance					
Employees & People	Total employees as at 31 December	5.1	732	704	745
	Employee turnover (%)	5.1	8.3	8.2	6
	Female employees (%)	5.1	27	29	27
	Employee engagement score (out of 5)	5.1	4.47	4.46	4.19
	Employee Trust Index (out of 100)	5.1	86	85	84
	Employee Satisfaction Index	5.1	82	81	80
	Absenteeism rate (%)	5.1	0.87	0.7	0.53
	Leadership development participation%	5.1	95	95	95
	Internal promotion rate (%)	5.1	8.26	7.5	8
	Average tenure of employees (%)	5.1	70	74	75
	Total number of fatalities	5.1	Nil	Nil	Nil
	Major injuries	5.1	Nil	Nil	Nil
	Average training hours per employee (hrs)	5.1	7	6.4	1.28
	Investment in training	5.1	1,376,486	624,000	671,000
	Total Employee Benefits Distributed ('000)	5.1	2,420,376	2,041,891	1,783,886
	Volunteer hours by employees (hrs)	5.1	1,492	3,026	2,980
	Number of apprenticeships provided for technical education	5.1	311	163	183

Category	Indicator	Note	2025	2024	2023
Customer & Society	Customer Satisfaction Index	5.2	95%	94%	94%
	Duty and tariff paid (Rs.000)	5.2	9,303,719	6,397,686	4,261,858
	Product recalls	5.2	Nil	Nil	Nil
	Number of community projects supported	5.2	11	6	7
Governance Performance					
Values & Ethics	Whistle-blower cases reported & solved	6.1	Nil	Nil	Nil
	Anti-harassment helpline cases reported & solved	6.1	Nil	Nil	Nil
	Number of regulatory fines or penalties	6.1	Nil	Nil	Nil
	Internal investigations initiated & closed	6.1	Nil	Nil	Nil
Management Systems	Total audits conducted	6.2	13	8	8
	Major non-compliances reported	6.2	Nil	Nil	Nil
	% corrective actions implemented after audits	6.2	100%	100%	100%
	Data privacy / cybersecurity incidents reported & resolved	6.3	Nil	Nil	Nil
	Audit recommendations closure rate (%)	6.3	90%	90%	90%

Section 01 – Basis of Preparation

Reporting Scope and Framework

This consolidated ESG Performance Statement has been prepared for CGE PLC and its subsidiaries over which CGE exercises management control. Information relating to joint ventures and associates has been included where such information is considered relevant to understanding the Group's overall ESG performance. Details of the Group structure and principal entities are provided elsewhere in this report.

The ESG indicators disclosed in this statement are aligned with CGE's sustainability priorities and strategic objectives and reflect matters identified as material to the Group's long-term value creation. These indicators support both short-term operational management and CGE's longer-term sustainability ambitions.

Standards, Guidelines and References

In preparing this ESG statement, CGE has considered and applied internationally recognised sustainability and governance frameworks, including the following:

- GRI Standards issued by the Global Sustainability Standards Board (GSSB), which guide the identification and disclosure of material environmental, social and governance impacts and GRI 13: Agriculture, Aquaculture and Fishing Sector standard (2022)
- Guiledlines for Presentation of Annual Reports by CA Sri Lanka -2025
- The International Integrated Reporting Framework (2021) to support integrated thinking and demonstrate how ESG factors influence CGE's ability to create value over time.
- Sustainability Accounting Standards Board (SASB) Standards, particularly those relevant to climate-related and sustainability-related financial disclosures and Meat Poultry and Dairy Standard (2022 Volume B23) under the IFRS Foundation.
- The Greenhouse Gas Protocol – Corporate Accounting and Reporting Standard, developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), for the measurement and reporting of greenhouse gas emissions.
- The Code of Best Practices on Corporate Governance (2017) issued jointly by the Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka.
- ISO 14064-1:2018, which provides guidance at the organisational level for the quantification and reporting of greenhouse gas emissions and removals.

Consolidated Statement of ESG Performance

- GHG Protocol Scope 2 Guidance, an amendment to the GHG Protocol Corporate Standard
- Corporate Value Chain (Scope 3) Accounting and Reporting Standard, a supplement to the GHG Protocol Corporate Accounting and Reporting Standard.
- Technical Guidance for Calculating Scope Emissions (Version 1.0), supplement to the Corporate Value Chain (Scope 3) Accounting and Reporting Standard.
- SLFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information and SLFRS S2 – Climate-related Disclosures.
- TCFD Guidance (October 2021), including the Supplemental Guidance for Non-Financial Groups - Agriculture, Food, and Forest Products, ensuring relevance to the nature and scale of our operations.

Reporting Principles

CGE applies the reporting principles outlined in the GRI Standards, SASB Standards, and the <IR> Framework to ensure that ESG disclosures are balanced, consistent, comparable, and reliable. These principles guide the selection of indicators, the presentation of information, and the integration of sustainability considerations into strategic and operational decision-making.

Materiality

Materiality is assessed using a double materiality perspective, considering both:

- The impacts of CGE's operations on the environment and society , and
- The effects of environmental and social factors on CGE's financial performance and future prospects.

Material topics are identified through structured engagement with key stakeholders, enterprise risk management processes, and assessments of emerging risks and opportunities. These inputs support an evaluation of CGE's ability to create and preserve value over the short, medium, and long term and are further discussed in the relevant risk, capital, and segment disclosures within this report.

Stakeholder Inclusiveness

Stakeholder inclusiveness is embedded within CGE's sustainability and governance approach. Stakeholder expectations and priorities are assessed periodically through formal and informal engagement mechanisms, including independent perception surveys and internal management reviews.

The Group reviews its stakeholder mapping and needs assessment annually through established management systems, enabling the identification of evolving stakeholder expectations and emerging stakeholder groups. The insights gained from these processes inform strategy development, risk management, and ESG priority setting.

Accuracy, Completeness and Verifiability of Data

The accuracy, completeness, and verifiability of ESG information are supported by CGE's accredited management systems, which are subject to annual audits by independent external certification bodies. These include:

- ISO 9001:2015 – Quality Management System
- ISO 14064-1:2018 – Organisational-level quantification and reporting of greenhouse gas emissions and removals
- ISO 22000 (Food Safety Management)
- HACCP (Hazard Analysis and Critical Control Points) certification
- Good Manufacturing Practices (GMP)
- ISO 17025, an international standard that establishes requirements for testing and calibration laboratories.

In addition, ESG data undergoes internal verification through established sustainability data management platforms, with selected key disclosures subject to external limited assurance, further strengthening transparency and credibility.

Comparability

ESG indicators presented in this statement are calculated in accordance with the methodologies prescribed under the GRI and SASB Standards. Any revisions to previously reported data arise primarily from enhancements in data availability, expanded measurement scope, or improvements in ESG reporting practices. Where changes in methodologies or assumptions occur, these are transparently disclosed, and historical baselines are retained where material.

Responsiveness

This report demonstrates CGE's responsiveness to evolving regulatory requirements, stakeholder expectations, and emerging sustainability risks and opportunities. Key areas of responsiveness include expanded greenhouse gas accounting boundaries, enhanced climate risk assessments and scenario analysis aligned with SLFRS S2, TCFD and strengthened climate-related and sustainability disclosures.

Impact

The ESG Performance Statement presents both positive and negative impacts arising from CGE's activities across multiple capitals, including natural, human, social, and intellectual capital. During the reporting period, the Group has enhanced the tracking and disclosure of supporting a more comprehensive understanding of its environmental footprint and sustainability outcomes.

Section 02 – Environmental Performance

2.1 Energy Consumption Profile

Refer Natural Capital Report Page 168-170.

CGE's energy consumption primarily comprises non-renewable energy sources, including diesel, petrol, furnace oil, and LP gas, which support field operations, processing activities, logistics, and corporate functions across the Group. CGE's non-renewable energy mix comprises the following key sources:

CGE Group	2025	2024	2023
Total Diesel Usage (GJ)	7,581.68	10,738.42	15,597.24
Total Petrol Usage (GJ)	186.20	337.86	411.67
Furnance Oil (GJ)	15,588.12	25,826.49	10,022.08
LP Gas(GJ)	1,676.81	2,864.15	2,769.91
Electricity (GJ)	47,929.87	50,825.98	38,936.46
Total Energy (GJ)	72,962.68	90,592.90	67,737.35

Non-Renewable Energy Intensity

The Group's non-renewable energy consumption per LKR 1 million of turnover decreased to 2.45 GJ in FY 2025 from 3.78 GJ in FY 2024 (FY 2023: 3.46 GJ). The reduction in energy intensity reflects improved energy efficiency practices even though increase in production volumes during the reporting period, resulting in better utilisation of energy resource.

Renewable Energy Transition

CGE has initiated its transition toward cleaner energy sources. During the reporting period, a solar power plant at Bulathsingla is being installed. This initiative is expected to reduce carbon emissions by 386 tonnes (tCO_2e) annually, representing a 12% savings compared to TAF Group's 2024 Greenhouse Gas (GHG) emissions.

Reporting Methodology

Energy data covers fuel consumption across feed operations, processing facilities, Farms, logistics, and corporate offices. Information is compiled using fuel purchase records, internal consumption logs, and operational data from Group entities. Energy consumption is converted to gigajoules (GJ) using standard conversion factors in line with GRI guidance to ensure consistency and comparability across reporting periods.

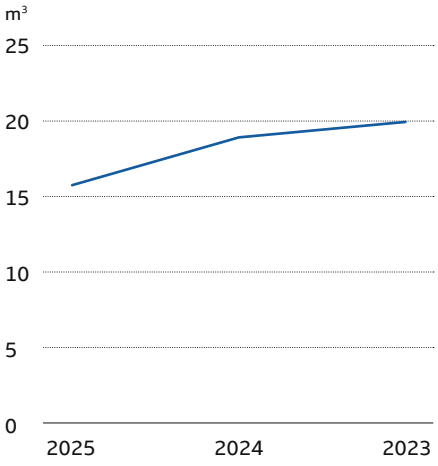
2.2 Water Consumption Profile

Refer Natural Capital Report Page 174-175.

CGE's water consumption supports Feed and Farms operations, processing activities, across the Group. Water is sourced from a combination of Municipal Water systems , surface and ground water abstraction where permitted, and treated mains water used primarily for hygiene and operational cleaning purposes.

For FY 2025, total water consumption amounted to 471,541 m³, compared to 454,413 m³ in FY 2024 and 391,175 m³ in FY 2023.

Total Water Usage to Generate Rs. 1 Mn Turnover



Water Use Intensity

Despite the increase in both production volume and revenue during the year, water consumption per LKR 1 million of turnover decreased to 15.8 m³ in FY 2025, compared to 18.94 m³ in FY 2024 and 19.96 m³ in FY 2023. The reduction in water intensity reflects the effectiveness of the Group's water conservation initiatives and its continued commitment to decoupling water use from business growth while strengthening overall water stewardship practices.

Consolidated Statement of ESG Performance

Reporting Methodology

Water consumption data is compiled from utility bills, on-site water meter readings, and operational logs . Where direct metering is not available, consumption is estimated using standardised methodologies.

3.1 Waste Generation Profile

Refer Natural Capital page 175-177

CGE's operations generate predominantly non-hazardous waste, arising from food processing, poultry processing, packaging activities, and poultry litter from farm operations. Hazardous waste generation remains minimal and is managed under strict regulatory controls.

For FY 2025, non-hazardous waste generation increased in line with higher production volumes, particularly within chicken processing operations.

Non-Hazardous Waste

- Non –Hazardous : 227,098 kg (FY 2025), compared to 174,460 kg in FY 2024 and 179,432 kg in FY 2023. All food waste is disposed of through Central Environmental Authority (CEA)-registered service providers and for swine operations.
- Chicken Processing Waste: 6,646,250 kg (FY 2025), increasing from 4,549,500 kg in FY 2024 and 3,855,750 kg in FY 2023, reflecting increased throughput and production volumes during the year.
- Packing Waste: Nil across the reporting period. Feed packing materials are reused. Chicken packing materials consist of biodegradable, food-grade polythene, while DOC packaging uses cardboard, supporting waste minimisation initiatives.
- Poultry Litter: Poultry litter is repurposed as organic fertiliser across the Group's farms, contributing to sustainable agriculture and soil enrichment.

Waste Recovery and Circularity

- CGE promotes resource recovery through responsible disposal and material recovery practices. During the reporting period:
- Scrap sales income amounted to Rs. 18.68 million, generated from the sale of used and cut PP feed bags (25 kg and 50 kg), old documents, and other recyclable materials.
- Poultry litter sales income totalled Rs. 10.1 million, supporting circular use in agricultural applications.

Reporting Methodology

Waste data is compiled from operational records, weighbridge data, disposal notes, and contractor invoices across farms, processing facilities, and support operations. Waste classification and reporting follow applicable GRI guidance, with quantities recorded in kilograms or litres as appropriate.

4.1 Emissions Profile

Refer Natural Capital Report Page 169-174.

CGE's GHG emissions primarily arise from fuel consumption in operations and the use of purchased electricity. Emissions are categorised and reported under Scope 1, Scope 2, and Scope 3 in accordance with the GHG Protocol – Corporate Accounting and Reporting Standard.

For FY 2025, Scope 1 emissions amounted to 6,769.3 tCO_2e, compared to 4,947.6 tCO_2e in FY 2024 and 7,908.1 tCO_2e in FY 2023. The increase compared to FY 2024 reflects higher fuel consumption across operations, while remaining below FY 2023 levels, indicating partial improvements in fuel efficiency and energy optimisation initiatives.

Scope 2 emissions totalled 6,377.7 tCO2e in FY 2025, compared to 7,474.2 tCO_2e in FY 2024 and 5,547.3 tCO_2e in FY 2023. The reduction from FY 2024 is mainly attributable to improved electricity management and changes in grid emission factors, although emissions remain above FY 2023 levels.

In FY 2025, CGE also reported Scope 3 emissions of 4,153.9 tCO_2e, reflecting the organisation's efforts to enhance value chain emissions tracking and disclosure.

Carbon Intensity

Carbon emissions per Rs. 1 million of turnover increased to 0.58 tCO_2e in FY 2025, compared to 0.52 tCO_2e in FY 2024, but improved from 0.69 tCO_2e in FY 2023. This indicates that while emissions efficiency declined year-on-year, the Company has made progress over the medium term in managing emissions relative to business growth.

Scope Coverage

- Scope 1 emissions include direct emissions from diesel usage, LP gas consumption, fugitive emissions, wastewater treatment plant operations, and other stationary and mobile combustion sources.
- Scope 2 emissions relate to indirect emissions from purchased electricity consumed across CGE's operational sites.

- Scope 3 emissions assessment commenced in FY 2025. Initial categories assessed include:
  - Purchased goods and services (including pest control services, chemicals, and packaging materials)
  - Capital goods
  - Upstream transportation and distribution
  - Waste generated in operations
  - Employee commuting
  - Business travel

Reporting Methodology

GHG emissions are calculated using activity data obtained from fuel consumption records, electricity bills, and operational logs, converted to tCO_2e using emission factors prescribed by the GHG Protocol and relevant national and international guidelines. Data collection and reporting processes are subject to internal verification, with enhancements underway to support expanded Scope 3 disclosures. The methodology of measurement of the emissions follows the WBCSD/WRI Greenhouse Gas Protocol's Corporate Standard (Revised Edition). Reporting is under Scopes 1, 2 and 3, according to the nature of business at CGE.

SECTION 03 – Social Performance

Refer Human Capital Report Page 157-160.

5.1 Employees

As at 31 December 2025, CGE employed 732 employees, compared to 704 in 2024 and 745 in 2023, reflecting workforce stabilisation following operational adjustments in the prior year. Employee turnover remained broadly stable at 8.3% in 2025 (2024: 8.2%), while female representation stood at 27%, consistent with 2023 levels.

Reporting Methodology

Data on total employees, gender diversity, employee turnover, average tenure, internal promotion rates, and leadership development participation are obtained from the Group's Human Resources Information Systems (HRIS) and payroll records. Headcount reflects permanent employees on the payroll as at 31 December of each reporting year. Employee turnover is calculated as the percentage of employees who exited the organisation during the year relative to the average workforce size.

Employee Engagement and Wellbeing

CGE continues to prioritise employee engagement, trust, and satisfaction through structured surveys and people-centric initiatives.

Reporting Methodology

Employee engagement, trust, and satisfaction metrics are derived from structured employee perception surveys conducted periodically across the Group. Surveys are administered confidentially to encourage honest feedback and use standardised scoring methodologies. Where surveys are ongoing, the most recent available results are disclosed.

Health and Safety Performance

CGE maintained a zero-fatality and zero major injury record across all reporting years, reflecting the effectiveness of its occupational health and safety management systems. The absenteeism rate in FY 2025 was 0.87%, indicating stable workforce attendance and wellbeing.

Reporting Methodology

Health and safety indicators, including fatalities, major injuries, absenteeism rates, and workplace incidents, are recorded through the Group's occupational health and safety management systems. Incident data is compiled from site-level safety logs and reviewed centrally. Absenteeism is calculated based on recorded absence days relative to total available working days.

Learning and Talent Development

Investment in learning and development remains a key focus area. Average training hours per employee amounted to 7 hours in FY 2025, compared to 6.4 hours in FY 2024 and 1.28 hours in FY 2023.

Total investment in training increased to Rs. 1.38 million in FY 2025, up from Rs. 0.62 million in FY 2024 and Rs. 0.67 million in FY 2023, supporting capability building and leadership development.

- Leadership development participation: 95%
- Internal promotion rate: 8.26%
- Average employee tenure: 70%, highlighting workforce stability and retention of institutional knowledge.

Consolidated Statement of ESG Performance

Reporting Methodology

Training-related data, including average training hours per employee, total investment in training, and participation in leadership development programmes, is sourced from learning management systems, training attendance registers, and finance records. Training hours include both internal and external programmes delivered during the reporting period.

Compensation and Benefits

Total employee benefits distributed increased to Rs. 2,041.9 million in FY 2025, compared to Rs. 1,783.9 million in FY 2024, reflecting workforce growth, inflationary adjustments, and enhanced employee benefits.

Reporting Methodology

Total employee benefits distributed are derived from audited payroll and finance systems and include salaries, statutory contributions, allowances, and other employee-related benefits. Figures are reported on an accrual basis in line with financial reporting practices.

Community and Skills Development

CGE encourages employee participation in community initiatives, with 1,492 volunteer hours contributed during the reporting period. The Group also supported skills development through 311 apprenticeships in FY 2025 (2024: 163; 2023: 183), reinforcing its commitment to technical education and youth employability.

Reporting Methodology

Data on apprenticeships provided for technical education is compiled from training programme records maintained by human resources and operational departments. These figures represent structured apprenticeship and vocational training opportunities supported during the reporting period. Employee volunteer hours are tracked through records maintained by human resources and sustainability teams, based on participation logs from approved community engagement initiatives.

5.2 Customer & Society Performance

Refer Social and Relationship Capital Page 104.

Customer Satisfaction

CGE places strong emphasis on product quality, reliability, and customer trust across its poultry and feed businesses. Customer satisfaction is monitored through structured feedback mechanisms and periodic assessments.

- Products: Customer satisfaction improved to 95% in FY 2025, compared to 94% in FY 2024 and 94% in FY 2023, indicating a positive and sustained improvement in customer experience.

Customer feedback is reviewed on a quarterly basis, enabling timely identification of issues and continuous improvement.

Reporting Methodology

Customer satisfaction data is obtained through structured customer feedback mechanisms, surveys, and service evaluations conducted periodically across key product categories. Scores are aggregated and reviewed annually to identify trends and improvement opportunities.

Product Responsibility and Quality Assurance

CGE maintained a zero product recall record across all reporting years, demonstrating the effectiveness of its quality assurance, food safety, and traceability systems. Robust quality control procedures are implemented across production, processing, and distribution stages to ensure compliance with regulatory and customer requirements.

Reporting Methodology

Data on product recalls is derived from internal quality assurance and incident reporting systems. A recall is recorded only where products are formally withdrawn from the market due to safety or quality concerns.

Economic Contribution and Compliance

The Group continues to meet its fiscal and regulatory obligations in full. During FY 2025, CGE paid Rs. 8.31 billion in duties and tariffs, compared to Rs. 1.25 million in FY 2024 and Rs. 0.65 million in FY 2023. There were no pending compliance issues, and all statutory payments were settled within prescribed timelines.

Reporting Methodology

Information on duties and tariffs paid is sourced from audited finance and statutory compliance records. Figures reflect actual payments made during the reporting period and are reported on an accrual basis.

Community Engagement and Social Investment

CGE actively supports local communities through targeted development initiatives aligned with its operational footprint. In FY 2025, the Group supported 11 community projects, compared to 12 projects in FY 2024 and 13 projects in FY 2023, focusing on livelihoods, education, and community wellbeing.

Reporting Methodology

Data on community projects supported is compiled from sustainability and corporate affairs records and includes structured initiatives implemented or funded by CGE during the reporting year.

SECTION 04 – Governance Performance

Refer Social and relationship Capital page 101.

6.1 Values, Ethics and Compliance

CGE maintains a strong governance framework underpinned by ethical conduct, transparency, and regulatory compliance. During the reporting period, the Group recorded zero whistle-blower cases, no anti-harassment helpline cases, and no regulatory fines or penalties across all reporting years. There were also no internal investigations initiated or pending, reflecting adherence to the Group's Code of Conduct and ethical standards.

Reporting Methodology

Ethics and compliance data (whistle-blower cases, anti-harassment reports, investigations, and penalties) are tracked through internal reporting and compliance registers. Audit-related data is obtained from internal audit reports, external certification audits, and management system records.

6.2 Management Systems and Controls

CGE's management systems continue to operate effectively, supported by regular internal and external audits. In FY 2025, a total of 13 audits were conducted (FY 2024: 8; FY 2023: 8). No major non-compliances were reported during the period.

All corrective actions identified through audits were implemented, achieving a 100% corrective action closure rate consistently across the last three years. The audit recommendation closure rate remained stable at 90%, demonstrating timely management response and continuous improvement.

Reporting Methodology

Corrective action and audit closure rates are calculated based on actions completed against those identified during audits.

6.3 Data Protection and Cybersecurity

No data privacy or cybersecurity incidents were reported during the reporting period. CGE continues to strengthen information security controls to safeguard stakeholder data and ensure business continuity.

Reporting Methodology

Corrective action and audit closure rates are calculated based on actions completed against those identified during audits. Data privacy and cybersecurity incidents are monitored through IT and risk management systems.

SLFRS Sustainability-Related Financial Disclosures

Note 01: Basis for the Preparation

1.1 Application of SLFRS Sustainability Disclosure Standards

These sustainability-related financial disclosures have been prepared in accordance with the Sri Lanka Financial Reporting Standards (SLFRS) Sustainability Disclosure Standards issued by the Institute of Chartered Accountants of Sri Lanka, namely:

- SLFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information, and
- SLFRS S2 – Climate-related Disclosures, which are aligned with IFRS S1 and IFRS S2 issued by the International Sustainability Standards Board (ISSB).

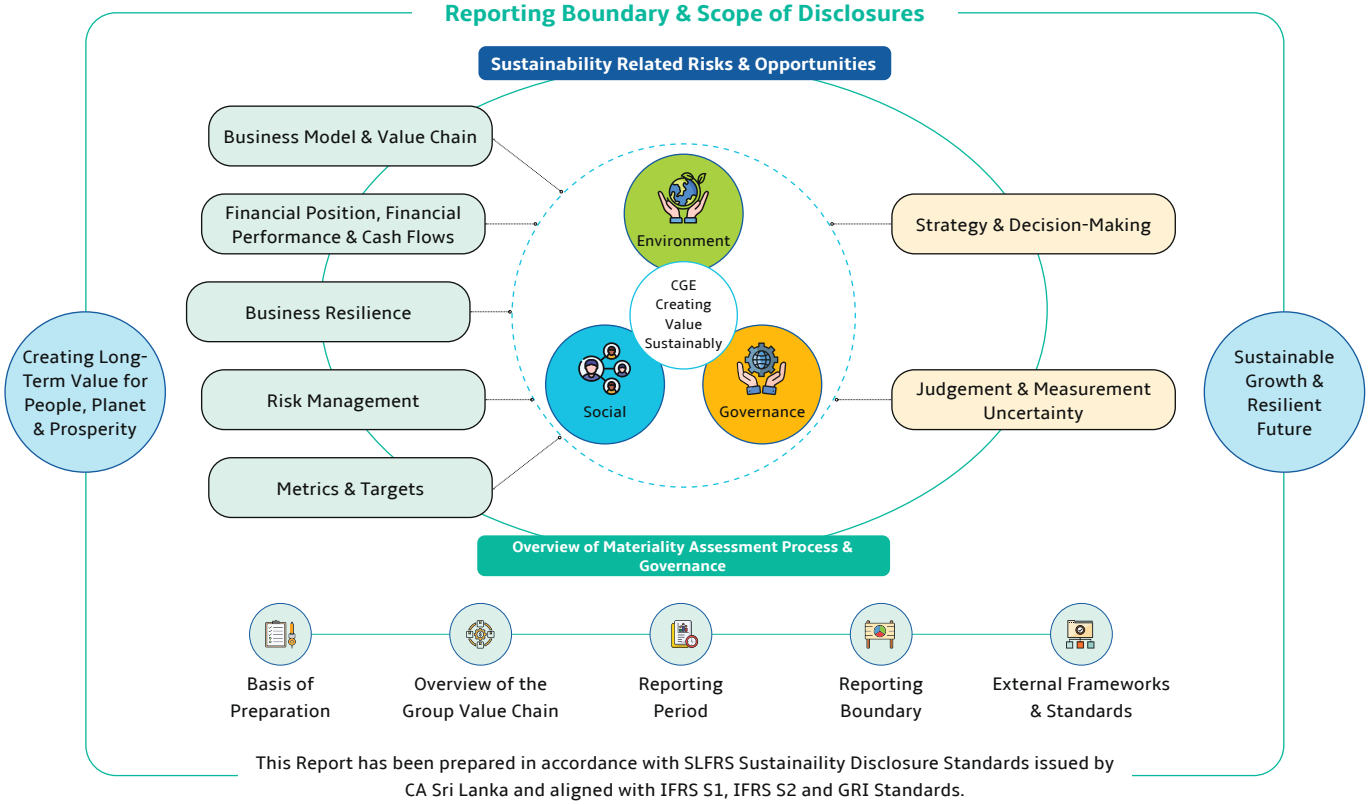
CGE has adopted the SLFRS Sustainability Disclosure Standards for the financial year ended 31 December 2025. These disclosures provide a comprehensive view of sustainability-related risks and opportunities that could reasonably be expected to affect the Group's Financial performance, Financial Position , cash flows, access to finance, and cost of capital over the short, medium, and long term.

The Group has not applied any transitional reliefs available under SLFRS S1 or SLFRS S2. Accordingly, the disclosures extend beyond climate-related matters and encompass a broader range of environmental, social, and governance (ESG) risks and opportunities identified as financially material to the Group.

In preparing these disclosures, CGE has considered relevant guidance, where applicable, from the following frameworks and standards to enhance the robustness and comparability of disclosures:

- TCFD Guidance (October 2021), including the Supplemental Guidance for Non-Financial Groups - Agriculture, Food, and Forest Products, ensuring relevance to the nature and scale of our operations.
- Sustainability Accounting Standards Board (SASB) Standards, particularly those relevant to climate-related and sustainability-related financial disclosures and Meat Poultry and Dairy Standard (2022 Volume B23) under the IFRS Foundation.
- Global Reporting Initiative (GRI) Standards
- GRI 13: Agriculture, Aquaculture and Fishing Sectors (2022)

These frameworks have been used as complementary references and do not replace the requirements of SLFRS Sustainability Disclosure Standards.



This Report has been prepared in accordance with SLFRS Sustainaility Disclosure Standards issued by CA Sri Lanka and aligned with IFRS S1, IFRS S2 and GRI Standards.

1.2 Reporting Period and Reporting Boundary

These sustainability-related financial disclosures cover the financial year from 1 January 2025 to 31 December 2025, consistent with the Group's general-purpose financial statements.

The disclosures apply to Ceylon Grain Elevators PLC and its subsidiaries and are prepared on a consolidated basis, unless otherwise stated. The reporting boundary is aligned with the Group's financial reporting boundary and includes all operations, assets, and activities over which the Group exercises control.

Where sustainability-related risks and opportunities arise from upstream or downstream value chain activities that are outside the Group's direct financial reporting boundary, such exposures are included where they are considered material to the Group's financial prospects. These inclusions are clearly identified in the relevant disclosures.

The primary users of these sustainability-related financial disclosures are existing and potential investors, lenders, and other creditors who rely on general-purpose financial reports to make decisions about providing resources to the Group.

1.3 Materiality Basis

In accordance with SLFRS S1, the Group discloses only those sustainability-related risks and opportunities that could reasonably be expected to affect its Financial Performance, Financial Position, cash flows, access to finance, or cost of capital over the short, medium, or long term.

CGE applies a financial materiality lens, while recognising that certain environmental and social matters may have indirect or longer-term financial implications. The determination of material sustainability-related risks and opportunities is based on a structured materiality assessment process that includes:

- Evaluation of the magnitude and likelihood of potential financial impacts
- Consideration of relevant time horizons (short, medium, and long term)
- Engagement with internal stakeholders and subject-matter experts
- Assessment across environmental, social, and governance dimensions
- Alignment with disclosure pillars under SLFRS Sustainability Disclosure Standards

Sustainability topics assessed but determined not to be financially material have been excluded from these disclosures. A record of assessed topics is maintained internally and reviewed periodically to reflect evolving business conditions, regulatory requirements, and stakeholder expectations.

1.4 Use of Estimates, Judgements, and Forward-looking Information

The preparation of sustainability-related financial disclosures requires the use of estimates, assumptions, and professional judgement, particularly given the forward-looking nature of sustainability-related risks and opportunities.

The Group has used reasonable and supportable information available at the reporting date . Where quantitative information is disclosed, it is based on methodologies, assumptions, and data sources that are considered appropriate and proportionate to the nature of the underlying risk or opportunity.

Areas involving significant judgement, estimation uncertainty, or forward-looking assumptions include, but are not limited to, climate-related risk assessment, scenario analysis, greenhouse gas emissions estimation, and the evaluation of value chain exposures.

1.5 Changes from Previous Reporting Periods

The financial year ended 31 December 2025 represents an enhanced phase in the Group's sustainability-related financial reporting in First time.

SLFRS Sustainability-Related Financial Disclosures

Key developments compared to prior reporting practices include:



Expanded Coverage
Broader environmental, social, and governance considerations across the value chain



Forward-Looking Assessments
Improved integration of business resilience and financial effects of sustainability



Refined Methodologies
Improved consistency and decision-usefulness of sustainability measurements



Omitted CRROs
Non-significant CRROs were omitted due to their minimal impact



Restated GHG Emissions
GHG emissions for 2025 have been restated to incorporate updated data

1.6 Statement of Compliance

These sustainability-related financial disclosures represent a complete and fair presentation of the sustainability-related financial information of Ceylon Grain Elevators PLC and its subsidiaries for the year ended 31 December 2025.

The disclosures have been prepared in compliance with the SLFRS Sustainability Disclosure Standards as issued by the Institute of Chartered Accountants of Sri Lanka and are intended to be read together with the Group's consolidated financial statements.

Note 2: Overview of the Value Chain

CGE operates an integrated value chain encompassing manufacturing, processing, distribution, and supporting services across its diversified business operations in Sri Lanka. The Group's activities are supported by a network of suppliers, service providers, logistics partners, and distribution channels, all of which play a critical role in value creation and the management of sustainability-related risks and opportunities. CGE's value chain reflects its strategic focus on operational efficiency, product quality, regulatory compliance, and responsible business practices.

Upstream Value Chain

CGE's upstream value chain comprises the procurement of key raw materials, packaging materials, utilities (including energy and water), outsourced services, and labour required to support manufacturing and operational activities. Key sustainability-related considerations at this stage include supplier reliability, cost fluctuations, responsible sourcing practices, resource availability, and compliance with environmental and social standards.

These risks are managed through supplier evaluation and diversification, adherence to internal procurement standards, monitoring of resource consumption, and engagement with suppliers to promote compliance with applicable regulatory and ESG requirements.

Downstream Value Chain

The downstream value chain covers product distribution, sales, customer engagement, and logistics, including transportation and warehousing. CGE supplies products to domestic and local markets through a combination of direct customers, distributors, and business partners.

Sustainability-related risks in the downstream segment primarily relate to evolving customer expectations on ESG performance, regulatory requirements in key markets, logistics-related emissions, and reputational exposure. CGE addresses these risks by strengthening compliance processes, improving transparency, monitoring logistics efficiency, and aligning operations with customer and market sustainability expectations.

Stakeholders Across the Value Chain

CGE operates within a broad stakeholder ecosystem that includes employees, suppliers, customers, regulators, service providers, communities, investors, and other business partners. These stakeholders influence CGE's sustainability performance across the value chain, particularly in areas such as ethical business conduct, occupational health and safety, environmental management, and regulatory compliance.

Structured engagement mechanisms including internal communication channels, supplier interactions, customer engagements, and regulatory reporting are used to maintain alignment with stakeholder expectations, manage emerging risks, and support informed decision-making.

Value Chain-Related Risks and Opportunities

CGE's value chain gives rise to sustainability-related risks and opportunities with potential financial implications.

Key upstream risks include:

- Volatility in raw material and utility costs
- Resource constraints related to energy and water availability
- Workforce availability, skills retention, and labour cost pressures

Downstream risks include:

- Increasing ESG-related requirements from customers and business partners
- Regulatory developments affecting market access and product compliance
- Emissions and cost impacts associated with transportation and logistics

At the same time, CGE identifies several opportunities across its value chain, including:

- Operational efficiency improvements that reduce resource consumption and costs
- Energy efficiency initiatives and the increased use of cleaner energy sources to lower GHG emissions
- Strengthened ESG performance supporting customer confidence, market competitiveness, and access to sustainable financing

By identifying and assessing sustainability-related risks and opportunities across its upstream and downstream value chain, CGE integrates sustainability considerations into strategic and financial decision-making. This approach is aligned with the SLFRS Sustainability Disclosure Standards and is based on reasonable and supportable information available at the reporting date, without undue cost or effort.

Note 3: Reporting Boundary

3.1 Consistency with the Financial Reporting Boundary

CGE's sustainability-related financial disclosures for the year ended 31 December 2025 have been prepared using the same reporting boundary as the Group's consolidated financial statements. Accordingly, the disclosures cover all entities and operations over which CGE exercises control, including manufacturing facilities, operational sites, distribution and logistics functions under management control, and central administrative and corporate support functions.

Where sustainability-related risks and opportunities arise outside the financial reporting boundary such as those linked to suppliers, service providers, or third-party logistics partners these are considered separately where they are material to CGE's value chain and financial performance.

3.2 Operational Control Approach

CGE defines its sustainability reporting boundary using an operational control approach. This includes all activities and facilities where the Group has the authority to direct operations, implement sustainability initiatives, and enforce compliance with internal policies and applicable regulatory requirements.

Operations under operational control include wholly owned and managed production facilities, warehouses, utilities under CGE management, and employee-related systems. Activities that are not under direct operational control, such as those performed by third-party suppliers or outsourced service providers, are not included within the direct reporting boundary but are evaluated as part of CGE's value chain assessments in line with the SLFRS Sustainability Disclosure Standards.

3.3 Consideration of Value Chain Activities

In addition to operations within the financial reporting boundary, CGE considers sustainability-related risks and opportunities arising from upstream and downstream value chain activities where these may have a material impact on the Group's financial position, performance, or future prospects.

Such considerations include raw material and packaging sourcing, energy and utility inputs, customer and regulatory ESG expectations, and emissions associated with distribution and logistics. The inclusion of value chain information is determined based on materiality, relevance to CGE's operations, and the availability of reasonable and supportable data. Where relevant, the potential financial implications of these exposures are addressed in the relevant notes to the sustainability-related financial disclosures.

3.4 Exclusions and Data Limitations

CGE's sustainability-related financial disclosures aim to capture all materially relevant operations and value chain activities. However, certain activities are excluded from the direct reporting boundary due to the absence of operational control, data constraints, or limited materiality. These may include independent suppliers, third-party logistics providers, contractors, and other non-controlled entities.

SLFRS Sustainability-Related Financial Disclosures

Where exclusions apply, CGE continues to assess related sustainability-related risks and opportunities qualitatively and, where feasible, through estimates, to ensure a balanced and transparent representation of its sustainability profile.

3.5 Basis for Boundary Judgments

The determination of CGE's sustainability reporting boundary is guided by a principle-based framework aligned with SLFRS Sustainability Disclosure Standards. Key considerations include the extent of operational control, the materiality of sustainability-related risks and opportunities, and the reliability and availability of data.

Professional judgement has been applied in defining the boundary and in addressing estimation uncertainty for value chain-related information. Boundary assumptions and judgements are reviewed periodically to reflect changes in CGE's operational structure, risk profile, regulatory environment, and data quality over time.

Note 4: Judgements and Uncertainties

4.1 Use of Judgement and Estimation in Sustainability-Related Financial Disclosures (SLFRS S1)

The preparation of CGE's sustainability-related financial disclosures involves the use of significant professional judgement and estimation. This arises from the forward-looking nature of sustainability-related risks and opportunities, evolving regulatory and stakeholder expectations, and limitations in the availability and consistency of underlying data.

CGE operates across manufacturing, processing, distribution, logistics, and corporate support functions within a dynamic operating environment. Sustainability-related risks and opportunities affecting the Group often extend beyond the current reporting period and require assumptions about future economic conditions, regulatory developments, technological changes.

Judgement and estimation are required primarily due to:

- Forward-looking sustainability considerations: Many sustainability-related risks and opportunities, including resource availability, energy transition pathways, workforce availability, regulatory compliance costs, and market-driven ESG requirements, are inherently future-oriented and subject to uncertainty.
- Data availability and maturity: Certain sustainability metrics, particularly those relating to upstream and downstream value chain activities, rely on estimates, industry benchmarks, emission factors, or management assumptions due to data gaps or non-standardised measurement approaches.
- Evolving disclosure expectations: Investor, customer, and regulatory expectations for sustainability-related financial information continue to evolve, often ahead of the development of fully integrated systems and processes for data capture and verification.

Management judgement is applied in determining:

- Which sustainability-related risks and opportunities are material and require disclosure under SLFRS S1;
- The appropriate balance between quantitative and qualitative disclosures where reliable numerical data is not yet available;
- The identification of estimates subject to higher levels of measurement uncertainty and the extent of explanatory disclosures required.

In all cases, CGE uses reasonable and supportable information available as at the reporting date, without incurring undue cost or effort. Judgements and assumptions are reviewed periodically and updated to reflect changes in operational conditions, regulatory requirements, and data quality.

4.2 Climate-Related Judgements and Uncertainties (SLFRS S2)

Climate-related disclosures prepared in accordance with SLFRS S2 involve additional judgement and estimation, particularly in relation to greenhouse gas (GHG) emissions measurement, scenario analysis, and the assessment of climate-related risks and opportunities.

Greenhouse Gas Emissions Measurement

Judgement is applied in the calculation of Scope 1, Scope 2, and Scope 3 GHG emissions, including:

- The selection of appropriate emission factors and global warming potentials;
- The determination of organisational and operational boundaries for emissions reporting;
- The estimation of Scope 3 emissions, particularly for categories such as purchased goods and services, fuel and energy related activities, and downstream distribution and logistics, where primary data may be limited.

Where actual activity data is unavailable, CGE uses reasonable proxies, supplier information, industry-accepted estimation methodologies, consistent with the GHG Protocol and SLFRS S2 requirements.

Climate-Related Risk and Opportunity Assessment

Assessing climate-related risks and opportunities requires judgement in evaluating:

- The likelihood and magnitude of physical climate risks (such as extreme weather events affecting operations, supply chains, or logistics);
- Transition risks arising from changes in climate-related regulations, carbon pricing mechanisms, energy market dynamics, and customer expectations;
- Potential opportunities linked to energy efficiency improvements, emissions reduction initiatives, and alignment with customer and market sustainability requirements.

These assessments are based on management's understanding of CGE's operations, geographic footprint, and exposure to climate-related drivers.

Scenario Analysis and Forward-looking Assumptions

Climate scenario analysis involves significant estimation uncertainty due to the long-term time horizons considered and the variability of potential climate pathways. Judgement is applied in:

- Selecting climate scenarios and time horizons that are relevant to CGE's business model and strategic planning;
- Translating high-level climate assumptions into potential operational and financial impacts;
- Assessing the resilience of CGE's strategy under different transition and physical risk scenarios.

Scenario analysis outcomes are indicative in nature and are not intended to represent precise forecasts. They are used to inform strategic decision-making and risk management rather than to predict specific financial outcomes.

4.3 Managing Uncertainty and Ongoing Improvements

CGE recognises that sustainability-related measurement techniques, data quality, and disclosure practices will continue to evolve. The Group is progressively enhancing its data collection processes, internal controls, and governance structures to improve the reliability and consistency of sustainability-related financial information.

Judgements and estimates disclosed in these sustainability-related financial disclosures are subject to ongoing review and refinement as methodologies mature, systems improve, and additional information becomes available.

4.4 Key Areas of Professional Judgement

In preparing its sustainability-related financial disclosures, CGE has applied professional judgement in areas where requirements under SLFRS S1 and SLFRS S2 require interpretation based on operational context, materiality, and the availability of reliable data. These judgements are essential to ensure that the disclosures are decision-useful and appropriately reflect the sustainability-related risks and opportunities relevant to CGE's business model.

The most significant areas of professional judgement are outlined below.

Materiality Assessment

Judgement is applied in assessing whether specific sustainability-related risks and opportunities could reasonably be expected to affect CGE's cash flows, access to finance, or cost of capital over the short, medium, or long term. This includes consideration of matters such as energy price volatility, regulatory compliance costs, workforce availability, supply chain resilience, and customer-driven ESG requirements.

In certain cases, financial impacts may be indirect or difficult to quantify at the reporting date. Where such matters are strategically significant to CGE's long-term operations, professional judgement is used to determine their materiality and the appropriate level of disclosure.

Definition of the Reporting Boundary

Judgement is required in determining the extent to which upstream and downstream value chain activities should be included within CGE's sustainability-related disclosures. This includes the assessment of activities such as supplier practices, third-party logistics emissions, and outsourced services, based on CGE's level of operational control, exposure to associated risks, and potential financial impact.

Activities not under CGE's direct control are excluded from the direct reporting boundary but are considered where CGE remains exposed through contractual obligations, regulatory requirements, or customer ESG expectations, as described in Note 3.

Time Horizon Classification

CGE applies judgement in defining short term, medium term, and long term time horizons for sustainability-related disclosures. These time

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horizons are aligned with the Group's strategic planning cycles, capital investment horizons, asset lifecycles, and regulatory planning timelines.

The classification of time horizons influences how sustainability-related risks and opportunities such as energy transition initiatives, Scope 3 emissions management, and workforce development programmes are assessed, disclosed, and monitored over time.

Scenario Analysis and Resilience Planning

Professional judgement is applied in selecting relevant and plausible climate-related and transition scenarios for assessing CGE's operational and financial resilience. This includes interpreting potential impacts on energy costs, supply chain continuity, regulatory compliance, and customer demand under different future conditions.

Given the inherent uncertainty in long-term climate outcomes and market behaviour, scenario analysis is used as a strategic planning tool rather than a precise forecasting exercise, with assumptions reviewed periodically as external conditions evolve.

Quantification of Financial Impacts

Judgement is exercised in determining when quantitative disclosure of financial impacts is reasonably possible and when qualitative disclosure provides a more faithful representation of uncertainty. Where estimation uncertainty is high or data is not sufficiently reliable, CGE applies consistent qualitative explanations to convey the direction, scale, and potential significance of impacts.

Where estimates are used or quantitative information is omitted, appropriate context is provided to avoid misinterpretation or the overstatement of precision.

4.5 Significant Sources of Measurement Uncertainty

CGE's sustainability-related financial disclosures include areas where measurement uncertainty is significant. Such uncertainty arises where the quantification of sustainability-related risks and opportunities depends on assumptions subject to variability, incomplete or evolving data sources, or long-term projections influenced by external factors beyond the Group's direct control.

Management has identified the following areas as the most significant sources of measurement uncertainty, where actual outcomes may differ materially from current estimates.

Greenhouse Gas Emissions (Scope 1, Scope 2 and Scope 3)

The measurement of CGE's greenhouse gas (GHG) emissions involves estimation uncertainty, particularly in relation to Scope 3 emissions. These estimations rely on third-party emission factors, supplier-provided information, and industry-accepted assumptions for categories such as purchased goods and services, transportation and distribution, fuel- and energy-related activities, and business travel.

Direct measurement is not feasible for all upstream and downstream activities. Accordingly, assumptions and methodologies are reviewed and refined as improved activity data, supplier disclosures, and updated emission factors become available.

Physical Climate Risk Projections

Assessing physical climate-related risks requires the use of climate projections that vary by geographic location, time horizon, and scenario. For CGE, uncertainty arises in estimating the potential operational and financial impacts of extreme weather events, temperature variability, and changes in rainfall patterns on manufacturing continuity, energy and water availability, logistics reliability, and supply chain resilience.

These projections depend on assumptions relating to climate pathways, adaptation measures, and future operational responses, which may change as climate science and local impact modelling continue to evolve.

Regulatory and Policy Developments

Estimating the potential financial effects of emerging and evolving sustainability-related regulations involves a high degree of uncertainty. This includes possible future requirements related to carbon pricing mechanisms, climate-related disclosure regulations, extended producer responsibility, supply chain due diligence obligations, and product-specific environmental standards in domestic and export markets.

CGE applies scenario-based assumptions when assessing these exposures; however, actual regulatory outcomes may differ due to variations in policy design, implementation timing, enforcement practices, and customer adoption across markets.

Operational Efficiency and Transition-Related Initiatives

Measurement uncertainty also exists in estimating the financial benefits and cost savings associated with energy efficiency initiatives, emissions reduction projects, and other sustainability-related operational improvements. These estimates depend on assumptions regarding

technology performance, energy price trends, operational behaviour, and future investment decisions.

Where quantification is subject to uncertainty, such impacts are disclosed qualitatively, with directional indications provided rather than precise financial values.

Compliance, Certification and Reputational Considerations

Certain sustainability-related risks, including compliance with quality, safety, and environmental management standards and alignment with customer-driven ESG requirements, are not readily quantifiable. Potential impacts may arise from loss of customer confidence, pricing pressure, or restricted market access.

While no material adverse impacts were identified during the reporting period, these risks are monitored continuously and disclosed qualitatively to reflect their potential influence on CGE's financial performance and long-term value.

4.6 When Quantification Is Not Reasonably Possible

CGE has identified certain sustainability-related risks and opportunities for which it is not reasonably possible to quantify the related financial effects at the reporting date. This arises where the available information does not support reliable measurement or where doing so would require assumptions that could result in misleading precision.

In such instances, CGE has provided clear and balanced qualitative disclosures rather than omit the information or present speculative numerical estimates. These disclosures are based on the skills, capabilities, and resources available to the Group and are intended to support informed decision-making by primary users of the disclosures.

Criteria for Determining Non-Quantifiability

A sustainability-related financial effect is considered not reasonably quantifiable when one or more of the following conditions apply:

- The relationship between the sustainability-related factor and financial outcomes (such as revenue, operating costs, capital expenditure, or asset values) is indirect, non-linear, or influenced by multiple external variables;
- The data required for reliable modelling is incomplete, inconsistent, unavailable, or dependent on third-party information beyond CGE's control;
- The matter is highly forward-looking and subject to significant uncertainty arising from regulatory developments, market behaviour, technological change, or policy implementation timelines.

Qualitative Disclosure Approach

Where quantitative information cannot be reliably determined, CGE provides qualitative disclosures that:

- Explain the nature and source of the sustainability-related risk or opportunity;
- Indicate the expected direction of impact on CGE's financial performance or position (for example, increasing costs, efficiency improvements, or revenue resilience);
- Identify the part of the value chain affected (upstream, operations, or downstream);
- Specify the relevant time horizon (short, medium, or long term); and
- Clearly explain why quantitative financial information has not been presented.

This approach is applied consistently to ensure transparency, comparability, and faithful representation.

Key Areas Where Qualitative Disclosure Is Applied

The following sustainability-related matters are disclosed qualitatively due to the current limitations in reliable financial quantification:

- Operational and environmental improvement initiatives: Potential financial benefits from resource efficiency improvements, emissions reduction initiatives, and process optimisation are described qualitatively where outcomes depend on future investment decisions, technology performance, and energy price trends.
- Scope 3 emissions-related financial effects: While Scope 3 greenhouse gas emissions are estimated and disclosed, the associated financial impacts particularly those related to supplier practices and third-party logistics are not monetised due to data limitations and the absence of consistent cost attribution methodologies.
- Regulatory and compliance exposure: Potential cost implications arising from future sustainability-related regulations, reporting requirements, or import compliance obligations in key markets are discussed narratively. This reflects uncertainty regarding the scope, timing, and enforcement of such requirements and the extent to which they may apply to CGE's operations and products.

4.7 Disclosure of High-Uncertainty Estimates

In accordance with SLFRS S1 and SLFRS S2, CGE discloses sustainability-related risks and opportunities that involve estimates with a high degree of measurement uncertainty, particularly where such estimates could influence

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users' understanding of the Group's financial position, performance, or future cash flows.

These disclosures are intended to enable users to:

- Understand the nature and sources of estimation uncertainty;
- Assess the potential variability of outcomes; and
- Interpret forward-looking assumptions in an appropriate context.

Key Areas of High-Uncertainty Estimates

Certain sustainability-related estimates are subject to elevated uncertainty due to their reliance on long-term projections, third-party data, or external regulatory and market developments. The most significant areas for CGE are outlined below.

- Climate-related impact assessments:

  Estimates of physical climate risks depend on long-term projections of temperature, rainfall variability, and extreme weather events. These assumptions may affect CGE's operational continuity, energy and water availability, logistics reliability, and the carrying value of assets.

- Scope 3 emissions and related financial effects:

  Measurement uncertainty arises from incomplete upstream and downstream data and reliance on emission factors for supplier activities and third-party logistics. Variability in these estimates may influence assessments of transition risk, cost exposure, and customer-driven disclosure requirements.

- Regulatory and compliance cost forecasting:

  Projections relating to future sustainability-related regulations, carbon pricing mechanisms, and supply-chain due diligence obligations involve uncertainty regarding policy design, scope, timing, and enforcement. Actual compliance costs may differ from current estimates as regulatory frameworks evolve.

- Operational efficiency and transition initiatives:

  Estimates of financial benefits from energy efficiency improvements, emissions reduction initiatives, and other sustainability-related investments are subject to uncertainty due to assumptions about technology performance, energy prices, and implementation timelines.

- Workforce and social investment outcomes:

  The financial returns from employee welfare, skills development, and retention initiatives may vary over time, with benefits often realised over longer horizons and influenced by external labour market conditions.

Disclosure Approach

For each area involving high measurement uncertainty, CGE provides disclosures that:

- Describe the underlying sustainability-related risk or opportunity;
- Explain the key assumptions applied;
- Clarify why the estimate is subject to significant variability; and
- Where relevant, provide directional or narrative guidance on potential financial effects rather than precise numerical values.

Where significant changes are made to assumptions, methodologies, or estimation approaches, these changes are clearly explained in the relevant disclosure sections.

Ongoing Improvements

CGE actively monitors areas of high estimation uncertainty and is committed to improving the quality and reliability of sustainability-related financial information over time. Enhancements are expected as data collection processes strengthen, regulatory requirements become clearer, and market practices and valuation methodologies continue to develop.

4.8 Approach to Managing Estimation and Judgement Uncertainty

Guiding Principles

CGE's approach to managing estimation and judgement uncertainty is guided by the following core principles:

1. Periodic Review and Revision

Key assumptions, methodologies, and data sources used in sustainability-related disclosures are reviewed at least annually. Revisions are made where appropriate to reflect:

- Improvements in the availability, accuracy, or completeness of data;
- Changes in regulatory requirements, customer ESG expectations, or market practices; and
- Insights gained from internal reviews, audits, or the evaluation of actual outcomes against prior estimates.

2. Conservative Assumption Setting

Where multiple reasonable assumptions or outcomes are possible, CGE applies conservative, non-optimistic assumptions, particularly in relation to forward-looking risks such as climate-related impacts, energy transition exposure, regulatory compliance costs, and workforce dynamics. This approach reduces

the risk of overstating benefits or understating potential adverse impacts.

3. Use of Reasonable and Supportable Information

Sustainability-related disclosures are prepared using the best available internal information and credible external data sources available at the reporting date. CGE applies the principle of "reasonable and supportable information," ensuring that disclosures are developed without incurring undue cost or effort while remaining decision-useful.

4. Qualitative Disclosure Where Appropriate

In circumstances where estimation uncertainty is high or reliable quantification is not feasible, CGE replaces numerical projections with clear qualitative explanations. These disclosures describe the nature of the sustainability-related risk or opportunity, key drivers, affected areas of the value chain, and the expected direction of impact, as outlined in Note 4.4.

5. Proportionality

The depth and complexity of sustainability-related disclosures are proportionate to CGE's operational scale, risk profile, and the skills, capabilities, and resources available for preparing such disclosures, in line with SLFRS requirements.

Application in Practice

The above principles are applied consistently across CGE's sustainability-related financial disclosures. For example:

- GHG emissions measurement: Emission factors and calculation methodologies are reviewed annually and updated where relevant to reflect refinements in internationally recognised standards and datasets, such as those issued by the IPCC, the GHG Protocol, and other relevant national or sectoral guidance.
- Forward-looking assessments: Assumptions used in climate-related risk analysis and scenario assessments are reviewed periodically to reflect changes in operational exposure, energy markets, regulatory developments, and data quality.

Through this structured approach, CGE seeks to ensure that estimation and judgement uncertainty is managed transparently and responsibly, supporting credible and decision-useful sustainability-related financial disclosures under SLFRS S1 and SLFRS S2.

Governance Integration

The management of estimation and judgement uncertainty is embedded within CGE's governance and risk management structures, including:

- Integration into the operational agenda of Sustainability Committee, which monitors sustainability-related risks, performance indicators, and data quality across CGE's operations (refer Note 6.5); and
- Alignment with CGE's Enterprise Risk Management (ERM) framework, which captures emerging ESG risks, evaluates their potential financial implications, and validates the adequacy of related control responses (refer Note 12.2).

4.9 Forward-looking Statements, Limitations and Disclosure Approach

Nature of Forward-looking Disclosures
Forward-looking sustainability-related disclosures within this report include, but are not limited to:

- Climate-related scenario analysis outcomes and assessments of CGE's operational and strategic resilience under different physical and transition risk pathways (refer Note 11.3);
- Expected costs, savings, and efficiency improvements arising from sustainability-related investments, including energy efficiency initiatives and emissions reduction measures (refer Note 10.4.2);
- Strategic plans and timelines addressing climate-related risks, resource availability, workforce dynamics, and regulatory developments across CGE's operations (refer Note 9);
- Anticipated long-term benefits from environmental stewardship initiatives, operational improvement programmes, and workforce and community engagement efforts (refer Notes 7.2 and 10.4.2).

These disclosures are based on internal analyses, management judgement, and available external information, including climate models, economic and policy outlooks, and industry benchmarks. While the assumptions used are considered reasonable at the reporting date, they remain subject to change as conditions evolve.

Limitations and Risk Factors

Actual outcomes may differ materially from forward-looking statements due to, among other factors:

- Variability and uncertainty in climate science, physical climate impacts, and local operating conditions affecting CGE's facilities and supply chains;
- Future regulatory and policy developments that may affect sustainability reporting requirements, certification standards, carbon pricing

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mechanisms, or access to key domestic and export markets;

- Changes in customer, buyer, or investor expectations relating to product traceability, labour practices, emissions performance, or broader ESG performance;
- Ongoing evolution in ESG rating methodologies, disclosure platforms, certification frameworks, and national or international sustainability-related policies relevant to CGE's operating environment.

Where appropriate, CGE uses scenario-based analysis, ranges, or qualitative explanations in place of deterministic forecasts to reflect these uncertainties.

Disclosure Approach

CGE does not guarantee the achievement or realisation of any forward-looking statement and undertakes no obligation to update such statements, except as required by applicable laws, regulations, or significant reporting updates.

Forward-looking disclosures are included to:

- Enable users to better understand CGE's exposure to sustainability-related risks and opportunities;
- Demonstrate alignment with leading sustainability disclosure frameworks and standards, including the SLFRS Sustainability Disclosure Standards and other internationally recognised initiatives where relevant; and
- Promote transparency around key assumptions, strategic priorities, and long-term risk mitigation and resilience-building efforts.

Note 5: Materiality Assessment

5.1 Purpose and Scope

The sustainability-related financial disclosures focus on matters that are relevant to CGE's operations, value chain, and strategic outlook, including climate-related risks and opportunities addressed under SLFRS S2.

Sustainability topics that are primarily of broader stakeholder interest and do not meet the SLFRS S1 materiality threshold are not included within these sustainability-related financial disclosures. Such matters may be addressed elsewhere in CGE's Annual Report or Integrated Report for broader transparency, but are excluded from these disclosures unless they have, or are reasonably expected to have, a material financial effect on CGE.

5.2 Materiality Definition and Application

In line with SLFRS S1, CGE defines material sustainability-related information as information that, if omitted, misstated, or obscured, could reasonably be expected to affect the Group's cash flows, access to finance, or cost of capital over the short, medium, or long term.

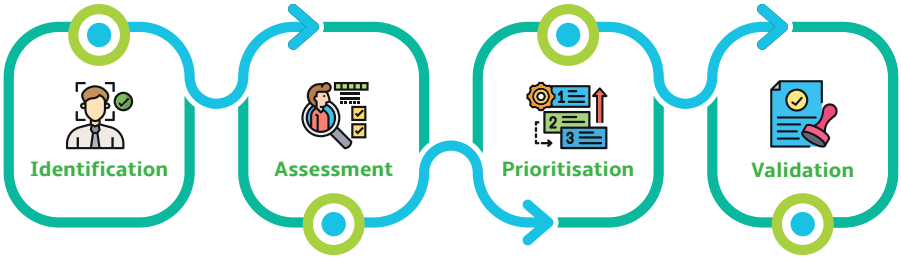
CGE applies this definition by:

- Focusing on sustainability-related risks and opportunities that have direct or indirect financial implications for its operations, assets, or value chain;
- Avoiding the disclosure of non-material information that could obscure or dilute decision-useful content; and
- Considering both current impacts and reasonably anticipated future effects, using available data and management judgement.

5.3 Materiality Identification and Assessment Process

CGE follows a structured, multi-step process to identify and assess material sustainability-related risks and opportunities:

SRRO and CRRO Identification and Assessment Methodology



5.3 Identification and Assessment Methodology



Identification

- Internal operational and financial reviews across all business units
- Analysis of industry benchmarks, international sustainability standards, and best practices
- Stakeholder feedback, including investors, customers, suppliers, regulators, and local communities



Assessment

- Likelihood of occurrence
- Potential financial impact on revenue, cost, capital expenditure, cash flows, or market access
- Qualitative considerations, including reputational or regulatory significance



Prioritisation

- Strategic relevance, regulatory obligations, or long-term resilience objectives
- Relative magnitude of financial or operational impact, even where monetary effects are moderate



Validation

- Reviewed by the Sustainability Committee
- Approved by the Board to ensure alignment with risk management and reporting standards

5.4 Quantitative and Qualitative Judgement Criteria

CGE applies a combination of quantitative thresholds and qualitative judgement to determine the materiality of SRROs and CRROs. This approach ensures that disclosures focus on matters that could reasonably be expected to influence the Group's financial performance, cash flows, access to finance, or cost of capital over the short, medium, or long term.

Core Judgement Criteria

An issue is assessed as material based on one or more of the following considerations:

- Financial impact: Potential impact on revenue, operating costs, capital expenditure, asset values.
- Likelihood of occurrence: Moderate to high probability (e.g., climate-related disruptions).
- Strategic and regulatory significance: Alignment with CGE's long-term strategy, climate resilience, ESG regulatory requirements, or customer and buyer compliance obligations.
- Professional judgement: Applied where reliable quantification is not yet feasible, but the directional financial or strategic relevance is evident (e.g., Scope 3 emissions exposure).

Where materiality is reasonably foreseeable, CGE adopts a precautionary approach and errs on the side of inclusion.

Financial Materiality Thresholds

For the reporting period, CGE applied the following thresholds to determine the financial materiality of SRROs. A matter is deemed financially material if it meets one or more of the criteria below, either individually or in aggregate:

Quantitative Criteria

- Impact on revenue, operating costs, or capital expenditure exceeding Rs. 300 Mn in any single reporting year;
- Adjustment to the carrying value of assets or liabilities exceeding 1% of the total asset base;
- Variability in operating cash flows of ±2% or more attributable to a sustainability-related factor (e.g., climate events, workforce availability);
- Forecasted cumulative financial impact exceeding Rs. 100 Mn over the short, medium, or long term, as defined in Note 7.1.

Qualitative Criteria

Items that do not meet the above quantitative thresholds may still be classified as material where:

- Reputational risks arising from failure to meet ESG commitments, certifications, or customer expectations could impair market access or commercial relationships; (ISO and Food Certifications)
- Labour Concerns may be affected by workforce issues, community concerns, or operational disruptions;
- Non-compliance with evolving regulatory or reporting requirements (e.g., climate disclosures, supply-chain due diligence) could lead to future restrictions, penalties, or loss of investor confidence;

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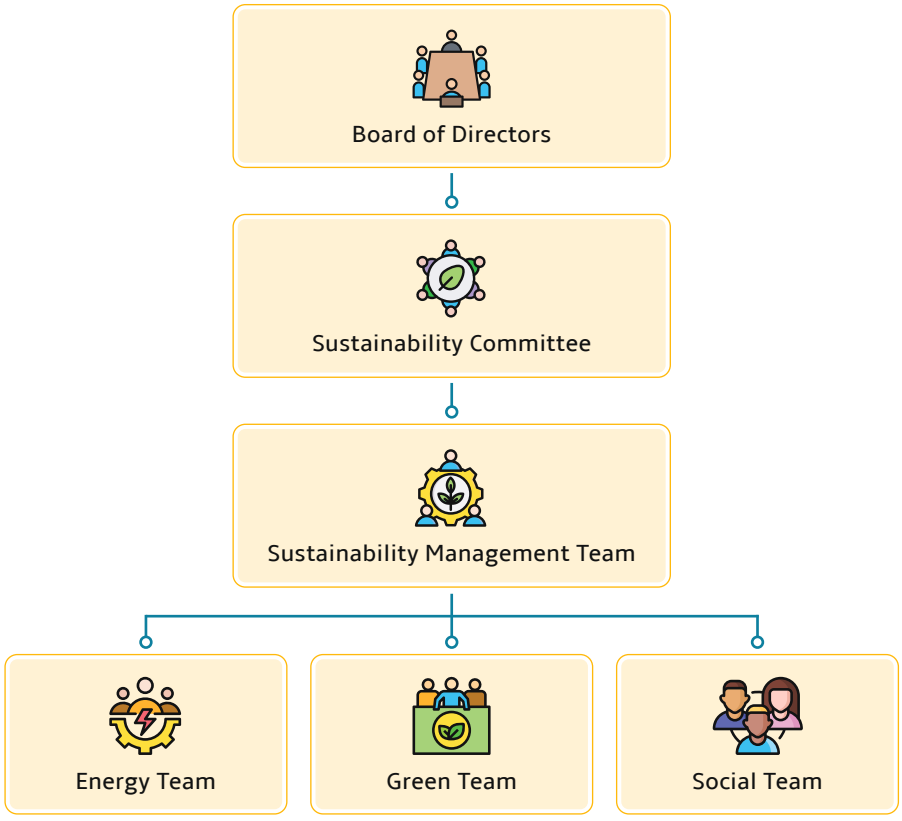
Sustainability-related matters that do not meet the above criteria are classified as non-material for the reporting period. However, such items are retained in CGE's internal sustainability risk register and are continuously monitored for changes in financial impact, likelihood, or stakeholder relevance.

Note 6: Sustainability and Climate-Related Governance

GRI 2-9, 12, 13, 14, 17, 18

Sustainability Governance Structure



6.1 Board Responsibility

The Board of Directors is responsible for establishing the Group's overall ESG vision. Oversight of the implementation of this vision is delegated to the Sustainability Committee, which is tasked with developing sustainability strategies, setting targets, and formulating action plans to achieve the Board's ESG objectives.

In this regard, the Sustainability Committee is responsible for:

1. Appointing and overseeing the Sustainability Management Team;
2. Ensuring the adequacy and reliability of records, data, and estimates relevant to the preparation of sustainability-related disclosures;
3. Reviewing the effectiveness of internal control systems supporting the ESG reporting process;
4. Reviewing the accuracy and completeness of ESG information disclosed in the Annual Report; and
5. Ensuring compliance with SLFRS S1 and SLFRS S2 sustainability-related financial disclosure requirements.

The Sustainability Committee met twice during the financial year.

Further details can be found in Corporate Governance report Page 189 under Board expertise areas .

6.2 Sustainability Management Team

The Sustainability Committee has appointed a dedicated Sustainability Management Team to implement, monitor, and coordinate the Group's sustainability initiatives.

The team comprises representatives from key functions, including Production, Engineering, Human Resources, Safety and Security, Commercial Operations, Broiler Farms, Chicken Processing Plant, Quality Assurance and Technical, Supply Chain, Sales, Finance, and Logistics. The team operates under the supervision of the Manager – Compliance and is responsible for integrating ESG principles into the Group's operations in line with applicable sustainability standards, while also identifying opportunities to enhance sustainability performance.

Key responsibilities of the Sustainability Management Team include:

- Driving continuous improvement in the Group's sustainability practices;
- Identifying and prioritising Sustainable Development Goals (SDGs) to which the Group can contribute most effectively;
- Conducting ESG training and capacity-building programmes for employees and carrying out post-training assessments to evaluate effectiveness;
- Establishing reliable and comparable ESG metrics to support informed decision-making; and
- Reporting progress on sustainability initiatives to the Sustainability Committee.

The Sustainability Management Team meets quarterly to review progress and monitor the implementation of sustainability initiatives.

6.3 Formation of Sustainability Sub-Teams

To strengthen execution and ensure focused action in key priority areas, TAF established three specialised Sustainability Sub-Teams under the Sustainability Management Team:

a. Energy Team
Responsible for driving energy efficiency, optimising electricity and fuel consumption, and exploring renewable energy opportunities. The team identifies saving potentials, monitors consumption trends, and proposes initiatives to reduce the Company's overall energy footprint.

b. Green Team
Focused on environmental management initiatives such as waste reduction, recycling, water conservation, pollution control, and overall resource optimisation. The team ensures alignment with environmental standards and promotes environmentally responsible practices across the Company.

c. Social Team
Handles social sustainability aspects, including employee welfare, training and development, community engagement, health and safety, and stakeholder well-being. The team strengthens TAF's commitment to being a responsible corporate citizen.

6.4 ESG Sub-Team & ESG Management Committee Composition, Expertise and Contributions to the Sustainability Roadmap

The multidisciplinary expertise within the ESG Sub-Team and ESG Management Committee enables an integrated and practical approach to implementing the Company's sustainability roadmap, ensuring environmental stewardship, social responsibility, and strong governance across the value chain.

Area of Expertise	Key Roles Represented	Contribution to the Company's Sustainability Roadmap
Finance Professionals	Financial Controller , Senior Finance Manager and Finance Manager	Integrate ESG considerations into financial planning, capital allocation, risk management, and long-term value creation initiatives.
Environmental Science Expertise	Environmental Officers	Assess environmental impacts, manage climate-related risks, monitor emissions, water and waste performance, and support compliance with environmental regulations and best practices.
Quality & Nutrition Management	Quality Assurance Managers, Nutrition Specialists	Ensure product quality, food safety, and nutritional integrity while supporting responsible production and customer compliance requirements.
Veterinary Doctors	Veterinarians, Animal Health Specialists	Safeguard animal health and welfare, oversee biosecurity and disease prevention, and enhance productivity through ethical livestock management.
Engineering Expertise	Head of production and Engineering , Engineers, Technical Managers	Drive energy efficiency, water optimisation, waste reduction, and the adoption of environmentally efficient and resilient technologies across operations.
Human Resources (HR) Professionals	Head of HR ,HR Managers, Learning & Development Teams	Promote employee wellbeing, occupational health and safety, diversity and inclusion, ethical labour practices, and skills development aligned with ESG priorities.
Logistics Expertise	Senior Logistic Managers	Improve transportation efficiency, reduce fuel consumption and emissions, and enhance traceability across the value chain.
Procurement Expertise	AGM Procurement , Managers, Sourcing Teams	Implement responsible sourcing practices, supplier ESG assessments, ethical procurement standards, and sustainable supplier engagement.
Sales Expertise	HOD Sales , Sales & Marketing Teams	Align sustainability initiatives with customer expectations, support responsible branding, and communicate ESG value creation to stakeholders.
Production Expertise	Operations & Production Managers	Improve resource efficiency, minimise waste, ensure environmental and biosecurity compliance, and embed sustainability into day-to-day operations.
Warehouse & Supply Chain Expertise	Warehouse Managers, Supply Chain & Planning Teams	Strengthen inventory management, reduce losses and waste, improve supply chain resilience, and support end-to-end sustainability performance.

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Note 07. Sustainability and Climate Related Risk and Opportunities

CGE identifies and assesses sustainability- and climate-related risks and opportunities that may reasonably be expected to affect the Group's operations, financial performance, and long-term value creation, in line with SLFRS S1 and SLFRS S2. The assessment covers CGE's integrated feed milling, poultry farming, hatchery, processing, and distribution operations.

Sustainability and climate-related risks and opportunities are identified on an assumed materiality basis, applying defined quantitative and qualitative criteria, including potential impacts on revenue, operating costs, capital expenditure, biological asset productivity, regulatory compliance, biosecurity, animal welfare, energy and water availability, and supply chain resilience. Climate-related physical and transition risks, as well as related opportunities, are specifically considered in accordance with SLFRS S2.

7.1 Sustainability and Climate-Related Materiality Threshold

In accordance with SLFRS S1, CGE has established defined materiality thresholds to identify sustainability-related risks and opportunities that could reasonably be expected to affect the Group's cash flows, financial position, performance, or access to capital over the short, medium, and long term. In line with SLFRS S2, climate-related physical and transition risks and opportunities are assessed within the same framework.

Materiality Assessment Criteria

Sustainability and climate-related risks and opportunities are considered material when one or more of the following criteria are met:

Operational & Strategic Impact

- Disruption to critical operations (feed milling, farming, hatchery, processing, logistics)
- Impact on biological asset productivity, food safety, or supply chain continuity
- Alignment with CGE's long-term strategy and sustainability roadmap

Regulatory & Compliance Impact

- Risk of non-compliance with environmental, governance, food safety, or ESG-related regulations
- Exposure to penalties, licence restrictions, or enhanced regulatory scrutiny

Reputational & Stakeholder Impact

- Potential adverse impact on CGE's corporate brand, ESG reputation, or stakeholder trust
- Customer, supplier, or community-related consequences

Where quantitative measurement is limited, management judgement is applied. In cases of uncertainty, CGE adopts a prudent approach, including matters where impacts are reasonably foreseeable.

7.2 Time Horizons Applied

All sustainability- and climate-related risks and opportunities are assessed across the following time horizons:

- Short term: up to 3 year
- Medium term: 3 to 6 years
- Long term: beyond 6 years

7.3 Alignment of Key Sustainability Risks & Opportunities

Impact Area	Quantified Threshold
Operating cost impact	≥ LKR 233.0 Mn per annum
Capital expenditure (CAPEX)	≥ LKR 670.0 Mn per project
Revenue impact	≥ 1% of annual revenue
Business disruption / recovery cost	≥ LKR 250.0 Mn per annum
Labour-related cost escalation	≥ LKR 150.0 Mn per annum
Strategic investment for transition	≥ LKR 670.0 Mn over medium–long term

Where financial impacts cannot be precisely quantified, management judgement is applied, supported by operational data, industry benchmarks, and regulatory trends. CGE adopts a prudent inclusion approach where impacts are reasonably foreseeable.

7.4 Application of Quantified Thresholds

Selected Sustainability and Climate-Related Risks

Type	Impact Topic / Risk	Time Horizon	Materiality Basis
(R09)Sustainability Risk	Labour Scarcity and Wage Escalation	Short–Medium Term	Financial impact exceeding Rs. 150.0 Mn per annum or significant disruption to workforce stability and productivity, impacting enterprise value
(R14) Environmental Risk	Waste and Disposal Management	Medium Term	CAPEX, penalties, or compliance costs exceeding Rs. 233.0 Mn, or exposure to regulatory non-compliance and reputational risk
(R23) Operational Risk	Machine Breakdown and System Failures	Short–Medium Term	Downtime and productivity losses exceeding Rs. 50 Mn per annum or critical disruption to operations
(R27) Physical Climate Risk – Chronic	Reduced poultry productivity due to rising temperatures	Short–Medium Term	Revenue loss or cost inefficiencies exceeding 1% per annum, including sustained impacts on biological assets and output quality
(R28) Physical Climate Risk – Acute	Floods, heatwaves (mortality & disruptions)	Short–Medium Term	Event-based losses exceeding Rs. 233.0 Mn per occurrence, including asset damage, livestock mortality, and operational downtime
(R29) Physical Climate Risk – Chronic	Erratic rainfall / drought affecting feed supply	Medium Term	Cost increases exceeding 5–10% of feed cost base , with implications on supply chain stability
(R30) Environmental Risk	Water Stress	Medium Term	Operational or capital impacts exceeding Rs. 50 Mn, or significant constraints on water availability affecting production continuity
(R31) Transition Risk – Market	Energy price volatility	Short–Medium Term	Cost increases exceeding Rs. 75 Mn annually or material margin erosion impacting profitability
(R32) Transition Risk – Policy & Legal	Regulatory and compliance requirements	Medium–Long Term	Compliance costs exceeding Rs. 50 Mn or material exposure to regulatory restrictions, penalties, or licence-to-operate risks
(R33) Physical Risk – Acute	Supply chain disruptions	Short–Medium Term	Event-driven disruptions exceeding Rs. 233.0 Mn, or significant interruption to procurement and distribution networks
(R34) Transition Opportunity – Market	Demand for sustainable products	Medium–Long Term	Revenue opportunities or losses exceeding Rs. 233.0 Mn annually, or strategic impact on market positioning and brand value
(R35) Transition Risk – Market	Packaging and waste-related cost increases	Medium Term	Cost increases exceeding Rs. 50 Mn or impact on cost competitiveness and margins
(R36) Transition Risk / Opportunity – Technology	Decarbonisation and technology transition	Long Term	Strategic investments exceeding Rs. 240.0 Mn, or significant impact on long-term competitiveness and emissions profile

7.5 Disclosure Consistency Statement

Based on the above quantified materiality thresholds, CGE identifies and discloses sustainability and climate-related risks and opportunities that are financially material in accordance with SLFRS S1 and SLFRS S2. These thresholds are applied consistently across risk identification, scenario assessment, strategic planning, and capital allocation decisions.

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Note 08: Business Model and Value Chain Activities

8.1 Strategy & Value Creation

CGE operates as an integrated poultry breeding and production entity, encompassing Grandparent (GP), Parent Stock (PS), hatchery, and downstream chick supply operations in Sri Lanka. The Group's business model is designed to create long-term value through genetic quality, biosecurity integrity, animal welfare, and operational efficiency, while embedding sustainability-related considerations into strategic decision-making.

The business model is characterised by:

- End-to-end integration from breeding stock management to hatchery and customer supply;
- Centralised governance over biosecurity, veterinary management, food safety, environmental performance, and climate risk oversight;
- Deployment of multidisciplinary expertise including veterinary science, environmental science, engineering, nutrition, quality management, logistics, procurement, and human resources;
- Integration of sustainability-related risks and opportunities into capital allocation, operational planning, and performance monitoring processes.

8.2 Resources and Relationships

CGE's value creation is underpinned by the following key resources and relationships:

- Biological and Manufactured Capital: Breeding stock, feed inputs, vaccines, veterinary medicines, climate-controlled poultry houses, hatcheries, and specialised equipment;
- Human Capital: Skilled veterinary doctors, environmental science professionals, engineers, production and nutrition specialists, quality assurance teams, logistics and procurement professionals, and farm-based employees;
- Natural Capital: Water resources, energy, and land used for poultry farming, subject to climate variability and environmental regulation;
- Social and Relationship Capital: Long-standing relationships with regulators, breeders, certification bodies, suppliers, customers, and local communities.

8.3 Value Chain Activities

CGE's value chain comprises integrated activities, assets, and relationships across breeding, farming, processing, and distribution stages. These activities influence the Group's sustainability-related risks and opportunities and are summarised as follows:

Upstream

Sourcing of breeding stock, feed ingredients, vaccines, veterinary medicines, packaging materials, and other critical farm and processing inputs.

Sustainability-related risks and opportunities at this stage include supply chain disruptions, input price volatility, disease and biosecurity exposure, dependency on international breeders and feed suppliers, and Scope 3 greenhouse gas emissions associated with feed production, packaging, and inbound transportation.

Midstream – Breeding, Farming, and Processing Operations

Breeding and Hatchery Operations

GP and PS farm operations and hatchery activities, which are highly sensitive to climate-related physical risks (temperature variability, extreme rainfall), biosecurity integrity, animal welfare standards, energy reliability, water availability, and labour productivity.

Broiler Growing and Chicken Processing Operations

Broiler farming and chicken processing activities, including slaughtering, dressing, chilling, further processing, and cold storage operations.
These activities are exposed to sustainability-related risks and opportunities such as:

- Food safety and hygiene compliance;
- Water and energy intensity, particularly in processing and cold chain operations;
- Wastewater, solid waste, and by-product management;
- Occupational health and safety risks;
- Climate-related impacts on water availability and energy demand;
- Reputational and regulatory risks arising from animal welfare and environmental compliance.

Downstream

Distribution and sale of Day-Old Chicks, live birds, and processed chicken products to internal and external customers. Key sustainability-related considerations include food safety assurance, cold chain integrity, customer ESG and certification requirements, traceability across the value chain, reputational risk, and Scope 3 emissions arising from outbound logistics and distribution.

8.4 Dependencies and Impacts

CGE's business model is dependent on, and impacts, a range of external factors and stakeholders, including:

- Farm-based employees and surrounding communities, with a focus on welfare, housing, occupational health and safety, and skills development;
- Regulatory frameworks governing animal health, environmental protection, climate-related disclosures, and labour standards;
- Ecosystems and climate-sensitive environments affecting water availability, heat stress, and disease prevalence;
- Customers and certification bodies with increasing expectations on climate resilience, animal welfare, and ESG transparency.

8.5 Strategy and Risk Exposure

In accordance with SLFRS S2, CGE has identified climate-related risks and opportunities that could reasonably be expected to affect its business model, value chain, and financial performance.

Climate-Related Risks and Opportunities and Their Impacts

Climate-Related Risk / Opportunity	Current Effects on Business Model and Value Chain	Anticipated Effects and Strategic Response
(R09) Sustainability Risk – Labour Scarcity and Wage Escalation	Increasing labour shortages in farm operations and processing, leading to higher dependency on skilled labour and rising wage costs across the value chain.	Workforce optimisation through mechanisation, productivity improvements, retention strategies, and structured workforce planning to manage cost pressures.
(R14) Environmental Risk – Waste and Disposal Management	Growing volumes of poultry waste, effluents, and by-products increasing operational complexity and compliance requirements.	Adoption of integrated waste management systems, waste-to-energy initiatives, and strengthened regulatory compliance and monitoring.
(R23) Operational Risk – Machine Breakdown and System Failures	Equipment failures in feed mills, hatcheries, and processing plants causing production downtime and inefficiencies.	Preventive maintenance programmes, system upgrades, automation, and real-time monitoring to improve operational reliability.
(R27) Physical Climate Risk – Chronic – Reduced Poultry Productivity	Rising temperatures affecting bird health, feed conversion ratios, and overall productivity across farms and hatcheries.	Expansion of environmentally controlled (EC) housing, improved ventilation and cooling systems, and adoption of climate-resilient farming practices.
(R28) Physical Climate Risk – Acute – Floods and Heatwaves	Extreme weather events disrupting farm operations, logistics, and increasing mortality rates.	Investment in resilient infrastructure, diversification of farm locations, and enhanced emergency response and business continuity planning.
(R29) Physical Climate Risk – Chronic – Erratic Rainfall / Drought	Disruptions in feed crop availability impacting feed production and increasing raw material costs.	Supplier diversification, contract farming, and multi-region sourcing strategies to strengthen supply chain resilience.
(R30) Environmental Risk – Water Stress	Increased pressure on water availability affecting farming and processing operations.	Water stewardship initiatives including storage infrastructure, recycling, and water-efficient technologies.
(R31) Transition Risk – Market – Energy Price Volatility	Rising energy costs impacting production, processing, and distribution margins.	Investment in renewable energy (solar), energy efficiency improvements, and monitoring of energy intensity KPIs.

SLFRS Sustainability-Related Financial Disclosures

Climate-Related Risk / Opportunity	Current Effects on Business Model and Value Chain	Anticipated Effects and Strategic Response
(R32) Transition Risk – Policy & Legal – Regulatory Compliance	Increasing environmental regulations and compliance obligations across operations.	Strengthened ESG governance, proactive compliance monitoring, and alignment with SLFRS S1 & S2 requirements.
(R33) Physical Risk – Acute – Supply Chain Disruptions	Climate-related disruptions affecting suppliers, transportation, and logistics networks.	Supplier risk assessments, alternative sourcing strategies, and logistics contingency planning.
(R34) Transition Opportunity – Market – Demand for Sustainable Products	Growing customer preference for environmentally responsible and traceable products.	ESG-led product development, sustainable packaging, and strengthening brand positioning in sustainable markets.
(R35) Transition Risk – Market – Packaging and Waste Costs	Increasing costs related to sustainable packaging and waste management requirements.	Adoption of circular economy practices, sustainable packaging solutions, and material optimisation.
(R36) Transition Risk / Opportunity – Technology – Decarbonisation and Transition	Pressure to adopt low-carbon technologies and reduce emissions across operations.	Development of decarbonisation roadmap, increased solar adoption, emissions tracking, and investment in sustainable technologies.

Note 9: Strategy and Decision-Making

9.1 Strategic Integration of Sustainability-Related Risks and Opportunities

CGE has embedded the management of material sustainability-related risks and opportunities into its core strategic planning, capital allocation, and operational decision-making processes. These considerations are integrated across production operations, supply chain management, energy use, animal welfare, labor management, and regulatory compliance, with the objective of safeguarding long-term enterprise value, ensuring operational resilience, and maintaining compliance with evolving ESG and market requirements.

Material sustainability-related risks and opportunities identified in Note 7 (Materiality Assessment) are systematically assessed and incorporated into CGE's corporate strategy, annual operating plans, and long-term investment roadmap. The table below summarises how key material items are reflected in strategic decision-making and the progress achieved to date.

9.2 Financial Impact on Value Chain and Strategic Plans

CGE evaluates sustainability and climate-related risks and opportunities based on their impact across the value chain (farms, feed mills, processing, logistics, sales, and group-wide governance) and integrates these considerations into strategic planning, capital allocation, and operational controls. The assessment considers BAU, Intermediate, and Low-Carbon scenarios across short, medium and long-term horizons.

A. Impact on Value Chain, Strategy and Financial Performance (with Financial Implication)

Impact Topic	Sustainability & Climate-Related Risk / Opportunity	Impacted Value Chain	Strategic Commitments	Progress Against Strategic Plans	Financial Implication
(R09) Sustainability Risk	Sourcing of Skilled Labour – Limited availability of skilled labour may lead to operational delays, reduced product quality, and lower competitiveness	Farms, Processing, Supply Chain	Workforce stability and capability development through structured labour sourcing and partnerships	- Engagement with multiple labour suppliers - Formal agreements to ensure reliable and skilled workforce - Continuous sourcing to meet operational demand	Staff training & retention: Rs. 1.3 Mn PP Equipment – Rs.2.62 Mn
(R14) Environmental Risk	Waste and Disposal Management – Poor waste practices may result in environmental damage, regulatory penalties, and increased costs	Farms, Processing	Strengthening environmental management systems and compliance with waste regulations	- Central drain system for liquid waste collection and treatment - Use of incineration and safe disposal methods - Dilution and cleansing processes for wastewater - Regular wastewater quality testing and monitoring	Waste management compliance: Rs. 25 Mn
(R23) Operational Risk	Machine Breakdown and System Failures – Equipment failures leading to operational disruptions, downtime, and reduced productivity	Feed Mills, Hatcheries, Processing	Operational efficiency and reliability through preventive maintenance and system optimisation	- Regular maintenance and system upgrades - Scheduled servicing and inspections - Monitoring of man-hours and machine utilisation - Timely machinery replacement planning - Downtime analysis and corrective action implementation	Annual Plant and Machinery cost Rs.65 .7 Mn
(R27) Physical Climate Risks – Chronic	Reduced poultry productivity due to rising temperatures affecting bird health and feed conversion	Farms, Hatcheries	Climate-resilient production strategy integrated into farm design and capital planning	- Converting open houses to environmentally controlled (EC) houses - Lightning arresters and surge protection - Climate insurance coverage	-Insurance Coverage –Rs. 21.92 Mn -Fire protection: Rs.3.82 Mn
(R28) Physical Climate Risks – Acute	Increased mortality and operational disruptions from floods and heatwaves	Farms, Processing, Logistics	Business continuity and emergency preparedness embedded into operations	- Infrastructure strengthening - Emergency response plans - Diversification of farm locations	- Construction of EC house – Rs.215.0 Mn
(R29) Physical Climate Risks – Chronic	Erratic rainfall and drought impacting feed crop availability and raw material costs	Feed Mills, Supply Chain	Supply chain resilience strategy overseen by management	- Supplier diversification - Contract farming - Multi-region sourcing	Embedded in procurement pricing

SLFRS Sustainability-Related Financial Disclosures

Impact Topic	Sustainability & Climate-Related Risk / Opportunity	Impacted Value Chain	Strategic Commitments	Progress Against Strategic Plans	Financial Implication
(R30) Environmental Risk	Water stress affecting farming and processing operations	Farms, Processing	Water stewardship and operational efficiency strategy	- Internal water storage infrastructure - Inventory planning - Water-saving techniques - Use of waster water treatment plant	Effluent discharge & licensing: Rs. 34.2 Mn
(R31) Transition Risk – Market	Rising energy costs and fossil fuel price volatility	Farms, Feed Mills, Processing	Energy transition and efficiency strategy aligned with ESG objectives	- Solar investments - Energy-efficient equipment - Energy intensity KPIs	Energy efficiency initiatives: Rs.10.32 Mn Solar Investment – Rs. 42.0 Mn
(R32) Transition Risk – Policy & Legal	Increased regulatory and compliance costs (emissions, waste, environmental standards)	Group-wide	Alignment with SLFRS S1 & S2 and strengthened ESG governance	- Proactive compliance monitoring - ESG governance enhancement	Governance & compliance systems: Rs.2.42 Mn
(R33) Physical Risk – Acute	Supply chain disruptions due to climate impacts on suppliers and transport	Supply Chain, Logistics	Supply chain risk management integrated into procurement strategy	- Supplier risk assessments - Alternative logistics planning	Currently working on quantifying the financial implications.
(R34) Transition Opportunity – Market	Changing customer and retailer preferences for low-carbon and sustainable products	Sales, Branding	Sustainability-led market positioning and product strategy	- R&D for low-carbon manufacturing - Sustainable packaging initiatives - ESG-led brand positioning	Currently working on quantifying the financial implications.
(R35) Transition Risk – Market	Increased costs related to waste management and packaging	Processing, Distribution	Circular economy and waste reduction strategy	- Sustainable packaging - Reuse of feed bags	-CEA Authorised Waste Disposal handling – Rs.2.2 Mn -Appox Rs. 18 Mn recorded as additional income from scrap sales
(R36) Transition Risk / Opportunity – Technology	Decarbonisation requirements affecting long-term competitiveness	Group-wide	Long-term decarbonisation and energy transition roadmap	- Solar adoption - Biodegradable materials - Emissions measurement and reduction roadmap	GHG measurement & reporting: Rs.0.5 Mn

9.3 Impact on Strategic Planning, Capital Allocation, and Financial Planning

The material sustainability-related risks and opportunities identified in Note 7 are systematically integrated into CGE's strategic planning, capital allocation, and financial management processes. These considerations influence both long-term resilience planning and short-term operational decision-making across the value chain.

Revenue, Market Access, and Value Protection

- Market Access and Customer Expectations

  CGE's sustainability investments and verified disclosures support continued access to export and institutional markets where ESG performance, emissions transparency, and certification compliance are increasingly embedded in procurement criteria.

- Pricing and Contract Stability

  Demonstrated progress on energy transition, automation, and emissions management strengthens customer confidence, supports long-term contracts, and mitigates reputational and transition risks.

Rolling Strategic Review and Governance Oversight

Material sustainability-related factors are embedded into CGE's governance and planning framework and are formally reviewed through:

- The annual strategic planning and budgeting cycle,
- The CapEx evaluation and approval process, ensuring alignment with climate and sustainability priorities, and
- Board and Board Committee oversight, including review of sustainability-related financial implications and disclosure readiness (refer Note 6.1).

Note 10: Financial Position, Financial Performance and Cash Flows

GRI 3-3, 201-2, 13.2.1, 13.2.2

10.1 Current Period Financial Effects

During the reporting period ended 31 December 2025, CGE experienced identifiable financial effects arising from material climate-related and sustainability-related risks and opportunities across its operations.

Cash Flow Impacts

- Increased cash outflows were incurred for climate resilience and operational continuity measures, including renewable energy installations, and worker welfare investments.
- Short-term operating cash requirements arose from Occupational health & safety certification costs (environmental and social compliance), and climate-related maintenance expenditure, Birds health & Welfare.

Financial Performance Impacts

- Operating margins were influenced by short-term yield variability linked to rainfall volatility and temperature stress, particularly in climate-sensitive operating regions.
- Operating expenditure (OPEX) increased due to wage adjustments, productivity resilience.

Balance Sheet Impacts

- Capital expenditure during the year was directed toward renewable energy assets, EC housing and animal welfare-related infrastructure.
- No material asset impairments or write-downs were identified during the reporting period.
- Management has not identified any significant risk of material adjustment to the carrying amounts of assets or liabilities within the next annual reporting period. However, asset sensitivity to physical climate risks, labour availability, and cost inflation continues to be actively monitored.

Expected Trends

- Capital expenditure is expected to remain sensitive to climate adaptation requirements, biodiversity protection initiatives, cost optimisation strategies, and the energy transition.
- Cash flows and operating performance are moderately exposed to rainfall variability, climate-related disruptions, and labor cost escalation in the short to medium term.
- Over the long term, renewable energy expansion and operational efficiency improvements are expected to stabilise cost structures, reduce energy-related expenditure, and enhance resilience to market and climate volatility.

10.2.2 Estimation Uncertainty and Quantification Limitations

In several areas, the financial effects of sustainability-related risks and opportunities cannot yet be quantified with reasonable certainty. In line with SLFRS S1, CGE provides qualitative disclosures where quantitative measurement is constrained.

SLFRS Sustainability-Related Financial Disclosures

Key Areas of Estimation Uncertainty

Functional Area	Sustainability & Climate-Related Risk	Nature of Estimation Uncertainty	Reason Quantification is Limited
Human Resources (HR)	Heat stress, changing weather patterns affecting labour productivity, workforce health and availability	Indirect and long-term impacts on productivity, absenteeism, and labour costs	Multiple external and social factors influence outcomes; financial effects cannot be isolated with sufficient reliability
Logistics & Distribution	Extreme weather disruptions, fuel price volatility, potential future low-carbon transport requirements	Difficulty separating climate-driven cost impacts from market-driven cost fluctuations	Dependence on third-party transport providers and volatile fuel markets
General Operations	Transition risks from evolving climate regulations, sustainability reporting requirements, and governance expectations	Costs embedded within overall administrative and compliance expenditures	Indirect risk mitigation benefits and lack of standalone cost attribution
Cross-Functional	Reputational risk and long-term resilience related to sustainability performance	Forward-looking impacts subject to high uncertainty	Benefits accrue over extended time horizons and are not readily monetisable

Where quantification is not feasible, CGE discloses expected financial effects using qualitative narratives, supported by management judgement.

10.3 Link to Financial Planning and Capital Allocation

Sustainability-related financial effects are embedded within CGE's financial management framework through:

- The annual capital expenditure approval process, where climate resilience, energy efficiency, and environmental compliance considerations are assessed alongside financial returns.
- ESG-linked project screening and prioritisation, ensuring capital is directed towards initiatives that mitigate material climate and sustainability risks, including energy transition, resource efficiency, and workforce resilience.
- Integration into operating budgets, where sustainability-related costs such as environmental compliance, health and safety, training, and logistics efficiency are incorporated into routine financial planning.
- Use of internal risk assessments and scenario analysis, to evaluate the potential financial implications of physical and transition climate risks on long-term asset performance and operating costs.
- Alignment with long-term strategic planning, ensuring capital allocation decisions support regulatory readiness, operational continuity, and market access in the context of evolving sustainability expectations.
- A risk-adjusted financial approach is applied to balance short-term financial performance with long-term operational resilience and value preservation.

10.4 a) Anticipated Effects – Short Term, Medium Term and Long Term

Expected Effects on Financial Statements

Topic / Category	Sustainability & Climate-Related Risk / Opportunity	Financial Statement Line Items Impacted	Nature of Expected Financial Effects	2025 Impact (Cash Flows / Financial Performance / Financial Position)	Short, Medium & Long-Term Impacts (Access to Finance, Cost of Capital, Cash Flow, Financial Performance, Financial Position)
Sustainability Risk (R09)	Sourcing of Skilled Labour across farms, processing, and supply chain operations	Cost of Sales; Employee Benefit Expenses; Administrative Expenses	Increased labour costs driven by wage escalation and reliance on skilled labour. Additional investment in training and retention Rs.1.3 Mn and PPE Rs.2.62 Mn to maintain workforce stability and productivity.	CF: Training & retention (Rs.1.3 Mn) + PPE (Rs.2.62 Mn) FP: Margin pressure FPn: Asset increase	ST: Labour cost increase MT: Productivity constraints LT: Workforce stability improves efficiency; neutral cost of capital
Environmental Risk (R14)	Waste and disposal management across farming and processing operations	Cost of Sales; Administrative Expenses; PPE; Provisions	Costs associated with waste collection, treatment, and disposal (Rs. 25 Mn) .Additional CapEx for waste infrastructure and ongoing compliance monitoring to mitigate regulatory risks.	CF: Compliance cost (Rs. 25 Mn) FP: Increased operating cost FPn: Asset additions	ST: Compliance burden MT: CapEx for systems LT: Improved ESG profile, better financing access
Operational Risk (R23)	Machine breakdown and system failures in feed mills, hatcheries, and processing facilities	Cost of Sales; Repairs & Maintenance; PPE; Depreciation Expense	Increased maintenance and repair costs, along with productivity losses due to downtime. Financial impacts are embedded within operational expenditure and capital replacement plans.	CF: Machinery cost (Rs.65.70 Mn) FP: Efficiency pressure FPn: High asset base	ST: Maintenance costs MT: Downtime risk LT: Efficiency gains from upgrades
Physical Climate Risk – Chronic (R27)	Reduced poultry productivity due to rising temperatures affecting farms and hatcheries	Cost of Sales; PPE; Depreciation Expense; Insurance Expense	Increased operating costs due to cooling, feed inefficiencies, and bird health impacts. Capital investment in EC housing and protection systems. Insurance and fire protection costs amounting to Rs. 25.74 Mn.	CF: Insurance (Rs.21.92 Mn) + Fire protection (Rs.3.82 Mn) FP: Margin reduction FPn: CapEx increase	ST: Rising operating costs MT: Productivity losses LT: Resilient infrastructure improves stability and financing profile

SLFRS Sustainability-Related Financial Disclosures

Topic / Category	Sustainability & Climate-Related Risk / Opportunity	Financial Statement Line Items Impacted	Nature of Expected Financial Effects	2025 Impact (Cash Flows / Financial Performance / Financial Position)	Short, Medium & Long-Term Impacts (Access to Finance, Cost of Capital, Cash Flow, Financial Performance, Financial Position)
Physical Climate Risk – Acute (R28)	Floods and heatwaves causing mortality and operational disruptions across farms and logistics	Cost of Sales; Repairs & Maintenance; PPE; Insurance Recoveries	One-off and event-driven costs including mortality losses, infrastructure repairs, and emergency response. Financial exposure partially mitigated through insurance coverage.	CF: EC house investment (Rs.215.0 Mn) FP: Neutral (preventive) FPn: Significant asset increase	ST: No immediate losses MT: Reduced disruption risk LT: Strong resilience, improved asset base
Physical Climate Risk – Chronic (R29)	Erratic rainfall and drought impacting feed supply and raw material sourcing	Cost of Sales; Inventories; Working Capital	Increased feed costs and supply volatility leading to higher procurement costs and inventory holding requirements.	CF: Embedded in procurement cost FP: Margin pressure FPn: Working capital increase	ST: Cost volatility MT: Supply instability LT: Stabilised through diversification
Environmental Risk (R30)	Water stress affecting farming and processing operations	Cost of Sales; Administrative Expenses; PPE	Significant compliance and operational costs related to water usage and effluent management, including Rs.34.2 Mn.	CF: Effluent & licensing (Rs.34.2 Mn) FP: High cost pressure FPn: Asset increase	ST: High compliance cost MT: Efficiency investment LT: Improved sustainability and financing attractiveness
Transition Risk – Market (R31)	Energy price volatility across operations	Cost of Sales; Energy & Utilities Expense; PPE	Rising energy costs impacting margins. Investment in energy efficiency and renewable (Rs.52.32 Mn) to mitigate long-term exposure.	CF: Energy initiatives (Rs.10.32 Mn) + Solar (Rs.42.0 Mn) FP: Margin pressure FPn: Asset growth	ST: Energy cost increase MT: Partial stabilisation LT: Lower energy cost, improved margins, green financing benefits
Transition Risk – Policy & Legal (R32)	Regulatory and compliance requirements (ESG, emissions, environmental standards)	Administrative Expenses; Professional Fees; Intangible Assets	Increased expenditure on ESG governance and compliance systems (Rs.2.42 Mn).	CF: Compliance systems (Rs.2.42 Mn) FP: Minor cost increase FPn: No major impact	ST: Neutral MT: Compliance costs increase LT: ESG alignment improves access to finance, reduces capital cost
Physical Risk – Acute (R33)	Supply chain disruptions affecting logistics and supplier networks	Cost of Sales; Logistics Costs; Working Capital	Potential increase in logistics costs and delays, requiring contingency sourcing and higher working capital buffers.	CF: Not yet quantified FP: Potential disruption FPn: WC impact	ST: Minimal impact MT: Cost volatility LT: Resilience strategies stabilise costs
Transition Opportunity – Market (R34)	Demand for sustainable products and ESG-driven branding	Revenue; Marketing & Distribution Expenses; PPE	Strategic investments in sustainable product development and branding with long-term revenue potential.	CF: Not yet quantified FP: Neutral currently FPn: Asset addition	ST: Limited impact MT: Investment phase LT: Revenue growth, improved margins

Topic / Category	Sustainability & Climate-Related Risk / Opportunity	Financial Statement Line Items Impacted	Nature of Expected Financial Effects	2025 Impact (Cash Flows / Financial Performance / Financial Position)	Short, Medium & Long-Term Impacts (Access to Finance, Cost of Capital, Cash Flow, Financial Performance, Financial Position)
Transition Risk – Market (R35)	Packaging and waste-related cost increases	Cost of Sales; Administrative Expenses	Increased costs associated with sustainable packaging and waste compliance (linked to waste management costs).	CF: Waste handling (Rs.2.2 Mn) offset by scrap income (Appox.Rs.18 Mn) FP: Net positive impact FPn: No impact	ST: Cost increase offset by income MT: Margin stabilisation LT: Circular economy benefits
Transition Risk / Opportunity – Technology (R36)	Decarbonisation and technology transition across the Group	PPE; Administrative Expenses; Intangible Assets	Initial investments in emissions measurement (Rs. 0.5 Mn) and future low-carbon transition initiatives.	CF: GHG measurement (Rs.0.5 Mn) FP: Minimal impact FPn: CapEx increase	ST: Low cost impact MT: Investment phase LT: Lower cost of capital, improved competitiveness

- The Group has applied the transitional relief available under IFRS S1 and IFRS S2 in relation to the disclosure of quantitative information on anticipated financial effects of sustainability-related risks and opportunities.

Accordingly, while qualitative and partially quantified assessments of climate-related and sustainability risks have been provided across short, medium, and long-term horizons, full quantitative financial estimation of all anticipated effects is still under development due to the evolving nature of internal data systems, modelling capabilities, and external assumptions.

The Group expects to progressively enhance its measurement frameworks and will provide more comprehensive quantification of anticipated financial effects within the permitted transitional relief period of up to two annual reporting cycles from initial application of the standards.

11. Approach to Scenario Analysis

CGE applies scenario analysis to assess the potential impacts of climate-related and sustainability-related risks and opportunities on its operations, financial performance, and long-term resilience. The analysis is designed to support strategic decision-making, capital allocation, and risk management processes.

The approach incorporates plausible short, medium, and long-term scenarios, reflecting both transition risks (such as regulatory changes, energy transition, and market expectations) and physical risks (including acute and chronic climate events). Scenarios are informed by international climate pathways, industry benchmarks, and local operating conditions relevant to Sri Lanka.

For operational assessments, CGE evaluates the effects of each scenario on:

- Production continuity and operating costs,
- Energy consumption and emissions intensity,
- Supply chain reliability and labor availability, and
- Capital expenditure requirements for adaptation and mitigation initiatives.

Financial impacts are assessed qualitatively and, where data is available, quantitatively, focusing on potential implications for revenue, operating expenditure (OPEX), capital expenditure (CAPEX), asset useful lives, and cash flows. The outcomes of the scenario analysis are integrated into CGE's risk register, budgeting process, and long-term business planning, ensuring alignment between sustainability risks and financial planning.

SLFRS Sustainability-Related Financial Disclosures

Scenarios

Scenario 01 RCP 8.5 –
Business-as-usual scenario (BAU)

Scenario 02 RCP 6.0 and RCP 4.5 –
Intermediate transition scenario

Scenario 03 RCP 2.6 –
Low-carbon scenario

Further Details on Scenario Analysis can be found on Climate Risk Report page 242.

Financial Implication of Scenario Analysis

Topic / Category	Sustainability & Climate-Related Risk / Opportunity	Financial Statement Line Items Impacted	Nature of Expected Financial Effects	Short, Medium & Long-Term Impacts (Scenario-Integrated)
Sustainability Risk (R09)	Sourcing of Skilled Labour across farms, processing, and supply chain operations	Cost of Sales; Employee Benefit Expenses; Administrative Expenses	Increased labour costs driven by wage escalation and reliance on skilled labour. Additional investment in training and retention Rs.1.3 Mn and PPE Rs. 2.62 Mn to maintain workforce stability and productivity.	BAU (RCP 8.5): Higher wage inflation, persistent labour shortages, cost pressure. Intermediate (RCP 6.0/4.5): Moderate labour constraints with gradual productivity gains through training. Low-carbon (RCP 2.6): Improved labour productivity through automation and efficiency, stabilised cost base.
Environmental Risk (R14)	Waste and disposal management across farming and processing operations	Cost of Sales; Administrative Expenses; PPE; Provisions	Costs associated with waste collection, treatment, and disposal (Rs. 25 Mn) .Additional CapEx for waste infrastructure and ongoing compliance monitoring to mitigate regulatory risks.	BAU: Rising disposal costs and regulatory penalties. Intermediate: Structured waste management systems and moderate CapEx requirements. Low-carbon: Circular economy practices reduce long-term disposal costs.
Operational Risk (R23)	Machine breakdown and system failures in feed mills, hatcheries, and processing facilities	Cost of Sales; Repairs & Maintenance; PPE; Depreciation Expense	Increased maintenance and repair costs, along with productivity losses due to downtime. Financial impacts are embedded within operational expenditure and capital replacement plans.	BAU: Higher breakdown frequency and maintenance cost escalation. Intermediate: Partial automation and system upgrades reduce downtime. Low-carbon: Smart manufacturing improves efficiency and reduces failure rates.
Physical Climate Risk – Chronic (R27)	Reduced poultry productivity due to rising temperatures affecting farms and hatcheries	Cost of Sales; PPE; Depreciation Expense; Insurance Expense	Increased operating costs due to cooling, feed inefficiencies, and bird health impacts. Capital investment in EC housing and protection systems. Insurance and fire protection costs amounting to Rs. 25.74 Mn.	BAU: Severe heat stress reduces productivity and increases mortality risk. Intermediate: Partial mitigation through improved housing and cooling systems. Low-carbon: Controlled environment systems stabilise productivity and reduce climate sensitivity.
Physical Climate Risk – Acute (R28)	Floods and heatwaves causing mortality and operational disruptions	Cost of Sales; Repairs & Maintenance; PPE; Insurance Recoveries	One-off and event-driven costs including mortality losses, infrastructure repairs, and emergency response. Financial exposure partially mitigated through insurance coverage.	BAU: Frequent extreme weather events causing high disruption. Intermediate: Reduced losses due to resilience investments. Low-carbon: Strong infrastructure resilience significantly limits operational disruption.

Topic / Category	Sustainability & Climate-Related Risk / Opportunity	Financial Statement Line Items Impacted	Nature of Expected Financial Effects	Short, Medium & Long-Term Impacts (Scenario-Integrated)
Physical Climate Risk – Chronic (R29)	Feed supply volatility due to climate impacts	Cost of Sales; Inventories; Working Capital	Increased feed costs and supply volatility leading to higher procurement costs and inventory holding requirements.	BAU: High feed price volatility and supply disruption. Intermediate: Diversified sourcing stabilises supply chain. Low-carbon: Climate-resilient sourcing reduces volatility and stabilises costs.
Environmental Risk (R30)	Water stress affecting operations	Cost of Sales; Administrative Expenses; PPE	Significant compliance and operational costs related to water usage and effluent management, including Rs.34.2 Mn.	BAU: Water scarcity increases operating costs and regulatory exposure. Intermediate: Efficiency improvements and recycling systems reduce usage. Low-carbon: Water-efficient operations stabilise long-term cost base.
Transition Risk – Market (R31)	Energy price volatility	Cost of Sales; Energy & Utilities Expense; PPE	Rising energy costs impacting margins. Investment in energy efficiency and renewable (Rs.52.32 Mn) to mitigate long-term exposure.	BAU: High fossil fuel dependency increases cost volatility. Intermediate: Partial renewable adoption stabilises costs. Low-carbon: High renewable penetration significantly reduces energy cost exposure.
Transition Risk – Policy & Legal (R32)	ESG regulation and compliance	Administrative Expenses; Professional Fees; Intangible Assets	Increased expenditure on ESG governance and compliance systems (Rs.2.42 Mn).	BAU: Rising compliance burden and reporting costs. Intermediate: Structured ESG systems reduce inefficiencies. Low-carbon: Compliance embedded into operations, reducing marginal cost impact.
Physical Risk – Acute (R33)	Supply chain disruptions	Cost of Sales; Logistics Costs; Working Capital	Potential increase in logistics costs and delays, requiring contingency sourcing and higher working capital buffers.	BAU: Frequent disruption and higher logistics cost inflation. Intermediate: Partial supply chain resilience. Low-carbon: Digitised and diversified supply chain improves stability.
Transition Opportunity – Market (R34)	ESG-driven demand growth	Revenue; Marketing & Distribution Expenses; PPE	Strategic investments in sustainable product development and branding with long-term revenue potential.	BAU: Limited demand growth. Intermediate: Growing ESG awareness increases revenue potential. Low-carbon: Strong ESG positioning drives premium pricing and revenue expansion.
Transition Risk – Market (R35)	Packaging cost increases	Cost of Sales; Administrative Expenses	Increased costs associated with sustainable packaging and waste compliance (linked to waste management costs).	BAU: Rising packaging costs. Intermediate: Improved recycling reduces net cost. Low-carbon: Circular packaging systems reduce long-term costs.
Transition Risk / Opportunity – Technology (R36)	Decarbonisation and technology transition	PPE; Administrative Expenses; Intangible Assets	Initial investments in emissions measurement (Rs. 0.5 Mn) and future low-carbon transition initiatives.	BAU: Slow technology adoption increases future transition risk. Intermediate: Gradual decarbonisation investments. Low-carbon: Full decarbonisation improves efficiency and cost of capital.

The Group has applied climate-related scenario analysis to assess the potential financial implications of identified climate-related risks and opportunities across short, medium, and long-term horizons. The analysis incorporates multiple scenarios, including a baseline (business-as-usual) scenario and alternative climate transition and physical risk scenarios, to evaluate potential impacts on operations, cash flows, asset values, and overall financial performance.

SLFRS Sustainability-Related Financial Disclosures

The financial implications derived from scenario analysis are primarily expressed in qualitative and directional terms, supported by partial quantification where reliable data and estimation methodologies are available. These include potential impacts on cost of sales, operating expenses, capital expenditure requirements, and working capital movements across key operating entities.

At this stage, the Group continues to enhance its internal modelling capabilities, data completeness, and scenario-specific assumptions. As a result, full quantitative financial estimation of scenario outcomes across all time horizons is not yet fully developed. However, material financial drivers identified through scenario analysis—such as energy price volatility, climate-driven productivity impacts, regulatory compliance costs, and infrastructure resilience investments—have been incorporated into strategic planning and risk management processes.

The Group will progressively refine its scenario-based financial impact modelling in line with the ongoing implementation of IFRS S1 and IFRS S2 requirements.

Capital Investment Flexibility – CGE Operations

CGE maintains capital investment flexibility by prioritising climate-resilient, resource-efficient, and low-carbon investments within its capital allocation framework. These investments support long-term operational resilience, cost optimisation, productivity enhancement, and alignment with CGE's sustainability and decarbonisation commitments.

Renewable Energy Transition

CGE's investments in renewable energy projects support the reduction of Scope 2 greenhouse gas emissions while mitigating exposure to long-term electricity price volatility. During the reporting period, CGE commenced solar power installations one of our Farm facility with an investment of Rs. 42 Mn, generating annual electricity cost savings of approximately Rs. 9.0 Mn. Further solar installations are currently being evaluated and progressed at the Hijra A facility, reinforcing CGE's transition toward cleaner energy sources across operations.

Climate Resilience Infrastructure

CGE has strengthened physical climate resilience through targeted investments in infrastructure upgrades and reconstruction. Older operational buildings have been reconstructed to improve structural integrity, enhance operational safety, and reduce recurring maintenance costs (investment value: Rs. 215.0 Mn). These initiatives improve resilience against acute climate risks such as extreme rainfall and flooding while ensuring continuity of operations.

Processing Automation, Resource Efficiency, and Productivity Improvements

At the Seeduwa Processing Plant, CGE has invested in automation and process optimisation initiatives to enhance labour efficiency, productivity, and operational consistency. These upgrades have contributed to reduced reliance on manual labour, improved throughput, and enhanced cost efficiency. In parallel, targeted investments in water and electricity efficiency measures have lowered resource intensity per unit of production, supporting both cost savings and environmental performance while reducing exposure to resource scarcity and utility price volatility. Investment is Approx.3.0 Bn.

Targeted Capex Sequencing and Energy Efficiency

CGE applies a risk-based approach to capital allocation, prioritising investments in high-impact and high-risk operational areas. The Group invested Approx. LKR 0.4 Mn in energy-efficient equipment and infrastructure upgrades at Feed Mills, resulting in reduced fossil fuel consumption and improved energy efficiency. These investments lower operating costs and transition risks over the medium to long term while supporting CGE's broader climate and sustainability objectives.

Note 12. Risk Management Framework

Key Features of the ERM Framework

- Early identification and prioritisation of material ESG and climate-related risks,
- Consistent risk treatment across farm operations, factories, logistics, and head office functions,
- Informed decision-making at Board and senior management levels, and
- Periodic reassessment of risks based on scenario analysis and emerging sustainability trends.

All sustainability-related risks are assessed using uniform enterprise-wide criteria, considering likelihood, potential financial impact, time horizon.

Material risks are incorporated into the CGE risk heatmap and reviewed through a structured governance process, ensuring a consistent risk culture across the organisation.

CGE follows a three-tier governance structure to oversee sustainability and climate-related risks.

Board-Level Oversight

The Board (through the Audit Committee) has overall responsibility for oversight of material ESG and climate-related risks. The Committee reviews ESG risk exposure, mitigation progress, and related financial implications on a quarterly basis.

Executive Management Oversight

The ESG / Sustainability Steering Committee, led by senior management and supported by Finance and Sustainability functions, is responsible for:

- Maintaining the sustainability risk register,
- Monitoring ESG performance and controls across operations, and
- Aligning sustainability risk management with CGE's strategy and financial planning.

The Committee meets at least quarterly and reports key risks to the Board.

Operational Risk Ownership

At operational sites (farms, hatcheries, factories, and logistics), designated managers are responsible for:

- Monitoring climate and environmental conditions affecting productivity,
- Tracking labor availability, health, and safety risks, and
- Identifying compliance and biodiversity-related risks.

Material risks are escalated to management using standardised reporting templates and reviewed at the executive and Board levels when thresholds are exceeded.

Risk Identification and Prioritisation Process

CGE identifies sustainability-related risks and opportunities using:

- Climate and environmental data (temperature, disease patterns),
- Internal audits, certifications, and compliance reviews,
- Operational performance data and workforce feedback,
- Market and regulatory developments affecting food safety, animal welfare, and emissions, and
- Scenario analysis assessing physical and transition risks.

Risk Prioritisation, Escalation, and Integration

CGE applies a unified enterprise risk management framework in which material sustainability-related risks are identified, assessed, and escalated using the same systems and thresholds as financial and operational risks. Material ESG risks are incorporated into the Enterprise Risk Register, reviewed by the Board Audit Committee, and considered in strategic planning and capital allocation decisions where relevant. Operational-level risks continue to be managed at site level, ensuring Board oversight is focused only on material risks. This integrated approach enables consistent treatment of sustainability risks and supports informed, cross-functional decision-making across CGE operations.

Integration and Cross-Linkage of Sustainability Risks

Material sustainability-related risks are assessed using standard company-wide risk thresholds (see Note 5.4) and escalated through the same reporting and governance channels used for operational, strategic, and financial risks.

Cross-Linkage to Business Model and Strategy

The integration of ESG risks directly supports CGE's strategic and financial decision-making, including:

- Strategic realignment and capital expenditure sequencing (see Note 9.1 and 9.4),
- Business model refinement across farming operations, processing, and workforce models (Note 8), and
- Financial planning and sensitivity assessments, including contingency planning (Note 10.3).

Risk Mitigation and Control Mechanisms

CGE applies a tiered risk mitigation approach, with controls embedded at both operational and strategic levels, to manage material sustainability-related risks and enhance long-term business resilience.

Further details can be found in Risk and Opportunity Management Report Page 231.

Each mitigation action is assigned to a designated responsible unit with progress reviewed on a quarterly basis by the Sustainability Committee.

Going forward, CGE's risk management function will place greater emphasis on integrating climate-scenario triggers into the annual enterprise risk review, aligning with SLFRS Sustainability Disclosure Standards based materiality processes, continuously monitoring farms -level and early-warning systems, and expanding the use of risk-linked performance indicators.

SLFRS Sustainability-Related Financial Disclosures

Note 13: Metrics and Targets

GRI 302, 303, 305, 306, 307, 401, 403, 404, 405, 406, 413, 201, 419

Building on the foundational ESG commitments disclosed in the previous Annual Report, CGE has strengthened its sustainability framework during the reporting year by defining clear, measurable metrics and interim targets aligned with the Sustainability Agenda 2030. These targets translate strategic intent into actionable performance indicators across ESG dimensions, enabling consistent monitoring, accountability, and continuous improvement.

Environmental Performance

CGE continues to enhance its environmental stewardship through targeted initiatives focused on energy efficiency, emissions reduction, water conservation, and responsible waste management.

Energy and Emissions

CGE has established quantified targets to improve energy efficiency and reduce carbon emissions across operations.

- Non-renewable energy consumption is targeted to improve by 20% by 2030, supported by an interim trajectory of 3.33% annual improvement, driven by operational optimisation and gradual energy transition initiatives.
- Efficient use of energy is targeted to improve by 12% by 2030, with a 2% annual improvement, reinforcing CGE's commitment to disciplined energy management practices.
- Scope 1 and Scope 2 carbon emissions are targeted to reduce by 12% by 2030, with an interim 2% annual reduction, supporting CGE's broader climate risk mitigation and transition strategy.

Water Management

CGE has prioritised responsible water stewardship across its value chain.

- Total water usage is targeted to reduce by 6% by 2030, with an interim 1% annual reduction, supported by efficiency improvements, monitoring, and conservation initiatives at operational sites.

Waste Management

CGE continues to pursue a circular approach to waste management.

- Feed manufacturing waste, packing waste, and poultry litter are maintained at zero, reflecting effective by-product utilisation and waste avoidance practices.
- Food waste is targeted for a 100% reduction by 2030, supported by an aggressive interim reduction pathway of 16.67% annually.
- Hazardous waste continues to be maintained at zero, supported by strict handling and disposal controls.

Social Performance

CGE recognises that its people, customers, and communities are central to long-term value creation.

People and Employees

- Employee turnover is targeted to be maintained at 6%, reflecting CGE's focus on employee engagement and retention.
- Female representation is targeted at 30% of total employees, supporting diversity and inclusion objectives.
- Workplace safety remains a critical priority, with zero fatalities and zero major injuries maintained across operations.
- Training and development is targeted at an average of 12 training hours per employee, with a 1% annual increase, supporting capability building and compliance with sustainability standards.

Customers and Society

- Customer Satisfaction Index targets are maintained at 96% for both chicken and feed segments, reflecting CGE's commitment to quality, reliability, and customer trust.
- Technical education and skills development are supported through the provision of 200 apprenticeship opportunities, contributing to youth employability and community capacity building.

Governance Performance

Strong governance underpins CGE's ESG strategy and ensures accountability, transparency, and ethical conduct.

Values and Ethics

- Whistle-blower and anti-harassment mechanisms are maintained with zero unresolved cases, reinforcing CGE's zero-tolerance approach to unethical conduct.

Management Systems

- CGE targets the completion of 10 management system audits annually, supporting continuous improvement and compliance assurance.
- Major non-compliances across management systems are maintained at zero, reflecting robust internal controls and effective corrective action processes.

Looking Ahead

These metrics and targets represent a significant step forward from qualitative commitments to

quantifiable, time-bound ESG performance management. Progress against these targets will be reviewed regularly through CGE's governance structures and disclosed transparently in future reporting cycles, ensuring alignment with evolving regulatory requirements and stakeholder expectations.

The Sustainability Committee reviews the implementation plan and the ESG dashboard on a quarterly basis to monitor progress, performance trends, and alignment with CGE's sustainability objectives. These metrics are validated quarterly through internal audits, and selected indicators undergo external verification via third-party certification (e.g., ISO).

13.2 Climate-Related Metrics and Targets

CGE discloses climate-related metrics and targets to enable users of the Annual Report to evaluate how the Group identifies, measures, monitors, and manages material climate-related risks and opportunities. These disclosures reflect CGE's climate transition and adaptation strategies and support transparency on the Group's alignment with national climate commitments and global climate goals, including its medium- and long-term emissions reduction pathways and Net Zero ambition.

The metrics presented in this section include operational and value chain greenhouse gas (GHG) emissions, indicators relating to physical and transition climate risks, capital allocation towards climate-related initiatives, and progress against defined climate targets.

13.2.1 Cross-Industry Metrics

Greenhouse Gas (GHG) Emissions

CGE measures its greenhouse gas (GHG) emissions in compliance with SLFRS S2, the GHG Protocol, and ISO 14064-1:2018. The disclosures cover all fully consolidated operations under the operational control approach and include Scope 1, Scope 2, and relevant Scope 3 emissions.

The operational control approach has been adopted as it best represents CGE's direct authority over operational activities, including energy consumption, fuel use, and emissions management across estates, factory operations, and renewable energy assets held through subsidiary companies.

Emission Category	2025	2024	Variance %	Target - Sustainability Agenda 2030
Scope 1 emissions (tCO_2e)	6769.3	4947.56	37%	↓12%
Scope 2 emissions (tCO_2e)	6,377.7	7,474.24	15%	
Scope 3 emissions (tCO_2e)	4,153.90	N/A	N/A	
Carbon emission to generate Rs. one million turnover	0.58	0.52	34%	

CGE commenced the systematic calculation of Scope 3 GHG emissions across its value chain from FY 2025 onwards, in line with the GHG Protocol Corporate Value Chain (Scope 3) Standard. Accordingly, FY 2025 represents the baseline year for Scope 3 emissions reporting.

The FY 2025 Scope 3 GHG emissions inventory has been independently verified by SGS, providing assurance over the completeness, consistency, and accuracy of the reported data and methodologies applied.

Category	Scope 3 Category	FY 2025 (tCO_2e)
3.1	Employee Commuting	57.51
3.2	Waste Transport	40.91
3.3	Business Air Travels	15.03
3.4	Sea Freight Transportation for Exports	3,067.71
3.5	Air Freight Transportation for Export	0.02
3.6	Land Transportation by Hired Vehicles	286.92
3.7	Drinking Water Transport	0.73
3.8	Fuel Transport	2.81
6.1	Municipal Water Consumption	22.82
6.2	T&D Loss for Purchased Energy	620.22
6.3	Paper Consumption	39.22
	Total	4,153.89

SLFRS Sustainability-Related Financial Disclosures

Notes:

- Scope 3 emissions were not calculated or disclosed prior to FY 2025.
- Independent verification for FY 2025 was conducted by SGS in accordance with recognised GHG assurance standards.
- CGE will progressively enhance Scope 3 data coverage, estimation methodologies, and supplier engagement in subsequent reporting periods.

Methodology for the Measurement and Disclosure of GHG Emissions

CGE measures and discloses its greenhouse gas (GHG) emissions using internationally recognised and widely accepted methodologies, ensuring consistency, comparability, and accuracy across Scope 1, Scope 2, and Scope 3 emissions. The GHG inventory is prepared in alignment with global best practices and relevant regulatory disclosure requirements.

GHG Measurement Standards Applied

The following standards and guidance documents form the basis of CGE's GHG accounting framework:

- Greenhouse Gas (GHG) Protocol – Corporate Accounting and Reporting Standard (2004)
- GHG Protocol Scope 2 Guidance, as an amendment to the Corporate Standard
- Corporate Value Chain (Scope 3) Accounting and Reporting Standard, supplementing the Corporate Accounting and Reporting Standard
- Technical Guidance for Calculating Scope 3 Emissions (Version 1.0), supporting the Scope 3 Standard
- SLFRS S2 – Climate-related Disclosures, for climate-related financial and non-financial reporting

Internal Verification and Guidance Frameworks

To strengthen the robustness and credibility of emissions data, CGE applies the following verification and sector-specific guidance frameworks:

- ISO 14064-1:2018 – for internal GHG emissions quantification, assurance, and verification processes

Key Assumptions, Data Sources, and Emission Factors Used for GHG Measurement

CGE uses activity-based data sourced from operational records, financial systems, and surveys. Where direct measurement is not feasible, estimation methodologies and expenditure-based approaches are applied in line with GHG Protocol guidance.

Scope	Emission Category (GHG Protocol)	Sub-Category / Activity	Activity Data	Activity Data Source	Emission Factor (EF) Source	Source of GWP Values
Scope 1	Stationary Combustion	Diesel, petrol used for stationary applications	Fuel consumption	Fuel invoices, estate-level logs	2006 IPCC Guidelines; DEFRA	IPCC AR6 (2021)
Scope 1	Mobile Combustion	Fuel used in company vehicles	Fuel consumption	Fuel bills, transport logs	DEFRA; IPCC 2006	IPCC AR6 (2021)
Scope 2	Purchased Electricity	Grid electricity (CEB)	Electricity consumption	Monthly electricity bills	SLSEA (location-based EF)	IPCC AR6 (2021)
Scope 3	Category 1: Purchased Goods & Services	Fertiliser, packaging	Procurement data	Purchase orders, ledger	DEFRA 2024; GZA (spend-based)	IPCC AR5 (2014)
Scope 3	Category 3: Fuel & Energy Related	Fuel transport (3.8)	Fuel-related upstream emissions	Fuel purchase data	IPCC 2006	IPCC AR6 (2024)
Scope 3	Category 3: Fuel & Energy Related	T&D losses (6.2)	Electricity losses	Electricity consumption	SLSEA	IPCC AR5 (2014)

Scope	Emission Category (GHG Protocol)	Sub-Category / Activity	Activity Data	Activity Data Source	Emission Factor (EF) Source	Source of GWP Values
Scope 3	Category 4: Upstream Transport	Waste transport (3.2)	Transport distances	Waste logs	GOV.UK 2024	IPCC AR6 (2024)
Scope 3	Category 4: Upstream Transport	Drinking water transport (3.7)	Water delivery	Supplier records	DEFRA / proxies	IPCC AR5 (2014)
Scope 3	Category 6: Business Travel	Air travel (3.3)	Flight distances	Travel records	ICAO; DEFRA	IPCC AR5 (2014)
Scope 3	Category 7: Employee Commuting	Employee commuting (3.1)	Distance & mode	Surveys	DEFRA 2024	IPCC AR5 (2014)
Scope 3	Category 4 / 9	Sea freight exports (3.4)	Export logistics	Shipping records	DEFRA / IMO factors	IPCC AR5 (2014)
Scope 3	Category 4 / 9	Air freight exports (3.5)	Export logistics	Airway bills	ICAO	IPCC AR5 (2014)
Scope 3	Category 13: Downstream Leased Assets	Sub-leased land	Land data	Hectarage records	Local EF	IPCC AR5 (2014)

Global Warming Potential (GWP):

CGE applies IPCC AR5 (2014) GWP values for Scope 3 emissions, as the selected emissions calculation tools and corresponding emission factors are aligned to AR5. Where applicable, IPCC AR6 (2021) values are applied for Scope 1 emissions.

Internal Carbon Pricing

As at FY 2025, CGE has not implemented an internal carbon pricing mechanism. The Company is currently assessing the feasibility of introducing a shadow carbon price to support future capital allocation decisions, decarbonisation planning, and the evaluation of climate-related risks and opportunities.

Remuneration Linkage

CGE is in the process of reviewing the integration of climate-related performance considerations into its remuneration framework. As at FY 2025, executive and management remuneration is not formally linked to specific sustainability-related risks or opportunities.

Use of Carbon Credits

As at FY 2025, CGE does not use carbon credits to meet its greenhouse gas reduction targets.

Any potential future use of carbon credits will be strictly aligned with Science Based Targets initiative (SBTi) requirements.

CGE will continue to monitor regulatory developments and best practices to ensure that any future application of carbon credits supports its long-term decarbonisation strategy and climate commitments.

GRI Content Index

Ceylon Grain Elevators PLC presents Global Reporting Initiatives (GRI-2021) Standards which reflects our commitment to sustainability reporting guidelines. It presents the economic, social and environmental performance of the entire group including its subsidiaries for the financial year beginning 1 January 2025 and ending 31 December 2025. This has been expanded with voluntary disclosures in line with GRI 13 Agriculture, Aquaculture and Fishing Sectors 2022.

GRI 2: General Disclosures

GRI Standard	Disclosure	Report Section	Page Reference	Omission			Explanation
				Requirement	Omission	Reason	
GRI 2: 2021	2-1 Organisational details	About the Report / Corporate Profile	22		-	-	
	2-2 Entities included in sustainability reporting	About the Report / Group Structure	09		-	-	
	2-3 Reporting period, frequency and contact point	About the Report	06		-	-	
	2-4 Restatements of information	About the Report	06		-	-	
	2-5 External assurance	About the Report	06		-	-	
	2-6 Activities, value chain & relationships	Social & Relationship Capital	119		-	-	
	2-7 Employees	Human Capital	138		-	-	
	2-8 Workers who are not employees	Human Capital	146		-	-	
	2-9 Governance structure	Corporate Governance Review	187		-	-	
	2-10 Nomination & selection of Board	Nomination Committee Report	220		-	-	
	2-11 Chair of Board	Corporate Governance Review	192		-	-	
	2-12 Board oversight	Corporate Governance Review	196		-	-	
	2-13 Delegation of responsibility	Corporate Governance Review	186		-	-	
	2-14 Board role in sustainability reporting	Sustainability Governance / Strategy	202		-	-	
	2-15 Conflicts of interest	Corporate Governance Review	190		-	-	
	2-16 Communication of concerns	Stakeholder Engagement / Governance	190		-	-	
	2-17 Collective knowledge of Board	Corporate Governance Review	194		-	-	
	2-18 Board evaluation	Corporate Governance Review	194		-	-	
	2-19 Remuneration policies	Human Capital / Remuneration Committee	218		-	-	

GRI Standard	Disclosure	Report Section	Page Reference	Omission			Explanation
				Requirement	Omission	Reason	
	2-20 Remuneration process	Human Capital	146		-	-	
	2-21 Compensation ratio	Human Capital	146		-	-	
	2-22 Sustainable development strategy	Chairman's Message / Strategy	22		-	-	
	2-23 Policy commitments	Human Capital / Governance	137		-	-	
	2-24 Embedding policy commitments	Human Capital / Governance	137		-	-	
	2-25 Remediation processes	Stakeholder Engagement / Human Capital	30, 151		Partial	Partially Reported	Disclosure of outcomes being strengthened
	2-26 Grievance mechanisms	Social & Relationship Capital / Human Capital	115, 151		-	-	
	2-27 Compliance with laws	Governance / Human Capital / S&RC	146, 192		-	-	
	2-28 Membership associations	Intellectual / Social / Human Capital	94, 132, 137		-	-	
	2-29 Stakeholder engagement	Stakeholder Engagement	30		-	-	
	2-30 Collective bargaining	Human Capital	140		-	-	

GRI 3: Material Topics

GRI Standard	Disclosure	Report Section	Page Reference	Omission			Explanation
				Requirement	Omission	Reason	
GRI 3: 2021	3-1 Materiality process	Material Topic	36		-	-	
	3-2 List of material topics	Material Topic	36		-	-	
	3-3 Management of material topics	Material Topic	36		-	-	

GRI 200: Economic

GRI Standard	Disclosure	Report Section	Page Reference	Omission			Explanation
				Requirement	Omission	Reason	
GRI 201	201-1 Economic value generated	Financial Capital	68		-	-	
	201-2 Financial implications and other risks and opportunities due to climate change	Financial Disclosures	283		-	-	
	201-3 Defined benefit plan obligations and other retirement plans	Notes to the Financial Statements	342		-	-	

GRI Content Index

GRI Standard	Disclosure	Report Section	Page Reference	Omission			Explanation
				Requirement	Omission	Reason	
GRI 202	202-1 Wage ratios	Human Capital	146		-	-	
	202-2 Local hiring	Human Capital	141		-	-	
GRI 203	203-1 Infrastructure investments	Social & Relationship Capital	126		-	-	
	203-2 Indirect impacts	Social & Relationship Capital	126		-	-	
GRI 204	204-1 Local procurement	Social & Relationship Capital	125		-	-	
GRI 205	205-1 Operations assessed for risks related to corruption	Corporate Governance Review	189		-	-	
	205-2 Communication and training about anti-corruption policies and procedures	Corporate Governance Review	189		-	-	
	205-3 Confirmed incidents of corruption and actions taken	Corporate Governance Review	189		-	-	
GRI 206	206-1 Anti-competitive behaviour	Governance / S&RC	114		-	-	
GRI 207	207-1 Approach to tax	Financial Capital	72		-	-	
	207-2 Tax governance	Financial Capital	72		-	-	
	207-3 Tax stakeholder engagement	Financial Capital	-		Yes	Not Reported	Formal disclosure not available
	207-4 Country-by-country reporting	Financial Capital	-		Yes	Not Applicable	Operations limited to Sri Lanka

GRI 300 Environmental

GRI Standard	Disclosure	Report Section	Page Reference	Omission			Explanation
				Requirement	Omission	Reason	
GRI 301: Materials 2016	301-1 Materials used by weight/volume	Natural Capital	167		-	-	
	301-2 Recycled input materials used	Natural Capital	167		-	-	
	301-3 Reclaimed products and packaging	Natural Capital	167		-	-	
GRI 302: Energy 2016	302-1 Energy consumption within organisation	Natural Capital	168		-	-	
	302-2 Energy consumption outside organisation	Natural Capital			Yes	Not Reported	Lack of reliable value chain data; improvements in progress
	302-3 Energy intensity	Natural Capital	168		-	-	
	302-4 Reduction of energy consumption	Natural Capital	168		-	-	
	302-5 Reductions in energy requirements of products & services	Natural Capital	168		Yes	Not Reported	Lack of reliable value chain data; improvements in progress

GRI Standard	Disclosure	Report Section	Page Reference	Omission			Explanation
				Requirement	Omission	Reason	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Natural Capital	174		-	-	
	303-2 Management of water discharge impacts	Natural Capital	174		-	-	
	303-3 Water withdrawal	Natural Capital	174		-	-	
	303-4 Water discharge	Natural Capital	174		-	-	
	303-5 Water consumption	Natural Capital	174		-	-	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Natural Capital	169		-	-	
	305-2 Energy indirect (Scope 2) GHG emissions	Natural Capital	169		-	-	
	305-3 Other indirect (Scope 3) GHG emissions	Natural Capital	169		-	-	
	305-4 GHG emissions intensity	Natural Capital	169		-	-	
	305-5 Reduction of GHG emissions	Natural Capital	169		-	-	
	305-6 Emissions of ozone-depleting substances (ODS)	Natural Capital	169		Partial	Partially Reported	Improvements in progress
	305-7 NOx, SOx & other significant air emissions	Natural Capital	169		Partial	Partially Reported	Limitation on Industry specific data
GRI 306: Effluents and Waste 2016	306-3 Significant spills	Natural Capital	175		-	-	
GRI 306: Waste 2020	306-1 Waste generation & significant impacts	Natural Capital	175		-	-	
	306-2 Management of significant waste-related impacts	Natural Capital	175		-	-	
	306-3 Waste generated	Natural Capital	175		-	-	
	306-4 Waste diverted from disposal	Natural Capital	175		-	-	
	306-5 Waste directed to disposal	Natural Capital	175		-	-	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers screened using environmental criteria	S&RC	125		-	-	
	308-2 Negative environmental impacts in supply chain & actions taken	S&RC	125		-	-	

GRI Content Index

GRI 400 Social

GRI Standard	Disclosure	Report Section	Page Reference	Omission			Explanation
				Requirement	Omission	Reason	
GRI 401: Employment 2016	401-1 New employee hires & turnover	Human Capital	142		Partial	Partially reported	Improvements in progress
	401-2 Benefits provided to full-time employees	Human Capital	147		Partial	Partially reported	Data currently unavailable
	401-3 Parental leave	Human Capital	147		Partial	Partially reported	Parental leave for men not be disclosed as per the Sri Lankan law
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Human Capital	151		-	-	
GRI 403: Occupational Health and Safety 2018	403-1 OHS management system	Human Capital	153		-	-	
	403-2 Hazard identification, risk assessment & investigation	Human Capital	153		-	-	
	403-3 Occupational health services	Human Capital	153		-	-	
	403-4 Worker participation, consultation & communication	Human Capital	153		-	-	
	403-5 Worker training on OHS	Human Capital	153		-	-	
	403-6 Promotion of worker health	Human Capital	153		-	-	
	403-7 Prevention & mitigation of OHS impacts	Human Capital	153		-	-	
	403-8 Workers covered by OHS system	Human Capital	153		Partial	Partially Reported	Data collection is in the progress
	403-9 Work-related injuries	Human Capital	153		-	-	
	403-10 Work-related ill health	Human Capital	153		-	-	
GRI 404: Training and Education 2016	404-1 Average hours training per year	Human Capital	149		-	-	
	404-2 Programmes for upgrading skills & transition assistance	Human Capital	148		-	-	
	404-3 % employees receiving regular performance & career development reviews	Human Capital	148		-	-	

GRI Standard	Disclosure	Report Section	Page Reference	Omission			Explanation
				Requirement	Omission	Reason	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies & employees	Human Capital	145		-	-	
	405-2 Ratio of basic salary & remuneration of women to men	Human Capital	145		-	-	
GRI 406: Non discrimination 2016	406-1 Incidents of discrimination & corrective actions	Human Capital	140		-	-	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations & suppliers where freedom of association may be at risk	Social and Relationship Capital / Human Capital	140		-	-	
GRI 408: Child Labor 2016	408-1 Operations & suppliers at significant risk for child labor	Social and Relationship Capital / Human Capital	125		-	-	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations & suppliers at significant risk for forced/compulsory labor	Social and Relationship Capital / Human Capital	140		-	-	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments & development programmes	Social and Relationship Capital	126		-	-	
	413-2 Operations with significant negative impacts on local communities	Social and Relationship Capital	126		-	-	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers screened using social criteria	Social and Relationship Capital	125		-	-	
	414-2 Negative social impacts in the supply chain & actions taken	Social and Relationship Capital	125		-	-	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of health & safety impacts of product/ service categories	Social and Relationship Capital	117		-	-	
	416-2 Incidents of non-compliance concerning health & safety of products/ services	Social and Relationship Capital	117		-	-	

GRI Content Index

GRI Standard	Disclosure	Report Section	Page Reference	Omission			Explanation
				Requirement	Omission	Reason	
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Social and Relationship Capital	113		-	-	
	417-2 Incidents of non-compliance concerning product and service information and labeling	Social and Relationship Capital	113		-	-	
	417-3 Incidents of non-compliance concerning marketing communnications	Social and Relationship Capital	113		-	-	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Social and Relationship Capital	118		-	-	
GRI 419	419 Socioeconomic compliance 2016	Financial disclosures	292		-	-	

Sector-specific GRI 13 Agriculture, Aquaculture and Fishing 2022

GRI Standard	Topic	Report Section	Page Reference	Omission	Reason for Omission	GRI Sector Standard Ref. No.
13.1	Emissions	Natural Capital	169	-	-	
13.2	Climate adaptation	Risk & Opportunity Management	239	-	-	13.2.1, 13.2.2
13.3	Biodiversity	Natural Capital	167	-	-	13.3.1, 13.3.2, 13.3.3, 13.3.4, 13.3.5
13.4	Conversion of natural ecosystems	Natural Capital	167	-	-	13.4.1, 13.4.2, 13.4.3, 13.4.4, 13.4.5
13.5	Soil health	Natural Capital	178	Partial	Partially reported; indirect relevance to operations	13.5.1
13.6	Use of pesticides	Natural Capital	-	Yes	Not relevant to the Operations	13.6.1, 13.6.2
13.7	Water	Natural Capital	174	-	-	13.7.1, 13.7.2, 13.7.3, 13.7.4, 13.7.5, 13.7.6
13.8	Waste	Natural Capital	176	-	-	13.8.1, 13.8.2, 13.8.3, 13.8.4, 13.8.5, 13.8.6
13.9	Food security	Social & Relationship Capital	114	-	-	13.9.1, 13.9.2
13.10	Food safety	Social & Relationship Capital	114	-	-	13.10.1, 13.10.2, 13.10.3

GRI Standard	Topic	Report Section	Page Reference	Omission	Reason for Omission	GRI Sector Standard Ref. No.
13.11	Animal health & welfare	Intellectual Capital	92	-	-	13.11.1, 13.11.2
13.12	Smallholder inclusion	-	-	Not Material	CGE does not operate a smallholder-based supply chain model	
13.13	Land & resource rights	-	-	Not Material	No significant land acquisitions, disputes, or related risks identified during the reporting period	
13.14	Rights of Indigenous Peoples	-	-	Not Material	No operations located in or impacting areas with Indigenous communities	
13.15	Non-discrimination	Human Capital	145	-	-	13.15.1, 13.15.2, 13.15.3, 13.15.4
13.16	Forced labour	Human Capital	140	-	-	13.16.1, 13.16.2
13.17	Child labour	Human Capital	144	-	No identified risks or incidents; full compliance with labour regulations	13.17.1, 13.17.2
13.18	Freedom of association and collective bargaining	Human Capital	152	-	-	13.18.1 ,13.18.2
13.19	Occupational health & safety	Human Capital	153	-	-	13.19.1–13.19.11
13.20	Employment practices and working conditions	Human Capital	145	-	-	13.20.1
13.21	Living income and living wage	Human Capital	146	-	-	13.21.1, 13.21.2, 13.21.3
13.22	Economic inclusion and access to markets	Social & Relationship Capital	126	-	-	13.22.1, 13.22.2, 13.22.3
13.23	Supply chain traceability	Social & Relationship Capital	119	-	-	13.23.1, 13.23.2, 13.23.3, 13.23.4
13.24	Public policy	-	-	Not Material	Limited influence on public policy and low stakeholder concern	
13.25	Anti-competitive behaviour	-	-	Not Material	Minimal risk exposure and no reported incidents	
13.26	Anti-corruption	Corporate Governance	189	-	-	13.26.1, 13.26.2, 13.26.3, 13.26.4

Sustainability Accounting Standards Board Index

Topic	Metric	Category	Unit of Measure	Code	Page Reference	Response
Greenhouse Gas Emissions	Gross global Scope 1 and 2 emissions	Quantitative	tCo_2e	FB-MP-110a.1	169	GHG Emission Scope 01 and 02 - 13,147
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emission reduction targets and an analysis of performance against those targets	Discussion and Analysis	N/A	FB-MP-110a.2	169	CGE has established a structured and forward-looking approach to managing and reducing Scope 1 emissions in alignment with our ESG commitments and Sustainability Agenda 2030. Our strategy integrates both short-term operational efficiencies and long-term transformational initiatives to achieve a 12% reduction in Scope 1 emissions by 2030, equivalent to an annual reduction trajectory of approximately 2%: ❍ Short-Term Strategies: – Strengthening fuel-management practices across farm operations, including optimised routing, preventive maintenance, and efficient machinery use. – Expanding the use of solar power, especially in newly constructed environmentally controlled poultry houses and selected processing facilities. – Implementing energy-efficiency measures such as improved insulation, energy-efficient drying systems, and automated ventilation controls to reduce energy intensity per unit of production. – Installation of LED lights across all the locations. – Using Electric forklift instead of Diesel Forklift . – The introduction of soft starters for feed mill machinery and pre-heated tanks has reduced electricity and furnace oil consumption. – Retrofitted the ammonia refrigeration system to improve efficiency and cut greenhouse gas emissions. – Installed diesel floaters and GPS tracking devices to the distribution fleet to ensure route optimisation to generate fuel savings. ❍ Long-Term Strategies: – Scaling solar installations and exploring hybrid renewable solutions across all major operational sites.

Topic	Metric	Category	Unit of Measure	Code	Page Reference	Response
						– Conducting feasibility assessments and pilot projects to convert poultry and organic waste into biogas applications. – Strengthening low-carbon farming models including improved litter management, precision feeding, and resource-efficient farm designs. CGE has formally adopted quantified Scope 1 emissions reduction targets aligned with global standards and Sri Lanka's national climate commitments. Under Sustainability Agenda 2030, the Company aims to achieve a 12% reduction in Total Carbon emissions, monitored through structured year-on-year performance tracking.
	Fleet Fuel consumed, precentage Renewable	Quntitative	Gigajoules (GJ), Percentage (%)	FB-AG-110a.3	-	Fleet Fuel consumed (GJ)- 23,356, Precentage Renewable (%)- 0%
Energy Management	(1) Total energy consumed, (2) Percentage grid electricity and (3) Percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	FB-MP-130a.1	168	1) Operational Energy Consumed (GJ): 72,962.68 2) Percentage Grid Electricity (%): 66% 3) Percentage Renewable (%): 0%
Water Management	(1) Total water withdrawn, (2) Total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic metres (m*), Percentage (%)	FB-MP-140a.1	-	1) Total Water Withdrawn at Waste water Treatment Plant – 140,186 2) total water consumed: 471,541 3) percentage of each in regions with High or Extremely High Baseline Water Stress: water stress where our Head Office and Farms is low.
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	N/A	FB-MP-140a.2	174	CGE recognises water as an essential natural capital asset for sustainable poultry farming, feed milling, and processing operations. As water availability becomes increasingly affected by climate variability and competing regional demands, CGE follows a approach to assessing risks and implementing long-term mitigation measures. Water-Related Risks ❍ Water Scarcity & Availability: Rising resource competition between agricultural, industrial, and domestic users alongside declining groundwater levels poses risks to uninterrupted production in certain Farms

Sustainability Accounting Standards Board Index

Topic	Metric	Category	Unit of Measure	Code	Page Reference	Response
					-	❍ Climate Change Impacts: Changes in rainfall patterns, increasing frequency of droughts, and reduced recharge rates for boreholes and wells can affect CGE's ability to secure reliable water supplies for animal husbandry, cooling systems, sanitation, and processing. ❍ Effluent & Wastewater Management: Wastewater from processing plants and farm operations must be treated effectively to avoid nutrient loading, odour issues, contamination of natural streams, and non-compliance with EPL requirements. ❍ Operational Disruptions & Cost Pressures: Water shortages and quality degradation may lead to increased operational costs, the need for alternative sourcing, and potential disruption to farm productivity and animal welfare. Strategies & Practices to Mitigate Water Risks ❍ Advanced Wastewater Treatment: – Installation of multi-stage wastewater treatment systems including sludge handling. Eg: Seeduwa Waste Water Treatment Plant & In-house waste water treatment facility at our owned Farms. – Daily tracking of water withdrawal and consumption at farms and processing plants. – Periodic water-quality testing (pH, BOD, COD) for treated effluent. – Annual internal audits to ensure compliance with EPL and national regulations. ❍ Sustainable Farming & Infrastructure Design: – Use of drinker systems designed to minimise water loss at our Frams . – Improved drainage and water-retention systems to reduce runoff and soil erosion. ❍ Climate-Resilient Water Sourcing: – Diversification of water sources, including deep-well systems and backup water-storage tanks to sustain operations during dry periods.

Topic	Metric	Category	Unit of Measure	Code	Page Reference	Response
						– Site-specific water availability assessments before any new farm – Periodic scenario analysis to evaluate climate change impacts on water security. – Investment planning based on long-term water availability projections.
	Number of incidents of non-compliance associated with water quality permits, standards and regulations	Quantitative	Number	FB-MP-140a.3	174	Zero Incidents
Land Use and Ecological Impacts	Amount of animal litter and manure generated, percentage managed according to a nutrient management plan	Quantitative	Metric tonnes (t), Percentage (%)	FB-MP-160a.1	178	❍ Total animal litter and manure generated: 100% converted to compost to be used as organic fertliser ❍ Percentage managed under a nutrient management plan: 100% Our nutrient management plan includes controlled collection, composting, and application of manure as organic fertilizer to reduce waste and enhance agricultural productivity. We strictly adhere to national environmental guidelines for waste management to prevent soil and water contamination.
	Percentage of pasture and grazing land managed to conservation plan criteria	Quantitative	Percentage (%) by hectares	FB-MP-160a.2	-	❍ Total pasture and grazing land area: 0 hectares ❍ Percentage managed under conservation criteria: 0 %
	Animal Protein production from confined animal feeding operations	Quantitative	Metric tonnes (t)	FB-MP-160a.3	-	Unable to disclose due to the sensitive nature of the market environment
Food Safety	Global Food Safety Initiative (GFSI) audit (1) Non-conformance rates and (2) Associated corrective action rates for (a) major and (b) minor non-conformances	Quantitative	Rate	FB-MP-250a.1	-	Compliance with local and international food safety regulations. – Zero product recalls recorded in 2025. – Processing facility adheres to ISO 22000, GMP ,HACCP standards and HALAL
	Percentage of supplier facilities certified to a Global Food Safety Initiative (GFSI) food safety certification programme	Quantitative	Percentage (%)	FB-MP-250a.2	-	Only Packing material Suppliers adhered to comply with GFSI. Data is currently unavailable; however, a process is being developed to enable the quantification and collection of the required data.

Sustainability Accounting Standards Board Index

Topic	Metric	Category	Unit of Measure	Code	Page Reference	Response
	(1) Number of recalls issued and (2) MT weight of products recalled 1	Quantitative	Number, Metric tonnes (t)	FB-MP-250a.3	114	Zero
	Discussion of markets that ban imports of the entity's products	Discussion and Analysis	N/A	FB-MP-250a.4	-	Zero
Antibiotic Use in Animal Production	Percentage of animal production that received (1) Medically important antibiotics and (2) Not medically important antibiotics, by animal type	Quantitative	Percentage (%) by weight	FB-MP-260a.1	-	Zero
Workforce Health and Safety	(1) Total recordable incident rate (TRIR) and (2) Fatality rate for (a) direct employees and (b) contract employees	Quantitative	Rate	FB-MP-320a.1	153	Zero fatalities in 2025. – Workplace safety training provided at all processing facilities. – Health & safety policy includes PPE usage and emergency protocols.
	Description of efforts to assess, monitor and mitigate acute and chronic respiratory health conditions	Discussion and Analysis	N/A	FB-MP-320a.2	154	– Health and safety policy includes PPE usage and emergency protocols.
Animal Care and Welfare	Percentage of pork produced without the use of gestation crates	Quantitative	Percentage (%) by weight	FB-MP-410a.1	92	N/A. CGE is not engaged in any porcine-related operations.
	Percentage of cage-free shell egg sales	Quantitative	Percentage (%)	FB-MP-410a.2	-	N/A. Not related with Farms Operations in Sri Lanka
	Percentage of production certified to third-party animal welfare standard	Quantitative	Percentage (%) by weight	FB-MP-410a.3	-	Unable to disclose the animal welfare standards due to sensitive information
Environmental & Social Impacts of Animal Supply Chain	Percentage of livestock from suppliers implementing conservation plan criteria	Quantitative	Percentage (%) by weight	FB-MP-430a.1	163 101	CGE continued to strengthen its responsible sourcing practices, with a focus on biodiversity conservation, sustainable land use. Our livestock supply supplied by our owned farms are progressively aligning with CGE's conservation plan criteria. ❍ Improved compliance with conservation plan requirements, including deforestation-free sourcing, responsible maize procurement, and protection of high-conservation-value areas. ❍ 100% of contract farms audited for animal care and welfare, ensuring adherence to CGE animal welfare guidelines. ❍ Supplier agreements reinforced with strengthened environmental and animal welfare obligations.

Topic	Metric	Category	Unit of Measure	Code	Page Reference	Response
	Percentage of supplier and contract production facilities verified to meet animal welfare standards	Quantitative	Percentage (%)	FB-MP-430a.2	-	TAF is a main supplier of CGE and it complies with Animal welfare standards 100%.
	Percentage of animal feed sourced from regions with high or Extremely High Baseline water stress	Quantitative		FB-MP-440a.1	86	We do not source outside Animal Feed.
	Percentage of contracts with producers located in regions with high or Extremely High Baseline water stress	Quantitative		FB-MP-440a.2	-	The majority of producer contracts are located in regions with Moderate to Low water-stress levels .
	Discussion on strategy to manage opportunities and risks to feed sourcing and livestock supply presented by climate change	Disscussion and Analysis	N/A	FB-MP-440a.3	242	CGE has a proper plan on keeping a buffer stock on the feed. International relationship with Experts provide the livestocks to CGE within various locations .Hence climte impact is not effected to the supplying the Livestock to the operation.
Product Labelling and Market	Revenue from products labelled as (1] containing genetically modified organisms (GMOs] and (2] non-GMO	Quantitative	Presentation currency	FB-NB-270a.2	-	0%
	Number of incidents of non- compliance with industry or regulatory labelling or marketing codes	Quantitative	Number	FB-NB-270a.5	-	0%
	Total amount of monetary losses as a result of legal proceedings associated with marketing or labelling practices	Quantitative	Presentation currency	FB-NB-270a.4	-	0%

Sustainability Accounting Standards Board Index

Topic	Metric	Category	Unit of Measure	Code	Page Reference	Response
Packaging Lifecycle Management	(2) percentage made from recycled or renewable materials, and (3) percentage that is recyclable, reusable, or compostable	Quantitative	Metric tons(t), Percentage (%) FB-NB-410a	FB-NB-410a.1	-	(1) Total weight of packaging, (Nos): 14,036,894 (2) percentage made from recycled or renewable materials (%), ->75 % (3) percentage that is recyclable, reusable, or compostable (%) – >75 %"
	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle.	Discussion and Analysis	N/A	FB-NB-410a.2	-	CGE has implemented several practical measures to reduce the environmental impact of its packaging. We reuse our feed bags within our farms and internal locations after carrying out proper fumigation, which helps reduce material consumption and waste. For chicken products, we use biodegradable and food-grade polythene to minimise long-term environmental impact while maintaining food safety. These actions demonstrate CGE's ongoing commitment to managing packaging responsibly throughout its lifecycle.

Table 2. Activity Metrics

Activity Metric	Category	Unit of Measure	Code	Page Reference	Response
Number of processing and manufacturing facilities	Quantitative	No	FB-MP-00.A	355	Owned manufactured building facilities is 624
Animal Protein production,by category ,percentage outsourced	Quantitative	Various, Percentage (%)	FB-MP-000.B	-	Market sensitive information, Outsourced -0%

Task Force on Climate-Related Financial Disclosures (TCFD)

CGE recognises that climate change presents both risks and opportunities that can materially influence our business operations, supply chains, financial performance, and long-term value creation. As a leading participant in Sri Lanka's agri-food sector, CGE is exposed to climate-related impacts across upstream agricultural sourcing, manufacturing processes, logistics, and downstream distribution networks.

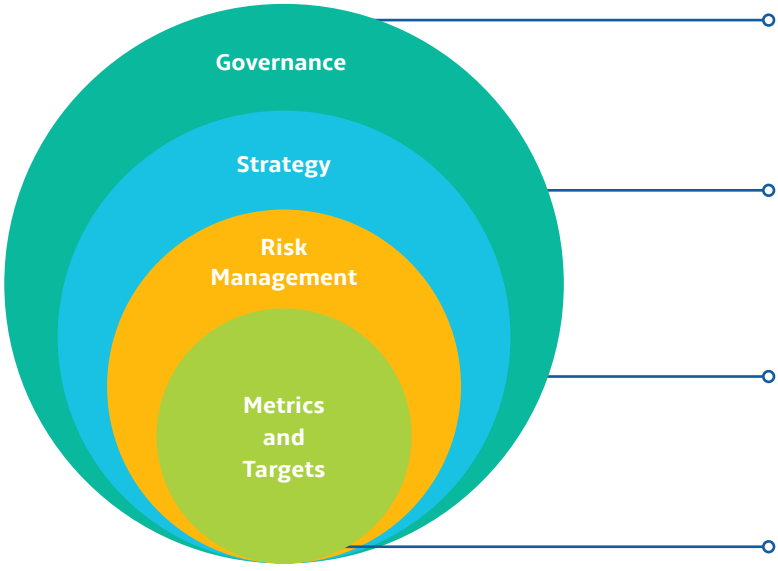
In line with our commitment to transparent and responsible corporate reporting, CGE has adopted the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) as a guiding framework for identifying, assessing, managing, and disclosing climate-related risks and opportunities. Our disclosures are prepared with reference to the TCFD Guidance (October 2021), including the Supplemental Guidance for Non-Financial Groups - Agriculture, food, and forest products, ensuring relevance to the nature and scale of our operations.

The TCFD framework enables CGE to integrate climate considerations into strategic planning, governance, risk management, and performance measurement. It supports a structured assessment of both physical risks such as climate variability, extreme weather events, and water stress affecting agricultural productivity and transition risks, including regulatory changes, market shifts, and evolving stakeholder expectations associated with the transition to a low-carbon economy. At the same time, CGE continues to evaluate climate-related opportunities such as operational efficiencies, energy optimisation, supply chain resilience, and sustainable product innovation.

Our climate-related disclosures are structured around the four core pillars of the TCFD framework: Governance, Strategy, Risk Management, and Metrics and Targets. Through this approach, CGE aims to enhance the resilience of our business model, strengthen stakeholder confidence, and contribute meaningfully to national and global climate objectives while supporting long-term sustainable growth.

CGE will continue to progressively enhance the depth and quality of its climate-related disclosures as data availability, analytical capabilities, and regulatory expectations evolve, reinforcing our commitment to climate resilience and responsible value creation.

Core Elements of Recommended Climate-Related Financial Disclosures



Governance
The organisation's governance around climate-related risks and opportunities.

Strategy
The actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning

Risk Management
The processes used by the organisation to identify, assess, and manage climate-related risks

Metrics and Targets
The metrics and targets used to assess and manage relevant climate-related risks and opportunities

Task Force on Climate-Related Financial Disclosures (TCFD)

Governance		
Topic	**Recommended Disclosures**	**Response and Reference**
Disclose the organisation's governance around climate-related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities.	The Board of Directors of CGE has overall responsibility for the oversight of climate-related risks and opportunities, supported by a structured governance framework that ensures effective monitoring, informed decision-making, and accountability. Climate-related matters are managed by the Sustainability Management Team, which coordinates climate initiatives across the Group and reports quarterly to the Board-appointed Sustainability Committee. The Sustainability committee oversees all sustainability and climate-related matters and escalates material risks, opportunities, and strategic recommendations to the Board, ensuring regular Board-level visibility. The Board and relevant Board Committees consider climate-related risks and opportunities when reviewing the Company's strategy, risk management policies, annual budgets, business plans, and performance objectives. Climate considerations are also taken into account when overseeing significant capital investments, including energy efficiency and resilience initiatives, as well as material acquisitions or divestitures. Progress against climate-related goals and targets is monitored through regular performance reviews and reports submitted by the Sustainability Management Team. Oversight is supported by defined metrics and key performance indicators related to energy consumption, greenhouse gas emissions, resource efficiency, and the implementation of climate mitigation and adaptation initiatives. The Board reviews performance trends and provides strategic guidance where improvements or corrective actions are required.
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	Management of CGE plays an active role in assessing and managing climate-related risks and opportunities through a defined organisational structure and established management processes. **Assignment of Climate-Related Responsibilities** CGE has formally assigned responsibility for climate-related matters to the Sustainability Management Committee, which comprises representatives and subject-matter experts from key functional departments across the organisation. The Committee is responsible for assessing, coordinating, and managing climate-related risks and opportunities, including initiatives related to energy management, emissions reduction, resource efficiency, and climate awareness. **Organisational Structure** The roles, responsibilities, and reporting lines related to climate governance are embedded within CGE's sustainability governance framework. Details of the Sustainability Committee, its composition, and reporting structure are outlined in the Sustainability Report (Refer Page 202). This structure enables cross-functional collaboration and ensures that climate-related considerations are integrated into operational and strategic decision-making processes. **Management Processes and Information Flow** Management is informed of climate-related issues through regular internal reporting, operational reviews, and sustainability performance updates coordinated by the Sustainability Management Committee. Climate-related information is gathered from across operations, including energy consumption, emissions data, water usage, and compliance with environmental requirements, as well as insights from regulatory developments and industry best practices. The Sustainability Management Committee meets regularly to review this information, discuss emerging climate-related risks and opportunities, and evaluate the effectiveness of ongoing initiatives.

Governance		
Topic	**Recommended Disclosures**	**Response and Reference**
		Monitoring of Climate-Related Issues Management monitors climate-related risks and opportunities through defined metrics, internal assessments, and periodic reviews conducted by the Sustainability Management Committee. Progress on climate-related initiatives and performance indicators is tracked against internal targets and action plans, with findings reported to the Sustainability Committee on a regular basis. In addition, the Committee conducts awareness programmes and seminars for staff to strengthen organisational capacity, embed climate considerations into daily operations, and support effective implementation of climate-related actions across the Group. Through this management-led approach, CGE ensures that climate-related risks and opportunities are systematically identified, assessed, monitored, and managed, supporting informed decision-making and alignment with the Company's sustainability and risk management objectives.

Strategy		
Topic	**Recommended Disclosures**	**Response and Reference**
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	**Climate-Related Risks and Opportunities** CGE operates within the agriculture and food value chain, which is inherently exposed to climate variability, resource availability, regulatory developments, and changing market expectations. CGE has identified climate-related risks and opportunities across the short, medium, and long term, considering the nature of its operations, supply chain dependencies, and the useful life of its assets and infrastructure. **Time Horizons Considered** For the purpose of assessing climate-related risks and opportunities, CGE applies the following time horizons: ❍ Short term (up to 3 years): Aligned with annual budgeting cycles, short-term operational planning, and immediate regulatory and market developments. ❍ Medium term (3 to 06 years): Reflecting strategic planning horizons, capital investment decisions, and the expected useful life of key operational assets. ❍ Long term (beyond 06 years): Considering long-lived infrastructure, evolving climate patterns, policy transitions, and structural changes in agriculture, food systems, and energy markets. These time horizons recognise that while certain climate-related impacts may materialise in the near term, others are expected to emerge progressively over the medium to long term. **Identified Climate-Related Risks** **Short-term risks** In the short term, CGE is primarily exposed to acute physical risks, including extreme weather events that may disrupt agricultural supply chains, logistics, and distribution networks. Such events may affect raw material availability, transportation efficiency, and operational continuity. CGE also faces transition risks associated with evolving environmental regulations, enhanced reporting requirements, and rising energy and input costs, which may increase operating expenses. **Medium-Term Risks** Over the medium term, chronic physical risks, such as changes in rainfall patterns, increased temperatures, and water stress, may impact agricultural productivity and the reliability of raw material sourcing. Transition risks may intensify due to stricter climate-related policies, potential carbon pricing mechanisms, and increased expectations from customers, financiers, and other stakeholders. Market-related risks, including changes in consumer preferences towards more sustainable products, may influence demand patterns and revenue mix if not adequately addressed.

Task Force on Climate-Related Financial Disclosures (TCFD)

Strategy		
Topic	**Recommended Disclosures**	**Response and Reference**
		Long-term risks In the long term, CGE may face heightened exposure to systemic climate risks affecting the agri-food sector, including sustained climate variability impacting crop yields and food security. Long-term transition risks include structural changes in energy systems, technology shifts, and potential asset obsolescence if operations are not aligned with a low-carbon transition. Reputational risks may also arise if climate-related performance does not meet stakeholder expectations. **Identified Climate-Related Opportunities** Alongside risks, CGE has identified several climate-related opportunities across all time horizons: ❍ Resource efficiency opportunities, including improved energy efficiency, water stewardship, and process optimisation, which can reduce operating costs and enhance operational resilience. ❍ Energy-related opportunities, such as the adoption of lower-emission energy sources and energy-efficient technologies, reducing exposure to future energy price volatility and emissions-related costs. ❍ Product and market opportunities, arising from increasing demand for responsibly produced food products and enhanced sustainability credentials across the value chain. ❍ Resilience opportunities, including strengthening supply chain resilience, diversifying sourcing, and investing in climate-adaptive infrastructure and practices to ensure continuity of operations under changing climate conditions. These opportunities support cost optimisation, risk mitigation, and long-term value creation. **Process for Identifying Material Climate-Related Risks and Opportunities** CGE identifies and assesses climate-related risks and opportunities through its enterprise risk management and sustainability and Climate related governance processes. Inputs are gathered from operational assessments, sustainability performance data, regulatory monitoring, and stakeholder engagement. Climate-related risks and opportunities are evaluated based on their potential financial impact, likelihood of occurrence, and relevance across the Company's operations and value chain. Material climate-related risks and opportunities are prioritised based on their potential effect on CGE's business performance, strategic objectives, and financial planning, and are integrated into management reviews and Board-level oversight through the Sustainability governance structure. Further Climate related Risk and Opportunities can be found in the Climate Report page 238, which aligns with TCFD Strategy Disclosure tables A1.1 and A1.2 given in the Scenario Analysis.
	b)Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	**Impact of Climate-related Risks and Opportunities on CGE's Businesses, Strategy, and Financial Planning** CGE integrates climate-related risks and opportunities into its business strategy, operational planning, and financial management to ensure long-term resilience and sustainable value creation. This builds on the climate-related risks and opportunities identified in Disclosure (a) and the scenario analysis under RCP 8.5, RCP 6.0/4.5, and RCP 2.6 pathways.
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	**Products and Services** CGE's operations in the poultry, feed, and agribusiness sectors are sensitive to climate-driven supply chain disruptions and changing consumer expectations. Climate-related opportunities are leveraged through the development of energy-efficient and sustainably produced products, as well as process innovations that reduce emissions and resource use. These initiatives support revenue growth, improve brand reputation, and enhance competitiveness, particularly under low-carbon transition scenarios (RCP 2.6).

Strategy		
Topic	**Recommended Disclosures**	**Response and Reference**
		Supply Chain and Value Chain CGE's vertically integrated value chain allows for better management of climate-related risks, including raw material availability, transport, and logistics. Scenario analysis indicates that under RCP 8.5, acute and chronic physical risks could disrupt sourcing and distribution, affecting production capacity and operating costs. Medium- and long-term transition scenarios (RCP 6.0/4.5) require proactive supplier engagement and investment in climate-resilient infrastructure to ensure continuity and mitigate potential losses. **Adaptation and Mitigation Activities** CGE implements energy efficiency initiatives, water optimisation, renewable energy adoption, and low-emission production technologies to manage both transition and physical risks. These measures are prioritised based on potential financial impact and operational relevance, and they are monitored through defined KPIs reported quarterly to the Sustainability Committee. Scenario analysis informs the timing and scale of adaptation and mitigation actions across short, medium, and long-term horizons. **Investment in Research and Development (R&D)** Climate-related opportunities drive R&D investment in sustainable feed formulations, efficient production systems, and innovative packaging solutions. These investments align with transition scenarios (particularly RCP 2.6) to ensure compliance with evolving regulatory requirements, enhance product differentiation, and create long-term market advantages. **Operations** CGE's operational planning incorporates climate-related considerations across production facilities, storage units, and logistics networks. Scenario analysis highlights that extreme weather events (RCP 8.5) could increase operating and capital costs, while transition scenarios (RCP 6.0/4.5 and RCP 2.6) require operational adjustments for energy efficiency, emissions reductions, and compliance with future policies. **Acquisitions and Divestments** Climate-related factors are integrated into due diligence processes for acquisitions or divestments, particularly assessing the exposure of assets to transition and physical risks. This ensures that strategic investment decisions support both resilience and long-term value creation. **Access to Capital and Financial Planning** CGE considers climate-related risks and opportunities as a key input to its financial planning. Risks and opportunities are prioritised based on potential impact on revenues, costs, and capital expenditures, as well as asset valuations and liability management. Scenario analysis under the three RCP pathways informs long-term capital allocation, budgeting, and investment decisions, ensuring that resources are directed to initiatives that enhance resilience and capture opportunities. Effective management of climate-related risks also supports continued access to financing from sustainability-focused investors and partners. **Holistic Value Creation** By integrating climate considerations across products, supply chains, operations, and financial planning, CGE ensures a holistic approach to value creation. Interdependencies among operational, strategic, and financial factors are regularly assessed to maintain competitiveness, manage risk, and deliver long-term stakeholder value under multiple climate futures.

Task Force on Climate-Related Financial Disclosures (TCFD)

Risk Management		
Topic	**Recommended Disclosures**	**Response and Reference**
Disclose how the organisation identifies, assesses, and manages climate-related risks.	a) Describe the organisation's processes for identifying and assessing climate-related risks.	CGE identifies climate-related risks through a structured, multi-layered process led by the Sustainability Management Team and overseen by the Board-appointed Sustainability Committee. Identified risks are assessed for their potential magnitude and likelihood, using both quantitative metrics (e.g., production costs, asset valuations, revenue exposure) and qualitative assessments (e.g., reputational and strategic impact). Risk significance is determined relative to other operational and financial risks through CGE's established risk classification framework, ensuring that material climate-related risks receive prioritisation in strategic planning and decision-making.
	b) Describe the organisation's processes for managing climate-related risks.	CGE manages climate-related risks through a combination of mitigation, adaptation, and strategic planning measures: ❍ Mitigation measures include energy efficiency improvements, renewable energy adoption, low-emission technology investments, and optimised production processes. ❍ Adaptation measures include climate-resilient supply chain management, diversification of sourcing, and infrastructure upgrades to withstand extreme weather events. ❍ Risk transfer and control mechanisms include insurance coverage for climate-sensitive assets and contingency planning for operational disruptions. The prioritisation of climate-related risks is based on materiality, informed by scenario analysis under RCP 8.5 (BAU), RCP 6.0/4.5 (Intermediate Transition), and RCP 2.6 (Low-carbon) pathways, considering short, medium, and long-term horizons. This approach ensures that the most significant risks, whether physical or transition-related, are actively monitored and addressed in investment and operational decisions. CGE's risk management processes cover all climate-related risks identified in Tables A1.1 and A1.2, ensuring alignment with TCFD's guidance on both risks and opportunities.
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Processes for identifying, assessing, and managing climate-related risks are fully integrated into CGE's enterprise risk management framework. Key integration points include: ❍ Board oversight: Climate-related risks are regularly reported to the Sustainability Management Team and escalated to the Sustainability Committee, ensuring alignment with strategic objectives. ❍ Enterprise risk registers: Climate-related risks are incorporated alongside operational, financial, and strategic risks, enabling a holistic view of the organisation's risk profile. ❍ Financial and operational planning: Climate risk assessments inform capital allocation, budgeting, and strategic initiatives, ensuring that financial planning accounts for both potential costs and opportunities arising from climate considerations. ❍ Monitoring and reporting: KPIs and risk indicators related to energy use, emissions, water consumption, and supply chain resilience are tracked quarterly, enabling early detection of emerging risks and timely mitigation actions.

Metrics and Tragets		
Topic	**Recommended Disclosures**	**Response and Reference**
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	CGE uses a defined and consistent set of climate-related metrics and targets to assess, monitor, and manage material climate-related risks and opportunities across its integrated poultry value chain, including feed manufacturing, broiler operations, chicken processing, and DOC production. These metrics support CGE's climate strategy, enterprise risk management framework, and long-term financial planning and are reviewed periodically by senior management and the Board-appointed Sustainability Committee. In line with TCFD Tables A1.1, A1.2, and the cross-industry metric categories in Table A2.1, CGE tracks both operational and strategic climate metrics covering energy, emissions, water, waste, and resilience. Further details can be found in Natural Capital section on Water, Energy and Waste page 168. **Climate-related Opportunity Metrics** ❍ Energy cost savings from efficiency initiatives ❍ Capital investment in low-emission and climate-resilient technologies ❍ Operational efficiency gains linked to climate adaptation measures Metrics are disclosed for historical periods to enable trend analysis and are progressively incorporated into forward-looking planning horizons. Climate-related performance indicators are increasingly embedded into management performance monitoring, reinforcing accountability for emissions reduction and resource efficiency. Methodologies are based on operational data, fuel and electricity consumption records, utility bills, and recognised emission factors consistent with the GHG Protocol.)
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	CGE calculates and reports GHG emissions in accordance with the GHG Protocol, ensuring transparency, consistency, and comparability. ❍ Scope 1: Direct emissions from fuel combustion in boilers, generators, company-owned vehicles, hatcheries, and processing operations. ❍ Scope 2: Indirect emissions from purchased electricity consumed across all operational facilities. ❍ Scope 3: Initiated in 2025 as a phased approach, covering six priority categories: 1. Purchased feed raw materials 2. Upstream transportation and logistics 3. Packaging materials 4. Waste generated in operations 5. Fuel and energy-related activities 6. Downstream distribution

Scope 1 & Scope 2 Emissions Performance (Trend Disclosure)

Year	2025	2024	2023
Scope 1 (tCO_2e)	6,769.3	4,947.6	7,908.1
Scope 2 (tCO_2e)	6,377.7	7,474.2	5,547.3
Scope 3 (tCO_2e)	4,153.9	-	-
Carbon emission to generate Rs. one million turnover	0.58	0.52	0.69

Task Force on Climate-Related Financial Disclosures (TCFD)

Metrics and Tragets

Topic	Recommended Disclosures	Response and Reference
		❍ CGE also monitors industry-relevant GHG efficiency ratios, such as emissions per one million of turnover to assess carbon efficiency improvements over time. ❍ Climate-related risks associated with emissions include energy price volatility, regulatory changes, supply chain emissions exposure, and shifting customer and investor expectations. These risks are evaluated using CGE's climate scenario analysis under RCP 8.5 (business-as-usual), RCP 6.0 / 4.5 (intermediate transition), and RCP 2.6 (low-carbon) pathways. ❍ Further details on the risk can be found in Climate report page 240.
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	CGE has established medium- and long-term climate targets to manage climate-related risks and opportunities in line with its operational footprint and anticipated regulatory and market developments. **GHG Emissions Reduction Targets** **Target Element** — **Description** Target Type — Absolute and intensity-based Base Year — 2023 Scope Coverage — Scope 1 & Scope 2 (Scope 3 baseline initiated in 2025) Long-term Target — 12% reduction in Scope 1 & 2 emissions by 2030 Interim Target — ~2% year-on-year emissions reduction Monitoring KPIs — Total emissions (tCO_2e), emissions intensity, energy efficiency indicators **Supporting Environmental Targets** ❍ Improved energy efficiency across feed mills and processing facilities ❍ Progressive adoption of low-emission and energy-efficient technologies ❍ Reduction in water intensity in processing and DOC production ❍ Increased recovery and beneficial use of organic waste Scope 3 emissions are being progressively assessed from 2025, with baseline development to support future reduction targets across the value chain. **Monitoring and Governance** Performance against targets is monitored annually and reviewed by senior management, the Sustainability Committee, and the Board. Target-setting methodologies consider operational baselines, scenario analysis outcomes, anticipated regulatory requirements, and market expectations, ensuring alignment with CGE's strategy and long-term financial planning.

Financial Calendar

Financial year ended	31 December 2025
Announcements of results to the Colombo Stock Exchange	
1st Quarter End	31 March 2025
Publication of Interim Financial Statements	8 May 2025
2nd Quarter End	30 June 2025
Publication of Interim Financial Statements	15 August 2025
3rd Quarter End	30 September 2025
Publication of Interim Financial Statements	12 November 2025
4th Quarter End	31 December 2025
Publication of Interim Financial Statements	25 February 2026
Annual Report	
Publication of Annual Report for 2024	29 April 2025
Publication of Annual Report for 2025	5 May 2026
Meetings	
42nd Annual General Meeting	29 May 2025
43rd Annual General Meeting	27 May 2026

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

The Board of Directors are pleased to present their Report and the Audited Financial Statements of the Company for the year ended 31 December 2025. The details set out herein provide pertinent information required by the Companies Act No.7 of 2007, Listing Rules issued by the Colombo Stock Exchange and are guided by recommended best accounting practices.

1. Principle Activities

The principle businesses of the Group are manufacturing and selling of poultry feed and other animal feed, importing and selling of poultry equipment, drugs and vaccines, operating of poultry breeder farms, raising Grandparent and Parent stock and hatcheries, hatching and selling of Day-Old Chicks, operation of commercial farms, poultry processing and distribution and provision of warehouse facilities.

2. Review of Performance for the year ended 31 December 2025 and Future Developments

A review of the Company's performance during the year, with comments on financial results for the year ended 31 December 2025 and future developments are contained in the Chairman's Message (pages 22 to 24) and Chief Executive Officer's Review (pages 25 to 27). These reports, together with the Financial Statements reflect the state of affairs of the Company.

3. Financial Statements

The Financial Statements of the Company are given on pages 328 to 385.

4. Independent Auditor's Report

The Independent Auditor's Report on the Financial Statements is given on Pages 324 to 327.

5. Accounting Policies

The accounting policies adopted in preparation of Financial Statements are given on pages 332 to 345.

There were no material changes in the accounting policies.

6. Interest Register

The Company maintains an Interest Register and the particulars of those Directors who were directly or indirectly interested in a contract of the Company are stated therein.

7. Directors' Interest

None of the Directors had a direct or indirect interest in any contracts or proposed contracts with the Company other than as disclosed in Note 33 – Related Party Transactions to the Financial Statements.

As a practice and in terms of Corporate Governance requirement, the directors have refrained from voting on matters in which they have a material interest.

8. Directors' Remuneration and Other Benefits

Directors' remuneration in respect of the Company for the Financial year ended 31 December 2025 is given in Note 33 - Related Party Transactions, to the Financial Statements.

9. Corporate Donations

Donations made by the Company amounted to Rs. (90,822/-) (2024 - Rs. 68,160/-). No donations were made for political purposes.

10. Directorate

The names of the Directors who held office as at 31 December 2025 are given below.

Mr. Wickrema Senaka Weerasooria – *Non-Executive Chairman*

Mr. Cheng Chih Kwong – *Executive Director and Chief Executive Officer*

Mr. Cheng Eng Loong – *Non-Executive Director*

Mr. Bernard Cheng Koh Chuen – *Non-Executive Director*

Mr. Indrajit Asela Wickramasinghe – *Independent Non-Executive Director*

Mr. Timothy Allan Brent Speldewinde – *Independent Non-Executive Director*

In accordance with the provisions of Article 87 of the Articles of Association of the Company, Mr. Cheng Eng Loong retires by rotation and being eligible, offers himself for re-election.

A resolution for the re-appointment of Mr. Cheng Chih Kwong, who is 77 years of age, will be proposed at the Annual General Meeting in terms of Section 211 of the Companies Act No.07 of 2007. Mr. Cheng Chih Kwong's re-appointment is recommended by the Directors.

11. Directors' Shareholdings

As at 31 December	Number of shares	
	2025	2024
Mr. Wickrema Senaka Weerasooria	2,800	2,800
Mr. Cheng Chih Kwong	397	397
Mr. Bernard Cheng Koh Chuen	Nil	Nil
Mr. Cheng Eng Loong	Nil	Nil
Mr. Indrajit Asela Wickramasinghe	Nil	Nil
Mr. Timothy Allan Brent Speldewinde	Nil	Nil

12.Material Business Relationships

Based on the individual declarations obtained from the Directors, it is confirmed that none of the Directors or their close family members have any business material relationships with other Directors of the Company.

13. Auditors

The Financial Statements for the year ended 31 December 2025 have been audited by Messrs. KPMG Chartered Accountants, who express their willingness to continue in office. In accordance with the Companies Act No. 7 of 2007, a resolution relating to their re-appointment and authorising the Directors to determine their remuneration will be proposed at the forthcoming Annual General Meeting.

As far as the Directors are aware, the Auditors do not have any relationship (other than that of an Auditor) with the Company other than those disclosed above.

The Auditors also do not have any interest in the Company.

Details of the Audit fees are set out in Note 5 – Operating Profit of the Financial Statement.

14. Turnover

Group turnover amounted to Rs. 29,767.4 Mn (2024 - Rs. 23,993.3 Mn) and company turnover amounted to Rs. 27,775.4 Mn (2024 - Rs. 23,042.6 Mn).

15. Dividends

The Directors declared a Final Dividend of Rs. 15/- per share for the year ended 31 December 2025 which was paid on 26 February 2026.

16. Investments

Details of investments held by the Company are disclosed in Note 16 – Investment in Associate Company and Note 17 – Investment in Subsidiary Companies, to the Financial Statements.

17. Investment Property

An analysis of the investment property of the Company, additions and amortisation charged during the year are set out in Note 14 - Investment Property, to the Financial Statements.

18. Intangible Assets

An analysis of the intangible assets of the Company, additions and amortisation charged during the year are set out in Note 15 – Intangible Assets, to the Financial Statements.

19. Property, Plant and Equipment

An analysis of the property, plant and equipment of the Company, additions and disposals made during the year and depreciation charged during the year are set out in Note 11 – Property, Plant and Equipment, to the Financial Statements.

20. Capital Commitments

Capital expenditure contracted for as at 31 December 2025 for which no provision has been made in the accounts are set out in Note 29 – Commitments, to the Financial Statements.

21. Stated Capital

The issued and fully paid up stated capital of the Company is Rs. 1,017,996,000/- divided into 60,000,000 ordinary shares. There was no change in the stated capital of the Company during the year.

22. Reserves

Total reserves of the Company as at 31 December 2025 amounted to Rs. 8,083.4 Mn (2024 - Rs. 5,612.9 Mn) and the Group reserves amounted to Rs. 13,782.2 Mn (2024 – Rs. 10,820.5 Mn). The movement of reserves is shown in the Consolidated Statement of Changes In Equity on page 330.

23. Events after the reporting period

No significant events have occurred after the reporting period other than those disclosed in Note 34 – Events After the Reporting Period to the Financial Statements.

24. Employment Policies

The Company identifies Human Resources as one of the most important factors bequeathing the survival and growth of the Company in the current competitive business environment. While appreciating and valuing the service of our employees, a greater effort is being made to hire the best talent from external sources, to bolster weak areas and continue to maintain the highest standards prevalent in the Industry. The Human Resource headcount is considered as a key indicator and recruitment is based on the annual manpower planning. The Company provides equal opportunities. Greater emphasis is given to the areas of training, professional development and ethical business practices. All rewards and career opportunities are based on merit and on performance.

The significant material issues pertaining to employees and industrial relations are disclosed in Note 28 - Contingent Liabilities.

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

25. Taxation

The tax position of the Company is given in Note 9 – Taxation, to the Financial Statements.

26. Share Information

Information relating to earnings, dividend, market price, net assets per share and information on share trading is given on page 386.

27. Disclosure as per CSE Rule No. 7.6 (xi)

	2025	2024
Last traded price	400.00	189.50
Highest share price	443.00	195.00
Lowest share price	175.75	153.50
Net assets per share	151.69	110.51
Basic earnings per share	49.46	30.84
Dividend per share (proposed / paid)	15.00	23.00
Dividend payout ratio (%)	30.33	74.58
Price earnings ratio (No. of times)	8.09	6.14

28. Shareholding

The number of registered shareholders of the Company as at 31 December 2025 was 4,783 The distribution and analysis of shareholding are given on pages 388 to 389.

29. Major Shareholders

The twenty largest shareholders of the Company as at 31 December 2025, together with an analysis are given on page 389.

30. Statutory Payments

The Directors to the best of their knowledge and belief are satisfied that all statutory payments in relation to the Government and the employees have been made on time.

31. Environment, Health and Safety

Company policy continues to ensure that all Environmental, Health and Safety regulations are strictly adhered to, minimising any adverse effects to the environment. Recycling of waste is carried out wherever possible. Employees are provided with all personal protective equipment as health and well-being which are our prime concerns. Firefighting and safety systems are in place to safeguard the Company's best interests.

32. Corporate Governance / Internal Control

The Corporate Governance and internal Control Policies of the Company are given on pages 184 to 214.

33. Contingent Liabilities

Contingent Liabilities as at 31 December 2025 are set out in Note 28 – Contingent Liabilities to the Financial Statements.

34. Related Party Transactions

The company's transactions with Related Parties, given in Note 33 to the Financial Statements, have complied with Colombo Stock Exchange Listing Rule 9.14.8.

35. Going Concern

The Board adopts a going concern basis in the preparation of Financial Statement since the Company holds adequate resources to continue its operations in the foreseeable future.

36. Annual General Meeting

The 43rd Annual General Meeting of the Company will be held at the Sri Lanka Foundation Institute No. 100, Sri Lanka Padanama Mawatha, Independence Square, Colombo 7 on Wednesday, 27 May 2026 at 10.30 a.m.

By Order of the Board of
Ceylon Grain Elevators PLC

(Sgd.)
Wickrema Senaka Weerasooria
Non-Executive Chairman

(Sgd.)
Cheng Chih Kwong
Executive Director and Chief Executive Officer

(Sgd.)
S S P Corporate Services (Private) Limited
Secretaries

Colombo 03
5 May 2026

Statement of the Directors' Responsibility

The responsibility of the Directors in relation to the Financial Statements of the Company and the Group is set out in the following statement. The responsibility of the Auditors, in relation to the Financial Statements, is set out in their report appearing on pages 324 to 327.

The Companies Act No.7 of 2007 requires the Directors to prepare Financial Statements for each financial year which give a true and fair view of the status of affairs of the Company and the Group and of the profit or loss for that year.

In preparing these Financial Statements, the Directors are required to:

- Select appropriate accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whatever applicable accounting standards that have been followed, subject to any material departures as explained in the Financial Statements; and
- Prepare the Financial Statements on a going concern basis, unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy of anything that might affect the financial position of the Company and the Group and to ensure that the Financial Statements comply with the Sri Lanka Financial Reporting Standards, Companies Act and the Listing Rules of the Colombo Stock Exchange.

The Directors are also responsible for taking such steps as they deemed reasonable or required in order to safeguard the assets of the Company and the Group, and in this regard, to give proper consideration to the establishment of appropriate internal control systems, with a view to prevent and detect fraud and other irregularities.

The Directors are required to prepare the Financial Statements and to provide the Auditors with every opportunity to take whatever steps and undertake whatever inspections they may consider to be appropriate to enable them to express their audit opinion.

The Directors are also required to ensure that the Company has adequate resources to continue in operation to justify applying the going concern basis in preparing these Financial Statements.

As required by Section 56(2) of the Companies Act No.7 of 2007, the Board of Directors has authorised the distribution of the dividend, being satisfied, based on information available to it, that the Company would satisfy the Solvency Test after such distributions, in accordance with section 57 of the Companies Act No.7 of 2007 and have sought, a Certificate of Solvency from its Auditors.

Compliance Statement

The Directors are of the view that they have discharged their responsibilities as set out in this statement. They also confirm that to the best of their knowledge, all statutory payments payable by the Company and its subsidiaries, as at the reporting date, have been paid or where relevant, provided for. Further confirm that there are no material non-compliances attached to the Company and its subsidiaries and comply with applicable laws,regulations,guidelines.

By Order of the Board of
Ceylon Grain Elevators PLC

(Sgd.)
Wickrema Senaka Weerasooria
Non-Executive Chairman

(Sgd.)
Cheng Chih Kwong
Executive Director and Chief Executive Officer

Colombo, Sri Lanka
5 May 2026

Independent Auditor's Report

TO THE SHAREHOLDERS OF CEYLON GRAIN ELEVATORS PLC

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Ceylon Grain Elevators 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 December 31, 2025, and the statement of profit or loss and other 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 policies and other explanatory information.

In our opinion, the 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 December 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 our audit of the Company financial statements and the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Company financial statements and the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG

Key audit matters

Measurement of Biological Assets

Refer to the accounting policies in "Note 3.9 to the Financial Statements: Biological assets", "Note 2.4 to the Financial Statements: Significant Accounting Judgments and Estimates" and "Note 18 To the Financial Statements: Biological assets".

Risk Description	Our responses
The carrying value of bearer and consumable biological assets measured at fair value less cost to sell, is Rs. 1,261.2 Mn and Rs. 97.5 Mn respectively as at 31 December 2025, with a gain arising from changes in fair value less costs to sell recorded in the Consolidated Statement of Profit or Loss and Other Comprehensive Income amounting to Rs. 253.9 Mn. The Group's consumable biological assets comprise of Hatchable eggs and commercial Day-Old Chicks (DOCs). The Group has identified grandparent, parent, and livestock as bearer biological assets as they are self-regenerating. Management performed an internal valuation of the biological assets of the Company as at reporting date. The calculation of the fair value involves a significant judgments and assumptions particularly in respect of DOC yield, DOC selling price, selecting appropriate discounting rate, and mortality. We focused on this area because the valuation of biological assets is dependent on certain key assumptions, which require the exercise of significant judgments and are subject to an inherent risk of error or potential management bias.	Our audit procedures included: ❍ Obtaining an understanding, evaluating of and assessing the design, implementation and operating effectiveness of management's key controls over the valuation of biological assets. ❍ On sample basis, testing the capitalised amounts and reasonableness of the inputs used in valuation of biological assets. ❍ Evaluating the reasonableness of cash flows and related assumptions associated with deriving the fair value of breeder biological assets. ❍ Challenging the key assumptions used in the valuation, in particular the discount rate, DOC yield, DOC market price and mortality. ❍ Challenging the methodologies adopted in the valuation of biological assets with reference to the requirements of the accounting standards. ❍ Assessing the adequacy of the related disclosures in the financial statements and consistency with the accounting policies.

Carrying value of Inventories

Refer to the accounting policies in "Note 3.10 to the Financial Statements: Inventories", "Note 2.4 to the Financial Statements: Significant Accounting Judgments and Estimates" and "Note 20 To the Financial Statements: Inventories

Risk Description	Our responses
The Inventory balance comprise of raw materials, packing materials, finished goods, general items, poultry items, drugs and vaccines, petroleum products and engineering items which forms a significant part of the Group's assets, amounting to Rs.6,227.7 Mn as at 31 December 2025. Carrying value of inventories is identified as a Key Audit matter because establishing a provision for slow-moving, obsolete and damaged inventory and valuation of inventories involve significant judgments and assumptions exercised by the management.	Our audit procedures included: ❍ Obtaining an understanding of an assessing the design, implementation and operating effectiveness of management's key internal controls over the supply chain and testing selected key controls over recognition and measurement of inventory and inventory provisioning. ❍ On sample basis, testing the net realizable value by comparing the actual cost with relevant market data. ❍ For a sample of warehouses, attending the physical stock-take procedures or reconciling third party confirmations with the accounting records of the Group. ❍ Gaining an understanding of the movements in the inventory for the year and assess the adequacy of the provision for non-moving and slow-moving inventory. ❍ Assessing whether the group's accounting policies had been consistently applied and the adequacy of the group's disclosures in respect of the judgment and estimation made in respect of inventory provisioning.

Independent Auditor's Report

KPMG

Other Information

Management is responsible for the other information. The other information comprises all the information included in the annual report, other than the financial statements and our auditor's report thereon.

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 the Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as the 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, the 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 the management either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group financial reporting process.

Auditor's responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

KPMG

- Conclude on the appropriateness of management 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 in accordance with the Code of Ethics 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 related safeguards applied.

From the matters communicated with those charge 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 auditor's report is 3707.

CHARTERED ACCOUNTANTS
Colombo, Sri Lanka
5 May 2026

Statement of Profit or Loss and Other Comprehensive Income

All amounts in Sri Lankan Rupees thousands

		Group		Company	
For the year ended 31 December	**Notes**	**2025**	**2024**	**2025**	**2024**
Revenue	4 (b)	**29,767,422**	23,993,294	**27,775,393**	23,042,578
Cost of sales		**(23,348,755)**	(19,850,705)	**(23,565,855)**	(20,605,536)
Gross profit		**6,418,667**	4,142,589	**4,209,538**	2,437,042
Other operating income	7	**317,640**	172,297	**882,882**	656,957
Selling and distribution expenses		**(392,610)**	(306,502)	**(374,611)**	(285,769)
Administrative expenses		**(774,799)**	(621,031)	**(733,516)**	(581,417)
Operating profit	5	**5,568,898**	3,387,353	**3,984,293**	2,226,813
Interest income		**881,424**	1,095,292	**265,422**	398,570
Net finance cost	8	**(122,233)**	(112,505)	**(128,470)**	(231,233)
Share of profit of equity - accounted investees, net of tax	16(c)	**20,468**	8,234	**-**	-
Profit before tax		**6,348,557**	4,378,374	**4,121,245**	2,394,150
Taxation	9	**(2,228,981)**	(1,233,442)	**(1,153,602)**	(543,889)
Profit after tax		**4,119,576**	3,144,932	**2,967,643**	1,850,261
Other comprehensive expense					
Items that will not be reclassified to profit or loss					
Actuarial loss arising from defined benefit obligation	27	**(28,986)**	(60,197)	**(24,432)**	(47,379)
Taxation on other comprehensive expense	26	**8,696**	18,059	**7,330**	14,214
Total other comprehensive expense		**(20,290)**	(42,138)	**(17,102)**	(33,165)
Total comprehensive income for the year		**4,099,286**	3,102,794	**2,950,541**	1,817,096
Profit attributable to :					
Equity holders of the parent		**3,460,671**	2,416,962	**2,967,643**	1,850,261
Non-controlling interest	31	**658,905**	727,970	**-**	-
		4,119,576	3,144,932	**2,967,643**	1,850,261
Total comprehensive income attributable to :					
Equity holders of the parent		**3,441,710**	2,378,531	**2,950,541**	1,817,096
Non-controlling interest	31	**657,576**	724,263	**-**	-
		4,099,286	3,102,794	**2,950,541**	1,817,096
Earnings per share - basic and diluted (Rs.)	10	**57.68**	40.28	**49.46**	30.84
Dividend per share (Rs.)	38			**15.00**	23.00

The notes on pages 332 to 385 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Statement of Financial Position

All amounts in Sri Lankan Rupees thousands

		Group		Company	
As at 31 December	**Notes**	**2025**	**2024**	**2025**	**2024**
Assets					
Non-current assets					
Property, plant and equipment	11	**2,479,978**	2,344,234	**908,236**	980,910
Improvements over leased land and buildings	12	**91,927**	99,431	**91,927**	99,431
Right-of-use assets	13 (a)	**442,969**	469,026	**341,625**	361,721
Investment property	14	**11,068**	11,068	**-**	-
Intangible assets	15	**15,967**	30,285	**15,967**	30,285
Investment in associate company	16	**133,468**	113,000	**33**	33
Investment in subsidiary companies	17	**-**	-	**301,625**	301,625
Biological assets	18	**1,261,172**	962,567	**-**	-
Deferred tax assets	26(1)	**264,002**	191,355	**264,002**	191,355
Total non-current assets		**4,700,551**	4,220,966	**1,923,415**	1,965,360
Current assets					
Biological assets	18	**97,484**	106,927	**-**	-
Inventories	20	**6,227,660**	5,504,514	**5,726,158**	5,079,346
Trade and other receivables	21	**2,047,793**	1,240,288	**1,506,844**	1,069,067
Amount due from related companies	19	**20,056**	9,387	**464,534**	151,253
Short-term investments	22	**1,192,538**	10,077,467	**1,192,538**	2,313,493
Cash and cash equivalents	23	**11,600,717**	1,945,735	**3,020,451**	1,896,085
Total current assets		**21,186,248**	18,884,318	**11,910,525**	10,509,244
Total assets		**25,886,799**	23,105,284	**13,833,940**	12,474,604
Equity					
Stated capital	30	**1,017,996**	1,017,996	**1,017,996**	1,017,996
Retained earnings		**13,782,225**	10,820,515	**8,083,426**	5,612,885
Total equity attributable to equity holders of the parent		**14,800,221**	11,838,511	**9,101,422**	6,630,881
Non-controlling interest	31	**4,100,208**	3,744,879	**-**	-
Total equity		**18,900,429**	15,583,390	**9,101,422**	6,630,881
Liabilities					
Non-current liabilities					
Deferred tax liabilities	26(2)	**479,498**	424,423	**-**	-
Employee benefits	27	**362,173**	297,025	**280,640**	228,519
Lease liabilities	13(c)	**686,404**	675,581	**566,136**	557,381
Total non-current liabilities		**1,528,075**	1,397,029	**846,776**	785,900
Current liabilities					
Trade and other payables	24	**4,061,722**	2,944,466	**2,401,432**	1,849,940
Amount due to related companies	25	**1,277,512**	3,063,446	**1,388,416**	3,113,651
Lease liabilities	13(c)	**119,061**	116,953	**95,894**	94,232
Total current liabilities		**5,458,295**	6,124,865	**3,885,742**	5,057,823
Total liabilities		**6,986,370**	7,521,894	**4,732,518**	5,843,723
Total equity and liabilities		**25,886,799**	23,105,284	**13,833,940**	12,474,604
Net assets per share (Rs.)	37	**246.67**	197.31	**151.69**	110.51

The notes on pages 332 to 385 form an integral part of these Financial Statements.

These Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007.

(Sgd.)
K. A. R. S. Perera
General Manager

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

(Sgd.)
Wickrema Senaka Weerasooria
Non-Executive Chairman

(Sgd.)
Cheng Chih Kwong
Executive Director and Chief Executive Officer

5 May 2026
Colombo

Statement of Changes in Equity

All amounts in Sri Lankan Rupees thousands

Group	Attributable to equity holders of the parent				
	Stated Capital	Retained Earnings	Total	Non-Controlling Interest	Total Equity
Balance as at 1 January 2024	1,017,996	10,061,984	11,079,980	3,433,687	14,513,667
Profit for the year	-	2,416,962	2,416,962	727,970	3,144,932
Other comprehensive expense					
Actuarial loss arising from defined benefit obligation, net of tax	-	(38,431)	(38,431)	(3,707)	(42,138)
Distribution to owners					
Dividend paid	-	(1,620,000)	(1,620,000)	(413,071)	(2,033,071)
Balance as at 31 December 2024	1,017,996	10,820,515	11,838,511	3,744,879	15,583,390
Balance as at 1 January 2025	1,017,996	10,820,515	11,838,511	3,744,879	15,583,390
Profit for the year	-	3,460,671	3,460,671	658,905	4,119,576
Other comprehensive expense					
Actuarial loss arising from defined benefit obligation, net of tax	-	(18,961)	(18,961)	(1,329)	(20,290)
Distribution to owners					
Dividend paid	-	(480,000)	(480,000)	(302,247)	(782,247)
Balance as at 31 December 2025	1,017,996	13,782,225	14,800,221	4,100,208	18,900,429

Company	Stated Capital	Retained Earnings	Total
Balance as at 1 January 2024	1,017,996	5,415,789	6,433,785
Profit for the year	-	1,850,261	1,850,261
Other comprehensive expense			
Actuarial loss arising from defined benefit obligation, net of tax	-	(33,165)	(33,165)
Distribution to owners			
Dividend paid	-	(1,620,000)	(1,620,000)
Balance as at 31 December 2024	1,017,996	5,612,885	6,630,881
Balance as at 1 January 2025	1,017,996	5,612,885	6,630,881
Profit for the year	-	2,967,643	2,967,643
Other comprehensive expense			
Actuarial loss arising from defined benefit obligation, net of tax	-	(17,102)	(17,102)
Distribution to owners			
Dividend paid	-	(480,000)	(480,000)
Balance as at 31 December 2025	1,017,996	8,083,426	9,101,422

The retained earnings represent reserves available for distribution.

The notes on pages 332 to 385 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

Statement of Cash Flows

All amounts in Sri Lankan Rupees thousands

		Group		Company	
For the year ended 31 December	**Notes**	**2025**	**2024**	**2025**	**2024**
Cash flows from operating activities					
Profit before tax		6,348,557	4,378,374	4,121,245	2,394,150
Adjustments for:					
Depreciation on property, plant and equipment	11	358,541	304,267	220,348	178,198
Depreciation of improvements over leased land and buildings	12	7,504	8,466	7,504	8,466
Amortisation of right-of-use assets	13(a)	26,057	26,059	20,096	20,096
Amortisation of intangible assets	15(a)	14,318	16,272	14,318	16,272
Usage of biological assets	18	925,468	763,153	-	-
Loss on disposal of property, plant and equipment	7	2,382	9,938	2,359	3,170
Change in fair value less cost to sell on biological assets	18	(253,881)	(114,526)	-	-
Impairment reversal on amount due from related companies	7	-	-	(10,280)	(8,531)
Dividend income	7	-	-	(734,101)	(552,269)
Exchange loss / (gain)	8	5,689	(5,527)	11,024	(12,300)
Interest income		(881,424)	(1,095,292)	(265,422)	(398,570)
Interest expense	8	116,544	118,032	117,446	243,533
Written off of doubtful debts		953	-	953	-
Provision for doubtful debts	21	8,303	678	8,303	678
Provision for slow moving and obsolete items	20	4,255	3,199	3,559	2,775
Share of profit of equity investees	16(c)	(20,468)	(8,234)	-	-
Changes in working capital					
- trade and other receivables		(816,761)	(191,483)	(447,033)	(41,636)
- inventories		(727,401)	126,423	(650,372)	124,250
- trade and other payables		176,617	97,135	(125,024)	245,010
- amount due from related companies		(10,669)	(2,779)	(303,001)	(133,582)
- amount due to related companies		(1,785,934)	2,830,511	(1,725,235)	1,362,460
Employee benefits	27	56,276	44,957	42,598	34,254
Cash generated from operations		3,554,926	7,309,623	309,285	3,486,424
Exchange (loss)/ gain		(5,689)	5,527	(11,024)	12,300
Interest received		684,675	978,837	241,656	381,035
Interest paid		573	(2,506)	(23,090)	(2,051)
Employee benefits paid	27	(20,114)	(15,556)	(14,909)	(14,331)
Tax paid		(1,100,468)	(1,164,126)	(518,636)	(673,433)
Net cash generated from / (used in) operating activities		3,113,903	7,111,799	(16,718)	3,189,944
Cash flows from investing activities					
Purchase of property, plant and equipment	11	(497,186)	(200,151)	(150,552)	(171,360)
Proceeds from disposal of property, plant and equipment		519	37	519	37
Proceeds from dividend income	7	-	-	734,101	552,269
Purchase of biological assets	18	(960,749)	(969,950)	-	-
Net cash (used in)/generated from investing activities		(1,457,416)	(1,170,064)	584,068	380,946
Cash flows from financing activities					
Dividend paid		(782,247)	(2,033,071)	(480,000)	(1,620,000)
Lease liability paid	13(b)	(104,187)	(102,617)	(83,939)	(83,149)
Short-term investments		8,884,929	(9,257,485)	1,120,955	(1,709,042)
Net cash generated from/ (used in) financing activities		7,998,495	(11,393,173)	557,016	(3,412,191)
Increase/(decrease) in cash and cash equivalents		9,654,982	(5,451,438)	1,124,366	158,699
Movements in cash and cash equivalents					
At the beginning of the year		1,945,735	7,397,173	1,896,085	1,737,386
Increase / (decrease) in cash and cash equivalents		9,654,982	(5,451,438)	1,124,366	158,699
Cash and cash equivalents at the end of the year	23	11,600,717	1,945,735	3,020,451	1,896,085

The notes on pages 332 to 385 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

Notes to the Financial Statements

All amounts in Sri Lankan Rupees thousands

1. Corporate Information

GRI 2-1

1.1. Reporting entity

Ceylon Grain Elevators PLC (the 'Company') is a "Quoted Public Company" with limited liability, incorporated and domiciled in Sri Lanka. The registered office and principal place of business of the Company is located at No.15, Rock House Lane, Colombo - 15, Sri Lanka.

The Company was listed on the Colombo Stock Exchange on 1 January 1984.

Ultimate Parent

The Ultimate Parent of the Company is Prima Limited, Singapore, holds 45.45% of the issued share capital of the Company.

1.2 Financial Statements

The Financial Statements of the Group for the year ended 31 December 2025 comprise the Company and its subsidiaries and the Group's interest in associate, listed below;

Subsidiaries

- Three Acre Farms PLC
- Millennium Multibreeder Farms (Private) Limited
- Ceylon Pioneer Poultry Breeders Limited
- Ceylon Livestock and Agro-Business Services (Private) Limited
- Ceylon Warehouse Complex (Private) Limited
- Ceylon Aquatech (Private) Limited

All subsidiaries of the Company have been incorporated in Sri Lanka.

Associate

- Prima Management Services (Private) Limited

The Financial Statements of the Group entities are prepared to a common financial year ending 31 December using uniform accounting policies.

1.3 Principal activities and nature of the operations

The principal place of business, principal business activities of the Company, subsidiaries and associate are as follows;

Entity	Principal Place of Business	Principal Business Activities
The Company		
Ceylon Grain Elevators PLC	Sri Lanka	Manufacturing and selling of poultry feed and other animal feed and poultry processing and distribution, importing and selling of drugs and vaccines.
Subsidiaries		
Ceylon Livestock and Agro-Business Services (Private) Limited	Sri Lanka	Manufacturing and selling of cattle feed and importing and sale of poultry equipment, drugs and vaccines.
Ceylon Warehouse Complex (Private) Limited	Sri Lanka	Provision of warehouse facilities.
Ceylon Aquatech (Private) Limited	Sri Lanka	Renting of farm operation.
Three Acre Farms PLC	Sri Lanka	Operating of poultry breeder farming, raising of Grandparent and Parent stocks and hatcheries, hatching and selling of Day-Old Chicks, operations of commercial farms.
Millennium Multibreeder Farms (Private) Limited	Sri Lanka	Operating of poultry breeder farming and hatcheries, hatching and selling of Day-Old Chicks.
Ceylon Pioneer Poultry Breeders Limited	Sri Lanka	Renting of farm operation.
Associates		
Prima Management Services (Private) Limited	Sri Lanka	Provision ICT solution and services.

There were no significant changes in the nature of the principle business activities of the Group and the Company during the financial year under review.

1.4 Approval of Financial Statements by Directors

The Financial Statements were authorised for issue by the Board of Directors on 5 May 2026.

These Financial Statements include the following components:

- A Statement of Profit or Loss and Other Comprehensive Income providing the information on the financial performance of the Group and the Company for the year under review. Refer page 328;
- A Statement of Financial Position providing the information on the financial position of the Group and the Company as at the year end. Refer page 329;
- A Statement of Changes in Equity depicting all changes in shareholders' funds during the year under review of the Group and the Company. Refer page 330;
- A Statement of Cash Flows providing the information to the users, on the ability of the Group and the Company to generate cash and cash equivalents and utilisation of those cash flows. Refer page 331;
- Notes to the financial statements comprising material accounting policies and other explanatory information. Refer pages 332 to 385.

1.5 Responsibility for the Financial Statements

The Board of Directors acknowledge their responsibility for Financial Statements, as set out in the 'Statement of Directors' Responsibility' in this Annual Report and the certification on the Statement of Financial Position.

2. Basis of Preparation

2.1 Statement of compliance

The Financial Statements have been prepared and present fairly in accordance with Sri Lanka Accounting Standards (SLFRS) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

2.2 Basis of measurement

The Financial Statements have been prepared on the historical cost basis except the valuation of retirement benefit obligation and valuation of biological assets which are disclosed in Note 3.12- Employee Benefits and Note 3.9 - Biological Assets to the Financial Statement.

2.3 Functional and presentation currency

The Financial Statements are presented in Sri Lankan Rupees, which is the Company's functional and presentation currency, rounded to the nearest thousand, unless otherwise stated.

2.4 Significant accounting estimates, judgements and assumptions

The preparation of the Financial Statements in conformity with Sri Lanka Accounting Standards(SLFRS) require Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Underlying estimates, judgements, assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised prospectively.

A. Judgement

Going concern

The Management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Management is not aware of any material uncertainties that may cast significant doubt upon the Group's/ Company's ability to continue as a going concern. Therefore, the Financial Statements of the Group continue to be prepared on a going concern basis.

B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements is included in the following notes:

- Note 3.5.5 - Depreciation
- Note 3.6 - Investment Property
- Note 3.7 - Leases
- Note 3.8 - Intangible assets
- Note 3.9 - Biological assets
- Note 3.4.4 - Impairment
- Note 3.12.3 - Defined benefit plan - Gratuity
- Notes 3.13 and 3.24 - Provisions, commitments and contingencies
- Note 3.19 - Taxation

Measurement of fair value

A number of the Group's accounting policies and disclosures require the measurement of fair value, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair value.

This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair value and reports directly to the Management.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair value, then the valuation team assesses the evidence obtained

Notes to the Financial Statements

All amounts in Sri Lankan Rupees thousands

from the third parties to support the conclusion that such valuations meet the requirements of SLFRS, including the level in the fair value hierarchy in which such valuations should be classified. Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liabilities that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised at its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair value is included in Note 18 -Biological Assets.

2.5 Use of materiality, off-setting and rounding

2.5.1 Materiality and aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of a dissimilar nature or function are presented separately, unless they are immaterial.

Notes to the Financial Statements are presented in systematic manners which ensure the understandability and comparability of Financial Statements of the Group.

Understandability of the Financial Statements is not compromised by observing material information or by aggregating material items that have different nature of functions.

2.5.2 Offsetting

Assets and liabilities and income and expenses in the Financial Statements are not set-off unless regained by Sri Lanka Accounting Standards.

2.5.3 Rounding

The amounts in the Financial Statements have been rounded off to the nearest rupees thousands, except where otherwise indicated.

2.5.4 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 and held primarily for the purpose of trading.

Or

Is cash or cash equivalent, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is expected to be settled in the normal operating cycle and is held primarily for the purpose of trading and 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.

3. Material Accounting Policies

The Group has consistently applied the following material accounting policies to all periods presented in the financial statements by the Group and the Company, except as mentioned otherwise.

The Institute of Chartered Accountants of Sri Lanka has issued number of new amendments to Sri Lanka Accounting Standards (SLFRSs/ LKASs) that are effective for the current financial year. These amendments and interpretations did not have any material impact on the reported financial statements of the Group.

3.1 Basis of consolidation

3.1.1 Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group in determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce inputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group measures goodwill at the acquisition date as:

- The fair value of the consideration transferred; plus
- The recognised amount of any non-controlling interests in the acquiree; plus
- If the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. Transactions 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.

3.1.2 Non-controlling interest

The total profit or loss for the year of the Company and its subsidiaries included in consolidation are shown in the Statement of Profit or Loss with the proportion of profit or loss after taxation pertaining to minority shareholders of subsidiaries being deducted as 'Non-controlling interest'. All assets and liabilities of the Company and of its subsidiaries included in consolidation are shown in the Statement of Financial Position. The interests of minority shareholders of subsidiaries in the fair value of net assets of the Group are indicated separately in the Statement of Financial Position under the heading 'Non - Controlling Interest'.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Adjustments to non-controlling interest are based on a proportionate amount of the net assets of the subsidiary. No adjustments are made to goodwill and no gain or loss is recognised in profit or loss.

3.1.3 Subsidiaries

Subsidiaries are entities controlled by the Group. The Financial Statements of subsidiaries are included in the Group Financial Statements from the date that control commences, until the date that control ceases.

3.1.4 Loss of control

When the Group losses control over subsidiary, the Group de-recognises the assets and liabilities of the subsidiary, any non-controlling interest and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss.

There are no significant restrictions on the ability of subsidiaries to transfer funds to the Company (parent) in the form of cash, dividend or repayment of loans and advances.

3.1.5 Interest in equity accounted investee

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 % and 50 % of the voting power of another entity.

Investments in associates are accounted for under the equity method and are recognised initially at cost. The cost of the investment includes transaction costs. The Group Financial Statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is

Notes to the Financial Statements

All amounts in Sri Lankan Rupees thousands

discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

3.1.6 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intragroup transactions, are eliminated in preparing the Group Financial Statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Foreign currency

Transactions in foreign currencies are translated into the respective functional currency of the Group at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.

Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- an investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

3.3 Statement of Cash Flows

The Statement of Cash Flows has been prepared by using the ''Indirect Method'' of preparing cash flows in accordance with Sri Lanka Accounting Standards - LKAS 7 on Statement of Cash Flows, whereby operating activities, investing activities and financing activities are separately recognised.

Cash and cash equivalents comprise of short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

3.4 Financial instruments

3.4.1 Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3.4.2 Classification and subsequent measurement

On initial recognition, a financial asset is classified asmeasured at: amortised cost; FVOCI- debt investment;FVOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- it's contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount of outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment:
The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to Management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Group's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for de-recognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable-rate features;
- Prepayment and extension features; and
- Terms that limits the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par-amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Notes to the Financial Statements

All amounts in Sri Lankan Rupees thousands

3.4.3 Financial assets - Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on de-recognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

3.4.4 Impairment

3.4.4.1 Non-derivative financial assets

Financial instruments and contract assets

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- The financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit - impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market to a security because of financial difficulties.

Presentation of allowance for ECL in the Statement of Financial Position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures to recovery of amounts due.

3.5 Property, plant and equipment

Property, plant and equipment are tangible items that are held for use in the production or supply of goodsor services, for rental to others, or for administrativepurposes and are expected to be used during more than one period.

3.5.1 Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets include the cost of materials and direct labour, any other costs directly attributable to bringing the asset to the working condition for its intended use and the cost of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing cost. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

3.5.2 Gains and losses on disposal

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within 'Other Income / Other Expenses' in profit or loss.

3.5.3 Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is de-recognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

3.5.4 De-recognition

The carrying amount of an item of property, plant and equipment is de-recognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from de-recognition of an item of property, plant and equipment is included in profit or loss when the item is de-recognised. When replacement costs are recognised in the carrying amount of an item of property, plant and equipment, the remaining carrying amount of the replaced part is de-recognised. Major inspection costs are capitalised. At each such capitalisation, the remaining carrying amount of the previous cost of inspections is de-recognised.

3.5.5 Depreciation

Depreciation is based on the cost or other amount substituted for cost, less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-linebasis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. No depreciation is provided on assets under construction.

Notes to the Financial Statements

All amounts in Sri Lankan Rupees thousands

The estimated useful lives for the current and comparative years are as follows:	
Freehold building	10 - 20 years
Leasehold building and improvements	10 - 20 years
Plant and machinery	5 - 16 2/3 years
Electrical and factory equipment	2 - 20 years
Farm equipment	2 - 20 years
Furniture, fittings and office equipment	2 - 10 years
Motor vehicles	5 - 10 years

Land is not depreciated as it is deemed to have indefinite life. Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held-for sale and the date that the asset is de-recognised. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

3.5.6 Capital work-in-progress

Capital expenses incurred during the year which are not completed as at the reporting date are shown as capitalwork-in-progress, while the capital assets which have been completed during the year and put to use are transferred to property, plant and equipment.

3.6 Investment Property

The land and buildings which are held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes are classified as investment property. Investment properties are initially measured at cost and subsequently carried at cost less any accumulated depreciation and any accumulated impairment loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

3.7 Leases

The Group applied SLSRS 16 using the modified retrospective approach.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease of the contract conveys the right to control the use of an identified assets for a period oftime in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in SLFRS 16.

A. As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the lease of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognised a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimates of costs to dismantle and remove the underlying asset or to restore the underlying asset orthe site on which it is located, less any lease incentive received.

The right-of-use asset is subsequently depreciated using straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present values of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms

of the lease and type of the assets leased.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in substance fixed payments;
- Variable lease payments that depend on a n index or a rate, initially measured using the index or rate as at commencement date;
- Amounts expected to be payable under residual value guaranteed; and
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise and extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payments.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded is profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in right-of-use assets and lease liabilities in the Statement of Financial Position.

Short term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities of leases of low-value assets and short-term leases. The Group recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.8 Intangible assets

3.8.1 Basis of recognition

An intangible asset is recognised if it is probable that future economic benefits that are attributable to the assets will flow to the entity and the cost of the assets can be measured reliably.

3.8.2 Basis of measurement

Intangible assets acquired separately are measured on initial recognition at cost. Subsequent measurement is carried at cost less accumulated amortisation and accumulated impairment losses, if any.

3.8.3 Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands are recognised in profit or loss as incurred.

3.8.4 Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for the current and comparative years are as follows:

Computer software	3 -10 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.9 Biological assets

A biological asset is a living animal. Biological assets consist of Grandparent and Parent livestock, used to breed Hatchable eggs and commercial Day Old Chicks(DOCs). Grandparent and Parent birds include the growing birds and the laying birds.

Consumable biological assets are those that are to be harvested as agricultural produce or sold as biological assets. Hatchable eggs and commercial Day-Old Chicks have been identified as Consumable biological assets.

Bearer biological assets are those other than Consumable biological assets. Bearer biological assets are not agricultural produce but, rather, are self-regenerating.

The Group has identified Grandparent, Parent and livestock as Bearer biological assets.

Biological assets are measured at fair value less cost to sell within any changes therein recognised in profit or loss for the period in which it arises.

3.10 Inventories

Inventories are measured at the lower of cost and net realisable value.

The general basis on which cost is determined is as follows:

- All inventory items except finished goods and working progress at purchased cost.

Notes to the Financial Statements

All amounts in Sri Lankan Rupees thousands

- Manufactured goods and work-in-progress at factory cost which include all direct expenditure and production overhead at normal level of activity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.11 Stated Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

3.12 Employee benefits

GRI 201-3

3.12.1 Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.12.2 Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts.

Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(a) Employees' Provident Fund

The Group and employees contribute 12% and 8%, respectively, on the salary of each employee to the Employees' Provident Fund (EPF).

(b) Employees' Trust Fund

The Group contributes 3 % of the salary of eachemployee to the Employees' Trust Fund (ETF). These obligations come within the scope of a defined contribution plan as per LKAS -19 on 'EmployeeBenefits'. Obligations for contributions to defined contribution plans are recognised in profit or loss as the related service is provided.

3.12.3 Defined benefit plan - Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods.

That benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted.

The calculation is performed annually by a qualified actuary using the Projected Unit Credit (PUC) method as recommended by LKAS 19 - 'Employee Benefits'. When the calculation results in a benefit to the Group, the recognised asset is limited to the total of any unrecognised past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group.

An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities. When the benefits of a plan are improved, the portions of the increased benefits related to past service by employees are recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The assumptions based on which the results of actuarial valuation was determined, are included in Note 26 - Employee Benefits, to the Financial Statements.

The Group recognises all actuarial gains and losses arising from defined benefit plan immediately in other comprehensive income and all expenses related to defined benefit plan in employee benefit expense in profit or loss.

The Group recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on curtailment or settlement comprises any resulting change in the fair value of plan assets, any change in the present value of the defined benefit obligation, any related actuarial gains and losses and past service cost that had not previously been recognised. However, according to the Payment of Gratuity Act No.12 of 1983, the liability for the gratuity payment to an employee arises only on the completion of 5 years of continued service with the Company.

3.13 Provisions

A provision is recognised if, as a result of a past event,the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that anoutflow, of economic benefits will be required to settle the obligation.

3.14 Trade and other payables

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 and non-interest bearing.

3.15 Revenue

Sales of Goods

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

Revenue is measured net of returns, trade discounts and volume rebates. The Group expects the revenue recognition to occur at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Rendering of Services

The Group recognises revenue from rendering of services in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on surveys of work performed. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated on a relative fair value basis between the different services.

Rental Income

The Group earns revenue from renting of its warehouse facilities. Rental income is recognised on a straight-line basis over the period of rental contracts. When the customer initially enters into a rental contract, the Group usually receives an advance or a deposit or both which is recognised as a liability. The advance is recognisedas revenue with the passage of time while deposit is refunded to the customer in accordance with the rental contract on termination.

Other income

Gains/losses on the disposal of investments held by the Group have been accounted for as other income in profit or loss. Gains / losses on the disposal of property, plant and equipment determined by reference to the carrying amount and related expenses, have been accounted for as other income in profit or loss.

Dividend income

Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established.

3.16 Expenses

Expenses are recognised in the Statement of Profit or Loss on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to income in arriving at the profit for the year.

For the presentation of the Statement of Profit or Loss the Directors are of the opinion that the function of the expenses method presents fairly the elements of the Group's performance, and hence such a presentation method is adopted.

Preliminary and pre-operational expenditure is recognised in the Statement of Profit or Loss.

Repairs and renewals are charged to the Statement of Profit or Loss in the year in which the expenditure is incurred.

3.17 Interest income

Interest income comprises on funds invested. Interest income is recorded as it accrues using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the income statement.

3.18 Finance income/(costs)

Finance costs comprise interest expense on borrowings and leases, unwinding of discounts on provisions and fair value losses on financial assets at fair value through profit or loss and impairment losses recognised on financial assets (other than trade receivables).

Interest expense is recorded as it accrues using the effective interest rate (EIR), which is the rate that exactly 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.

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Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method. Borrowing costs directly attributable tothe 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 respective assets.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis aseither finance income or finance cost depending onwhether foreign currency movements are in a net gain or net loss position.

3.19 Taxation

GRI 207-2, 3

Income tax expense comprises current and deferred tax. Income tax is recognised in profit or loss, except to the extent that it relates to items recognised directly inequity, in which case it is recognised in equity.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

The principal temporary differences arise from depreciation on property, plant and equipment, tax losses carried forward, biological assets and provisions for defined benefit obligations. Deferred tax assets relating to the carrying forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

Transfer Pricing

As prescribed in the Inland Revenue Act No. 24 of 2017 and amendments thereto and the Gazette notifications issued on transfer pricing, companies in the Group have complied with the arm's length principles relating to transfer pricing.

3.20 Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products and services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

3.21 Earnings per share

The Group presents basic and diluted Earnings Per Share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.22 Events after the Reporting Period

All material post reporting period events have been considered and where appropriate adjustments or disclosures have been made in respective notes to the Financial Statements.

3.23 Comparative figures

Where necessary, the comparative figures have been reclassified to conform to the current year's presentation.

3.24 Commitments and contingencies

All discernible risks are accounted for in determining the amount of all known liabilities. The Company's share of any contingencies of a subsidiary for which the Company is also liable, severally or otherwise, are also included with appropriate disclosures.

Contingencies are possible assets or obligations that arise from a past event and would be confirmed only on the occurrence or non-occurrence of uncertain future events, which are beyond the Company's control. Contingent liabilities are disclosed in Note 28 - Contingent Liabilities, to the Financial Statements.

Commitments are disclosed in Note 29 - Commitments, to the Financial Statements.

3.25 New standards and interpretations not yet effective as at reporting date

The following new or amended standards and interpretations have been issued, but not yet effective, as at the reporting date of the Consolidated Financial Statements. These are not expected to result in material impact to the Group on adoption.

Sri Lanka Accounting Standard – SLFRS 18 on "Presentation and Disclosure in Financial Statements" (SLFRS 18)

SLFRS 18 is a new accounting standard for presentation and disclosure in Financial Statements with effect from 1 January 2027. SLFRS 18 will replace the Sri Lanka Accounting Standard – LKAS 1 on "Presentation of Financial Statements" and applies to the Group effective from 1 January 2027. The new accounting standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the Statement of Profit or Loss, namely operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly defined operating profit sub totals. Entities' net profit will not change.
- Management – defined Performance Measures (MPMs) are disclosed in a single note in the Financial Statements.
- Enhanced guidance is provided on how to group information in the Financial Statements.

In addition, all entities are required to use the operating profit subtotals as the starting point for the Statement of Cashflows when presenting operating cashflows under indirect method.

The Group is still in the process of assessing the impact of the new accounting standards, particularly with respect to the structure of the Group's Income Statement, the Statement of Cashflows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the Financial Statements including items currently labelled as 'other'.

Sri Lanka Accounting Standard – SLFRS 19 on "Subsidiaries without Public Accountability" (SLFRS 19)

SLFRS 19 is a new accounting standard for subsidiaries to apply the recognition, measurement, and presentation requirements of full SLFRS Standards while applying a reduced set of disclosure requirements in Financial Statements with effect from 1 January 2027. The Group does not expect this will result in a material impact on its Consolidated Financial Statements. However, this may have an impact on the separate Financial Statements of the subsidiaries of the Company as appropriate.

Other accounting standards

Annual improvements to SLFRS Accounting Standards – Volume 11

The amendments apply for annual reporting periods beginning on or after 1 January 2026. These changes are not expected to have a significant impact on the Company's Financial Statements.

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All amounts in Sri Lankan Rupees thousands

4. Segment Information

(a) Business segments

The Group has three main business segments which offers different products and services and are managed separately since it requires different technology and resources.

Business segments	Operations
Milling and farming	Manufacturing and selling of poultry feed, other animal feed, poultry processing, importing and selling drugs and vaccines.
Poultry breeding and commercial	Breeding of commercial DOCs and broiler farming and provision of hatchery services.
Others	Provision of warehouse facilities (rental) and trading.

There are varying levels of integration between segments which includes transfer of raw materials and shared services. The inter-segment transactions are carried out under normal commercial terms.

The Group's operating environment that affect the segments are discussed under the Chairman's Message and Chief Executive Officer's Review (pages 22 to 27).

The information relevant to each business segment is set out below and it is used to measure performance since management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in same segment.

Segment assets consist primarily of property, plant and equipment, intangible assets, inventories, receivables and operating cash and exclude investments in subsidiaries. Segment liabilities comprise current and non-current liabilities. Capital expenditure comprises additions to property, plant and equipment.

(b) Sales are made up as follows :

		Group		Company	
For the year ended 31 December	Notes	2025	2024	2025	2024
Milling and farming		33,575,168	27,832,631	33,575,168	27,832,631
Poultry breeding and commercial		7,393,702	7,674,959	-	-
Others		1,430,400	807,047	-	-
		42,399,270	36,314,637	33,575,168	27,832,631
Elimination / adjustment		(5,565,986)	(7,188,120)	-	-
		36,833,284	29,126,517	33,575,168	27,832,631
Sales taxes	4 (c)	(7,065,862)	(5,133,223)	(5,799,775)	(4,790,053)
		29,767,422	23,993,294	27,775,393	23,042,578

(c) Sales taxes

	Group		Company	
For the year ended 31 December	2025	2024	2025	2024
Value Added Tax	6,344,856	4,659,636	5,204,070	4,309,618
Social Security Contribution Levy	721,006	473,587	595,705	480,435
	7,065,862	5,133,223	5,799,775	4,790,053

(d) Business segments

For the year ended 31 December 2025	Milling and farming	Poultry breeding and commercial	Others	Elimination / adjustment	Group
Sales to outsiders	25,302,907	3,158,544	1,305,971	-	29,767,422
Inter-segmental sales	2,472,486	3,018,582	74,918	(5,565,986)	-
Total revenue	27,775,393	6,177,126	1,380,889	(5,565,986)	29,767,422
Operating income	3,984,293	1,857,392	471,594	(744,381)	5,568,898
Finance income	265,422	617,163	30,180	(31,341)	881,424
Net finance cost	(128,470)	(3,370)	(21,734)	31,341	(122,233)
Share of profit of equity accounted investee, net of tax	-	-	-	20,468	20,468
Profit before tax	4,121,245	2,471,185	480,040	(723,913)	6,348,557
Taxation	(1,153,602)	(931,327)	(144,052)	-	(2,228,981)
Profit for the year	2,967,643	1,539,858	335,988	(723,913)	4,119,576
Other comprehensive expense					
Actuarial loss arising from defined benefit obligation - net of tax	(17,102)	(3,106)	(82)	-	(20,290)
Total comprehensive income for the year	2,950,541	1,536,752	335,906	(723,913)	4,099,286

For the year ended 31 December 2024	Milling and farming	Poultry breeding and commercial	Others	Elimination / adjustment	Group
Sales to outsiders	20,136,961	3,166,731	689,602	-	23,993,294
Inter-segmental sales	2,905,617	3,031,151	88,182	(6,024,950)	-
Total revenue	23,042,578	6,197,882	777,784	(6,024,950)	23,993,294
Operating income	2,226,813	1,496,489	224,851	(560,800)	3,387,353
Finance income	398,570	831,959	15,439	(150,676)	1,095,292
Net finance cost	(231,233)	(8,745)	(23,203)	150,676	(112,505)
Share of profit of equity accounted investee, net of tax	-	-	-	8,234	8,234
Profit before tax	2,394,150	2,319,703	217,087	(552,566)	4,378,374
Taxation	(543,889)	(618,441)	(71,112)	-	(1,233,442)
Profit for the year	1,850,261	1,701,262	145,975	(552,566)	3,144,932
Other comprehensive expense					
Actuarial loss arising from defined benefit obligation - net of tax	(33,165)	(8,664)	(309)	-	(42,138)
Total comprehensive income for the year	1,817,096	1,692,598	145,666	(552,566)	3,102,794

Notes to the Financial Statements

All amounts in Sri Lankan Rupees thousands

(e) Business segments

As at 31 December 2025	Milling and farming	Poultry breeding and commercial	Others	Elimination / adjustment	Group
Segment assets	13,389,429	11,809,828	857,365	(303,291)	25,753,331
Associate	33	-	-	133,435	133,468
Inter-segment assets	444,478	-	5,117	(449,595)	-
Total assets	13,833,940	11,809,828	862,482	(619,451)	25,886,799
Segment liabilities	4,605,778	1,973,518	409,050	(1,976)	6,986,370
Inter-segment liabilities	126,740	254,149	99,935	(480,824)	-
Total liabilities	4,732,518	2,227,667	508,985	(482,800)	6,986,370
Capital expenditure	150,552	346,634	-	-	497,186
Depreciation / amortisation	227,852	122,617	15,576	-	366,045
Amortisation of right-of-use assets	20,096	-	5,961	-	26,057
Amortisation of intangible assets	14,318	-	-	-	14,318

As at 31 December 2024	Milling and farming	Poultry breeding and commercial	Others	Elimination / adjustment	Group
Segment assets	12,323,318	10,267,381	693,822	(292,237)	22,992,284
Associate	33	-	-	112,967	113,000
Inter-segment assets	151,253	1,573	38,238	(191,064)	-
Total assets	12,474,604	10,268,954	732,060	(370,334)	23,105,284
Segment liabilities	5,795,091	1,412,344	314,459	-	7,521,894
Inter-segment liabilities	48,632	104,851	69,848	(223,331)	-
Total liabilities	5,843,723	1,517,195	384,307	(223,331)	7,521,894
Capital expenditure	171,360	28,791	-	-	200,151
Depreciation / amortisation	186,665	110,493	15,577	-	312,735
Amortisation of right-of-use assets	20,096	-	5,963	-	26,059
Amortisation of intangible assets	16,272	-	-	-	16,272

5. Operating Profit

The following items have been charged / (credited) in arriving at operating profit:

		Group		Company	
For the year ended 31 December	**Notes**	**2025**	**2024**	**2025**	**2024**
Directors' emoluments	33.1	**7,200**	7,200	**3,600**	3,600
Auditor's remuneration - Audit service		**10,798**	10,095	**6,550**	6,122
- Other services		**1,271**	1,100	**809**	700
Legal fees		**15,040**	10,629	**14,504**	9,945
Depreciation on property, plant and equipment	11	**358,541**	304,267	**220,348**	178,198
Depreciation of improvements over leased land and buildings	12	**7,504**	8,466	**7,504**	8,466
Amortisation of right-of-use-assets	13(a)	**26,057**	26,059	**20,096**	20,096
Amortisation of intangible assets	15	**14,318**	16,272	**14,318**	16,272
Usage of biological assets	18	**925,468**	763,153	**-**	-
Staff expenses	6	**2,420,377**	2,041,892	**1,512,856**	1,249,811
Provision for doubtful debts	21	**8,303**	678	**8,303**	678
Provision for slow moving and obsolete items	20	**4,255**	3,199	**3,559**	2,775

6. Staff Expenses

	Group		Company	
For the year ended 31 December	**2025**	**2024**	**2025**	**2024**
Salaries and wages	**2,243,671**	1,899,994	**1,378,116**	1,144,211
Social security costs	**10**	54	**-**	46
Defined contribution plans	**120,420**	96,887	**92,142**	71,300
Employee benefits	**56,276**	44,957	**42,598**	34,254
	2,420,377	2,041,892	**1,512,856**	1,249,811
The average number of employees as at the year end:				
- Full time	**738**	704	**496**	458
- Part time	**634**	650	**157**	157
	1,372	1,354	**653**	615

Part time employees include out sourced workers hired from third parties.

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All amounts in Sri Lankan Rupees thousands

7. Other Operating Income

	Group		Company	
For the year ended 31 December	**2025**	**2024**	**2025**	**2024**
Sundry income	**66,141**	67,709	**140,860**	99,327
Dividend income	**-**	-	**734,101**	552,269
Reversal of impairment provision on amount due from related parties	**-**	-	**10,280**	8,531
Change in fair value less cost to sell on biological assets	**253,881**	114,526	**-**	-
Loss on disposal of property, plant and equipment	**(2,382)**	(9,938)	**(2,359)**	(3,170)
	317,640	172,297	**882,882**	656,957

8. Net Finance Cost

	Group		Company	
For the year ended 31 December	**2025**	**2024**	**2025**	**2024**
Interest on lease liability	**117,118**	115,526	**94,356**	93,165
Foreign exchange transaction loss/ (gain)	**5,689**	(5,527)	**11,024**	(12,300)
Interest expense on related parties	**-**	-	**22,009**	148,317
Interest expense on bank borrowings	**(574)**	2,506	**1,081**	2,051
	122,233	112,505	**128,470**	231,233

9. Taxation

		Group		Company	
For the year ended 31 December	**Notes**	**2025**	**2024**	**2025**	**2024**
Current tax		**1,932,751**	1,273,962	**1,100,204**	585,970
Under/ (Over) provision in respect of previous year		**14,991**	(91,793)	**8,600**	(92,478)
Dividend tax on inter-company dividend		**290,115**	82,294	**110,115**	82,294
Deferred tax release recognised in profit or loss	26	**(8,876)**	(31,021)	**(65,317)**	(31,897)
		2,228,981	1,233,442	**1,153,602**	543,889

Current tax has been computed in accordance with the provisions of Inland Revenue Act No. 24 of 2017 and amendments thereto.

Company	Category	Tax rate (%)		Tax loss carried forward (Rs.)	
		2025	2024	2025	2024
Ceylon Grain Elevators PLC	Manufacturing of feed	30	30	Nil	Nil
	Sales of chicken				
	Other sources				
Ceylon Livestock and Agro-Business Services (Private) Limited	Manufacturing of feed	30	30	Nil	Nil
Ceylon Warehouse Complex (Private) Limited	Storage facility	30	30	Nil	Nil
Ceylon Aquatech (Private) Limited	Other sources	30	30	Nil	Nil
Three Acre Farms PLC	Poultry farming	30	30	Nil	Nil
	Other sources	30	30		
Millennium Multibreeder Farms (Private) Limited	Poultry farming	30	30	Nil	Nil
	Other sources	30	30		
Ceylon Pioneer Poultry Breeders Limited	Other sources	30	30	Nil	52,781

Reconciliation of effective tax rate

The tax on the results of the Group's operation and the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	Group		Company	
For the year ended 31 December	2025	2024	2025	2024
Profit before tax	6,348,557	4,378,374	4,121,245	2,394,150
Share of profit of equity-accounted investees	(20,468)	(8,234)	-	-
	6,328,089	4,370,140	4,121,245	2,394,150
Add: Disallowable expenses	2,132,251	1,783,813	887,197	713,218
Deduct: Allowable expenses	(2,893,738)	(2,998,786)	(867,973)	(997,451)
Assessable income from business	5,566,602	3,155,167	4,140,469	2,109,917
Add: Interest income	881,424	1,095,292	265,422	398,570
Add: Dividend income	-	-	(734,101)	(552,269)
Deduct: Tax loss claimed	(53)	-	-	-
Deduct: Tax Exemptions	(5,470)	(3,919)	(4,443)	(2,984)
Taxable income	6,442,503	4,246,540	3,667,347	1,953,234
Income tax using the domestic corporation tax rate at 30%	1,932,751	1,273,962	1,100,204	585,970
Current tax	1,932,751	1,273,962	1,100,204	585,970
Over provision in respect of previous year	14,991	(91,793)	8,600	(92,478)
Dividend tax on intercompany dividend	290,115	82,294	110,115	82,294
Deferred tax release recognised in profit or loss	(8,876)	(31,021)	(65,317)	(31,897)
Tax expense for the year	2,228,981	1,233,442	1,153,602	543,889
Effective tax rate	35%	28%	28%	23%

Further information about deferred tax is presented in Note 26 - Deferred Taxation.

Notes to the Financial Statements

All amounts in Sri Lankan Rupees thousands

10. Earnings Per Share – Basic and Diluted

Earnings per share is calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares in outstanding during the year.

	Group		Company	
For the year ended 31 December	**2025**	**2024**	**2025**	**2024**
Net profit attributable to shareholders	**3,460,671**	2,416,962	**2,967,643**	1,850,261
Weighted average number of ordinary shares (thousands)	**60,000**	60,000	**60,000**	60,000
Earning Per Share - Basic and Diluted (Rs.)	**57.68**	40.28	**49.46**	30.84

There were no potentially dilutive ordinary shares outstanding at any time during the year / previous year, hence diluted earnings per share is equal to the basic earnings per share.

11. Property, Plant and Equipment

(a) Group

	As at 01.01.2025	Additions / WIP transfer	Disposals / Transfers	As at 31.12.2025
Cost				
Land	407,231	-	-	**407,231**
Building	1,377,007	235,386	(140)	**1,612,253**
Leasehold buildings and improvements	775,228	-	-	**775,228**
Plant and machinery, electrical and farm equipment	2,697,583	105,704	(42,530)	**2,760,757**
Furniture and fittings and office equipment	270,110	18,406	(3,916)	**284,600**
Motor vehicles	365,440	76,522	(12,706)	**429,256**
Capital work-in-progress	11,374	61,168	-	**72,542**
	5,903,973	**497,186**	**(59,292)**	**6,341,867**

	As at 01.01.2025	Charge over the year	Disposals / Transfers	As at 31.12.2025
Depreciation				
Building	652,680	91,225	(61)	**743,844**
Leasehold buildings and improvements	398,523	34,579	-	**433,102**
Plant and machinery, electrical and farm equipment	2,036,646	178,966	(40,477)	**2,175,135**
Furniture and fittings and office equipment	215,682	19,050	(3,673)	**231,059**
Motor vehicles	256,208	34,721	(12,180)	**278,749**
	3,559,739	**358,541**	**(56,391)**	**3,861,889**

	As at 01.01.2025	As at 31.12.2025
Carrying amount		
Land	407,231	407,231
Building	724,327	868,409
Leasehold buildings and improvements	376,705	342,126
Plant and machinery, electrical and farm equipment	660,937	585,622
Furniture and fittings and office equipment	54,428	53,541
Motor vehicles	109,232	150,507
Capital work-in-progress	11,374	72,542
	2,344,234	2,479,978

Reconciliation of the carrying amount of property, plant and equipment as at 31.12.2024

	Carrying amount as at 01.01.2024	Additions / WIP transfer	Depreciation charge for the year	Disposals / Write-off	Carrying amount as at 31.12.2024
Property, plant and equipment	2,469,393	200,151	(304,267)	(21,043)	2,344,234

(b) Company

	As at 01.01.2025	Additions / WIP transfer	Disposals / Write off	As at 31.12.2025
Cost				
Land	40,314	-	-	40,314
Building	68,406	7,397	(140)	75,663
Leasehold buildings and improvements	249,019	-	-	249,019
Plant and machinery, electrical and farm equipment	1,730,225	36,326	(40,619)	1,725,932
Furniture and fittings and office equipment	256,629	16,587	(3,905)	269,311
Motor vehicles	223,910	53,472	(11,955)	265,427
Capital work in progress	152	36,770	-	36,922
	2,568,655	**150,552**	**(56,619)**	2,662,588

	As at 01.01.2025	Charge over the year	Disposals / Write off	As at 31.12.2025
Depreciation				
Building	18,734	4,497	(61)	23,170
Leasehold buildings and improvements	82,456	19,569	-	102,025
Plant and machinery, electrical and farm equipment	1,134,924	154,224	(38,064)	1,251,084
Furniture and fittings and office equipment	204,289	17,866	(3,662)	218,493
Motor vehicles	147,342	24,192	(11,954)	159,580
	1,587,745	**220,348**	**(53,741)**	1,754,352

Notes to the Financial Statements

All amounts in Sri Lankan Rupees thousands

	As at 01.01.2025	As at 31.12.2025
Carrying amount		
Land	40,314	**40,314**
Building	49,672	**52,493**
Leasehold buildings and improvements	166,563	**146,994**
Plant and machinery, electrical and farm equipment	595,301	**474,848**
Furniture and fittings and office equipment	52,340	**50,818**
Motor vehicles	76,568	**105,847**
Capital work in progress	152	**36,922**
	980,910	**908,236**

Reconciliation of the carrying amount of property, plant and equipment as at 31.12.2024

	Carrying amount as at 01.01.2024	Additions / WIP transfer	Depreciation charge for the year	Disposals / Write-off	Carrying amount as at 31.12.2024
Property, plant and equipment	990,955	171,360	(178,198)	(3,207)	980,910

(c) Freehold Land carried at cost (Rs.)

Name of the Company	Location	Land extent	Cost
Ceylon Grain Elevators PLC	Attanagalla farm, Attanagalla	12 A - 2 R - 15.7 P	40,314,000
			40,314,000
Three Acre Farms PLC	Meegoda farm, Meegoda	24 A - 0 R - 3.17 P	19,215,850
	Kosgama farm, Aluthambalama, Kosgama	20 A - 3 R - 27.05 P	10,041,150
	Halwathura farm, Halwathura	54 A - 0 R - 3.76 P	29,796,324
	Bulathsinhala farm, Agaloya, Bulathsinhala	60 A - 3 R - 27.00 P	56,045,250
	Hijra farm - A, Pagoda, Beruwala	41 A - 3 R - 13.42 P	41,034,200
	Hijra farm - B, Beruwala	8 A - 3 R - 3.71 P	74,829,300
	Makuluwatta farm, Waga	12 A - 2 R - 18.90 P	6,098,235
	Ittapana farm, Mahagoda, Ittapana	31 A - 1 R - 28.10 P	71,640,983
			308,701,292
Ceylon Pioneer Poultry Breeders Limited	Nillambe farm, Office Junction, Galaha	33 A - 0 R - 28.82 P	39,541,310
	Aswatta farm, Kosgama	5 A - 3 R - 18.19 P	7,522,838
	Wewelpanawa farm, Wewelpanawa	27 A - 3 R - 20.47 P	11,151,175
			58,215,323
Total			**407,230,615**

(d) Freehold building carried at cost

Name of the Company	Location	Number of Buildings	Cost
Ceylon Grain Elevators PLC	Attanagalla farm, Attanagalla	58	75,662,055
			75,662,055
Three Acre Farms PLC	Meegoda farm, Meegoda	75	174,495,552
	Kosgama farm, Aluthambalama, Kosgama	52	57,741,461
	Halwathura farm, Halwathura	60	74,409,186
	Bulathsinhala farm, Agaloya, Bulathsinhala	98	491,441,739
	Hijra farm - A, Pagoda, Beruwala	76	223,545,413
	Hijra farm - B, Beruwala	49	46,679,563
	Makuluwatta farm, Waga	36	69,447,700
	Ittapana Farm,Ittapana	1	52,819,242
			1,190,579,856
Ceylon Pioneer Poultry Breeders Limited	Nillambe Farm, Office Junction, Galaha	4	6,981,887
	Aswatta Farm, Kosgama	45	51,085,000
			58,066,887
Millenium Multibreeder Farms (Private) Limited	Wewelpanawa farm, Wewelpanawa	45	231,565,950
			231,565,950
Ceylon Aquatech (Private) Limited	Chilaw farm	32	56,378,900
			56,378,900
Total			**1,612,253,648**

(e) Capital work-in-progress

Capital work-in-progress includes the construction of capital assets which mainly consists of buildings, plant and machinery.

(f) Capitalised borrowing costs

There were no capitalised borrowing costs related to the acquisition of property, plant and equipment during the year 2025 (2024 – Nil).

(g) Fully depreciated but still in use

The cost of fully depreciated property, plant and equipment of the Group and the Company which are still in use amounted to:

	Group		Company	
As at 31 December	**2025**	**2024**	**2025**	**2024**
Fully depreciated property, plant and equipment (Rs.)	**1,867,025,233**	1,728,173,362	**930,886,803**	793,452,168

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(h) Property, plant and equipment pledged as security for liabilities

There were no items of property, plant and equipment pledged as securities for liabilities as at the reporting date (2024 - Rs. Nil).

(i) Title restriction on property, plant and equipment

There were no restrictions existed on the title of the property, plant and equipment of the Group as at the reporting date.

12. Improvements Over Leased Land and Buildings

	Group / Company	
As at 31 December	**2025**	**2024**
Balance at the beginning of the year	**99,431**	107,897
Depreciation for the year	**(7,504)**	(8,466)
Balance at the end of the year	**91,927**	99,431

Company

Head Office Premises - Colombo 15

Pursuant to the agreement entered into with the Government and Sri Lanka Ports Authority (SLPA), the Company obtained the leasehold rights of the land and buildings at No. 15, Rock House Lane, Colombo 15. The said leasehold rights are disclosed in Note 13 - Lease Arrangements.

The lease period of the leasehold land expired on 19 September 2012 and the Board of Directors has taken necessary action to renew the lease for a further period of 30 years.

Improvements made to leasehold land and buildings are recognised herein.

13. Lease Arrangements

Information about leases for which the Group is lessee, is presented below.

(a) Right-of-use assets

	Group		Company	
As at 31 December	**2025**	**2024**	**2025**	**2024**
Balance at the beginning of the year	**469,026**	495,085	**361,721**	381,817
Amortisation recognised in the Statement of Profit or Loss	**(26,057)**	(26,059)	**(20,096)**	(20,096)
Balance at the end of the year	**442,969**	469,026	**341,625**	361,721

(b) Lease liabilities

	Group		Company	
As at 31 December	2025	2024	2025	2024
Balance at the beginning of the year	792,534	779,625	651,613	641,597
Interest amortised recognised in the Statement of Profit or Loss	117,118	115,526	94,356	93,165
Payment recognised in the Statement of Cash Flows	(104,187)	(102,617)	(83,939)	(83,149)
Balance at the end of the year	805,465	792,534	662,030	651,613

(c) Maturity analysis of lease liabilities

	Group		Company	
As at 31 December	2025	2024	2025	2024
Due within one year	119,061	116,953	95,894	94,232
Due after one year	686,404	675,581	566,136	557,381
	805,465	792,534	662,030	651,613
Expense recognised in the Statement of Profit or Loss				
Amortisation recognised in the Statement of Profit or Loss	26,057	26,059	20,096	20,096
Amortised interest cost recognised in the Statement of Profit or Loss	117,118	115,526	94,356	93,165
	143,175	141,585	114,452	113,261
The amounts recognised in the Statement of Cash Flows				
Payment recognised in the Statement of Cash Flows	104,187	102,617	83,939	83,149
	104,187	102,617	83,939	83,149

14. Investment Property

	Group	
As at 31 December	2025	2024
Balance at the beginning of the year	11,068	-
Transfer from Property, plant and equipment	-	11,068
Balance at the end of the year	11,068	11,068

(a) Rental Income

	Group	
As at 31 December	2025	2024
Rental income derived from investment properties	9,947	17,809
Direct operating expenses generating rental income	(356)	(335)
Net profit arising from investment properties	9,591	17,474

The Group as a lessor

The Group has entered into operating lease on its investment property of freehold land and building. Said lease include a clause of fixed upward revision for the rental charge on every two years according to the agreement.

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Future minimum rentals receivable under operating leases as at 31 December are as follows.

As at 31 December	2025
Within one year	20,152
After one year but not more than five years	92,968

(b) Investment properties are stated at cost model. However, the fair values of investment properties as at 1 April 2024 based on valuation performed by Mr. A. A. M. Fathihu (Chartered Valuation Surveyor), an accredited independent, industry specialist are given below.

The details of fair value of investment properties of the Group as follows:

Company	Location	Land extent	Building Area	Value of the land (Rs.)	Value of the Building (Rs.)	Total Value (Rs.)
Ceylon Aquatech (Private) Limited	Chilaw	54 A - 1 R - 36.18 P	28,517 Sq. Ft	21,792,000	65,000,000	86,792,000

Category	District	Valuation Technique	Input Used
Freehold Land	Gampaha	Market / Direct Comparison	Sales evidence, Unit of comparative basis
Buildings	Gampaha	Cost Approach or DRC	Building cost, Cost of approach best available evidence recognised building cost, with Quantity Surveyors etc

(c) The Group has no restriction on the realisability of its investment properties and has no contractual obligations to purchase, construct or develop its investment properties or for maintenance and enhancement.

15. Intangible Assets

(a) The intangible assets consists with computer software, server software BI tools and ERP (infor) system

	Group / Company	
As at 31 December	2025	2024
Cost		
Balance at the beginning of the year	239,535	239,535
Additions during the year	-	-
Balance at the end of the year	239,535	239,535
Amortisation		
Balance at the beginning of the year	(209,250)	(192,978)
Amortisation for the year	(14,318)	(16,272)
Balance at the end of the year	(223,568)	(209,250)
Carrying amount	15,967	30,285

(b) Fully amortised but still in use

	Group / Company	
As at 31 December	2025	2024
Fully amortised intangible assets (Rs.)	170,268,640	170,268,640

(c) Intangible assets pledged as security for liabilities

There were no items of intangible assets pledged as securities for liabilities as at the reporting date (2024 - Rs. Nil).

(d) Title restriction on intangible assets

The Company has perpetual copyright to use these intangible assets.

(e) There are no significant intangible assets controlled by the entity but not recognised as assets because they did not meet recognition criteria or because they were acquired or generated before SLFRS 3 - Business Combinations, was effective.

16. Investment in Associate Company

		Group		Company	
As at 31 December	**Notes**	**2025**	**2024**	**2025**	**2024**
Prima Management Services (Private) Limited	16 (a)	**133,468**	113,000	**33**	33
		133,468	113,000	**33**	33

(a) Prima Management Services (Private) Limited

	Group	
As at 31 December	**2025**	**2024**
Balance at the beginning of the year	**113,000**	104,766
Share of profit after tax	**20,468**	8,234
Less: Share of dividend distributed	**-**	-
Balance at the end of the year	**133,468**	113,000

(b) Summarised financial information of Prima Management Services (Private) Limited

The following table summarises the financial information of Prima Mangement Services (Private) Limited as included in its own financial statements adjusted for fair value adjustments at the acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in Prima Management Services (Private) Limited.

Statement of Financial Position

As at 31 December	**2025**	**2024**
Total assets	**613,946**	419,520
Total liabilities	**(213,542)**	(80,521)
Net assets	**400,404**	338,999

Statement of Comprehensive Income

For the year ended 31 December	**2025**	**2024**
Revenue	**427,382**	393,009
Profit	**61,404**	24,702

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All amounts in Sri Lankan Rupees thousands

(c) Share of profit of associate company

	Group's share of profit after tax	
As at 31 December	2025	2024
Prima Management Services (Private) Limited	20,468	8,234
	20,468	8,234

(d) Investment in associate company - unquoted

	Group				Company			
As at 31 December	No. of shares	Holding %	2025	2024	No. of shares	Holding %	2025	2024
Prima Management Services (Private) Limited (PMS)	3,334	33%	133,468	113,000	3,334	33%	33	33
Net book value as at 31 December			133,468	113,000			33	33
Share of movement in equity value			-	-			-	-
Equity value in investments			133,468	113,000			33	33

The Company has invested Rs. 33,334/- in Prima Management Services (Private) Limited acquiring 33% stake during the year 2006.

17. Investment in subsidiary companies

As at 31 December	Notes	2025	2024
Investment in subsidiary company - quoted	17 (a)	148,625	148,625
Investment in subsidiary companies - unquoted	17 (b)	213,000	213,000
Investment in subsidiary companies - cost		361,625	361,625
Provision for impairment		(60,000)	(60,000)
		301,625	301,625

An impairment assessment was carried out as at 31 December 2025 and it was concluded that net realisable value of all the investment included under unquoted investments exceed its carrying value except for Ceylon Aquatech (Private) Limited. Based on an assessment made for impairment, the provision provided as above considered to be adequate as at the reporting date.

(a) Investment in subsidiary company - quoted

As at 31 December	No. of shares	Group Holding %	Company Holding %	2025	2024
Three Acre Farms PLC	13,469,980	57.21	57.21		
Net book value as at 31 December				148,625	148,625
Market value as at 31 December				7,977,596	4,017,422

(b) Investment in subsidiary companies - unquoted

As at 31 December	No. of Shares	Group Holding %	Company Holding %	2025	2024
Ceylon Warehouse Complex (Private) Limited	15,000,002	100	100	150,000	150,000
Ceylon Aquatech (Private) Limited	6,000,002	100	100	60,000	60,000
Ceylon Livestock and Agro-Business Services (Private) Limited	300,002	100	100	3,000	3,000
Net book value as at 31 December				213,000	213,000

(c) Details of the Companies incorporated in Sri Lanka, in which the Company held an interest of 50% or more are set out below:

	Proportion of ordinary shares held			
Name of the Company	2025	Movement	2024	Business
Ceylon Livestock and Agro-Business Services (Private) Limited	100%	-	100%	Manufacture of feed, Import and sale of poultry equipment, drugs and vaccines.
Ceylon Warehouse Complex (Private) Limited	100%	-	100%	Provides storage facilities.
Ceylon Aquatech (Private) Limited	100%	-	100%	Renting of farm operation.
Three Acre Farms PLC	57.21%	-	57.21%	Poultry breeder farms, hatcheries and commercial broiler farms.
Ceylon Pioneer Poultry Breeders Limited	57.21%	-	57.21%	Renting of farm operation.
Millennium Multibreeder Farms (Private) Limited	57.21%	-	57.21%	Poultry breeder farming and hatchery.

All the above companies, the financial years of which end on 31 December are audited by KPMG.

18. Biological Assets

		Group	
As at 31 December	Notes	2025	2024
Fair value less cost to sell at the beginning of the year		1,069,494	748,171
Additions during the year		960,749	969,950
Usage for the year	5	(925,468)	(763,153)
Change in fair value less cost to sell	7	253,881	114,526
Fair value less cost to sell at the end of the year		1,358,656	1,069,494
Non-current		1,261,172	962,567
Current		97,484	106,927
		1,358,656	1,069,494

(a) Biological assets

A biological assets is a living animal. Biological assets consist of parent and grandparent livestock, used to breed commercial Day-Old Chicks (DOCs), hatchable eggs and broiler birds. Parent and grandparent birds include the growing birds and the laying birds.

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All amounts in Sri Lankan Rupees thousands

Biological assets - Non-current

Bearer biological assets are those other than consumable biological assets and recognised as "Biological assets - Non-current". Bearer biological assets are not agricultural produce but, rather, are self generating. Parent and grandparent livestock have been identified as bearer biological assets.

Biological assets - Current

Consumable biological assets are those that are to be harvested as agricultural produce or sold as biological assets. Hatchable eggs and Commercial Day-Old Chicks have been identified as consumable biological assets.

(b) Measurement of fair value

(i) Fair value hierarchy

The fair value measurement of livestock have been categorised as level 3 fair values based on the inputs to the valuation technique used.

(ii) Level 3 fair values

The following table shows a breakdown of the total gains recognised in respect of level 3 fair values.

	Group	
For the year ended 31 December	**2025**	**2024**
Change in fair value less cost to sell included in 'Other Income'		
Biological assets - Non-current	**253,790**	114,287
Biological assets - Current	**91**	239
	253,881	114,526

(iii) Valuation technique and significant unobservable inputs

Following table shows the valuation technique used in measuring level 3 fair value as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurements
Biological assets	Discounted Cash Flows		
Bearer biological assets comprises Broiler Grand parent, Broiler parent and Layer parent	The valuation model considers the present value of the net cash flows expected to be generated by breeder farming. The expected net cash flows are discounted using a risk adjusted discount rate.	DOC yield	The FV will;
			– increase when DOC yield increased
			– decrease when DOC yield decreased
		DOC selling price	– increase when selling price increased
			– decreased when selling price decreased
		Discounting rate	– increase when discounting rate decreased
			– decreased when discounting rate increased
		Mortality	– increase when mortality rate decreased
			– decrease when mortality rate increased

Consumable Biological Assets

Consumable biological assets comprise of Hatchable Eggs and commercial DOCs. DOCs are fair valued at the market price and cost is approximated as fair value for Hatchable Eggs as no or only little biological change was observed as at the year end.

(c) Risk management strategy related to the biological assets

(i) Regulatory and environmental risks

The Group is subject to laws and regulations in various countries in which it operates. The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws.

(ii) Supply and demand risks

The Group is exposed to risks arising from fluctuations in the price and sales volume of commercial Day-Old Chicks (DOCs). When possible, the Group manages this risk by aligning its harvest volume to market supply and demand. Management performs regular industry trend analyses for projected harvest volumes and pricing.

(iii) Climate and other risks

The group's biological assets are exposed to the risk of damage from climatic changes, diseases, and other natural forces. The Group has extensive processes in place aimed at monitoring and mitigating those risks, including regular health inspection, implementing disease control policies and procedures. The Group is also insured against natural disasters such as floods and hurricanes.

(d) None of the biological assets are pledged as security for facilities obtained by the Group or the Company from banks as at 31 December 2025. (2024 - Nil).

(e) There were no restrictions existed on the title of the biological assets of the Group as at the reporting date.

19. Amount Due from Related Companies

	Group		Company	
As at 31 December	**2025**	**2024**	**2025**	**2024**
Ceylon Livestock and Agro-Business services (Private) Limited	-	-	68,562	28,195
Millennium Multibreeder Farms (Private) Limited	-	-	164,420	-
Three Acre Farms PLC	-	-	-	113,255
Ceylon Aquatech (Private) Limited	-	-	31,373	41,653
Ceylon Pioneer Poultry Breeders Limited	-	-	211,186	379
Ceylon Agro-Industries Limited	20,056	9,387	20,366	9,424
	20,056	9,387	495,907	192,906
Less: Provision for receivables	-	-	(31,373)	(41,653)
	20,056	9,387	464,534	151,253

Provision have been made for receivables from Ceylon Aquatech (Private) Limited amounting to Rs. 31,373,030/- (2024 - Rs. 41,653,054/-). The movement in provision for receivables disclosed in Note 32.1 - Financial instruments.

Notes to the Financial Statements

All amounts in Sri Lankan Rupees thousands

20. Inventories

	Group		Company	
As at 31 December	**2025**	**2024**	**2025**	**2024**
Raw materials and consumables	**4,545,780**	3,782,508	**4,036,999**	3,361,263
Goods in transit	**1,068,269**	947,569	**1,068,269**	937,063
Finished goods				
- Feeds	**126,783**	84,888	**126,783**	84,888
- Chicken	**180,126**	489,557	**180,126**	489,557
Out grower stock (work-in-progress)	**370,150**	259,185	**370,150**	259,185
	6,291,108	5,563,707	**5,782,327**	5,131,956
Less: provision for slow moving and obsolete items	**(63,448)**	(59,193)	**(56,169)**	(52,610)
Total inventories at the lower of cost and net realisable value	**6,227,660**	5,504,514	**5,726,158**	5,079,346

None of the inventories are pledged as security for facilities obtained by the Group or the Company from bank as at 31 December 2025.

21. Trade and Other Receivables

		Group		Company	
As at 31 December	**Notes**	**2025**	**2024**	**2025**	**2024**
Trade receivables		**1,742,802**	1,071,759	**1,537,916**	1,038,598
Less: Provision for doubtful debts		**(199,002)**	(191,652)	**(193,495)**	(186,145)
		1,543,800	880,107	**1,344,421**	852,453
Prepayments		**36,488**	26,577	**29,943**	22,095
Other receivables	21 (a)	**467,505**	333,604	**132,480**	194,519
		2,047,793	1,240,288	**1,506,844**	1,069,067

The movement in provision for doubtful debts disclosed in Note 32.1 - Financial instruments.

(a) Other receivables

	Group		Company	
As at 31 December	**2025**	**2024**	**2025**	**2024**
Deposits and advances	**98,005**	90,796	**78,550**	71,383
Staff loans	**-**	183	**-**	183
Other receivables	**369,500**	242,625	**53,930**	122,953
	467,505	333,604	**132,480**	194,519

22. Short-Term Investments

	Group		Company	
As at 31 December	2025	2024	2025	2024
Fixed deposits	1,192,538	2,512,983	1,192,538	335,501
Investments in treasury bills	-	7,564,484	-	1,977,992
	1,192,538	10,077,467	1,192,538	2,313,493

Short-term investment in fixed deposit is held with reputed commercial bank, which is rated 'A' based on Fitch ratings.

23. Cash and Cash Equivalents

	Group		Company	
As at 31 December	2025	2024	2025	2024
Cash at bank	5,806,100	922,313	2,173,480	873,819
Short-term bank deposits	5,786,593	1,015,000	840,000	1,015,000
Cash in hand	8,024	8,422	6,971	7,266
Cash and Cash Equivalents for the purpose of Statement of Cash Flow	11,600,717	1,945,735	3,020,451	1,896,085

The Group's weighted average effective interest rate on short term bank deposits was on AWDR.

The cash and cash equivalent are held with reputed commercial banks and financial institution counterparties, which are rated 'A' to 'BBB-' based on Fitch ratings.

Bank overdrafts that are repayable on demand and forming an integral part of the Group's cash management as included as a component cash and cash equivalents for the purpose of the Statement of Cash Flows.

24. Trade and Other Payables

		Group		Company	
As at 31 December	Notes	2025	2024	2025	2024
Trade payables		256,004	182,322	199,408	42,585
Accrued expenses		1,089,194	975,040	667,100	681,343
Dividend payable		10,822	8,966	6,996	6,399
Other payables	24 (a)	2,705,702	1,778,138	1,527,928	1,119,613
		4,061,722	2,944,466	2,401,432	1,849,940

(a) Other payables

	Group		Company	
As at 31 December	2025	2024	2025	2024
Deposit and advances	134,418	153,634	21,297	24,827
Government taxes	1,912,741	1,025,169	1,020,342	648,244
Staff related expenses	658,543	599,335	486,289	446,542
	2,705,702	1,778,138	1,527,928	1,119,613

Notes to the Financial Statements

All amounts in Sri Lankan Rupees thousands

25. Amount due to Related Companies

	Group		Company	
As at 31 December	2025	2024	2025	2024
Prima Ceylon (Private) Limited	512,620	745,482	495,786	745,482
Prima Management Services (Private) Limited	58,884	3,251	58,884	3,251
Hapiways Management Services Pte Limited	702,659	2,314,713	704,325	2,316,286
Three Acre Farms PLC	-	-	121,457	-
Millennium Multibreeder Farms (Private) Limited	-	-	-	38,659
Ceylon Warehouse Complex (Private) Limited	-	-	5,116	9,973
Prima Scholarship Fund (Private) Limited	2,082	-	1,581	-
Prima Limited	1,267	-	1,267	-
	1,277,512	3,063,446	1,388,416	3,113,651

26. Deferred Taxation

The Management has measured the deferred tax assets and liabilities by applying the rates which have been enacted by the Inland Revenue Act, No 24 of 2017 and amendments thereto at the reporting period in accordance with LKAS - 12 paragraph 46.

26.1 Deferred tax asset

The gross movement on the deferred tax asset is as follows:

		Group/ Company	
As at 31 December	Notes	2025	2024
Balance at the beginning of the year		191,355	145,244
Deferred tax release recognised in the Statement of Profit or Loss	9	65,317	31,897
Deferred tax release recognised in Other Comprehensive Income		7,330	14,214
Balance at the end of the year		264,002	191,355

The movement in deferred tax assets and liabilities during the year, without taking into consideration the off setting of balances within the same tax jurisdiction, is as follows:

	2025		2024	
Group / Company	Temporary difference	Tax effect on temporary difference	Temporary difference	Tax effect on temporary difference
Property, plant and equipment	263,495	79,048	343,031	102,909
Right-of-use assets	341,625	102,488	361,721	108,516
Defined benefit obligation	(280,640)	(84,192)	(228,519)	(68,556)
Provision for slow moving and obsolete items	(56,169)	(16,850)	(52,611)	(15,783)
Provision for staff related expense	(486,289)	(145,887)	(409,858)	(122,957)
Lease liabilities	(662,030)	(198,609)	(651,613)	(195,484)
	(880,008)	(264,002)	(637,849)	(191,355)

26.2 Deferred tax liability

The gross movement on the deferred tax liability is as follows:

		Group		Company	
As at 31 December	Notes	2025	2024	2025	2024
Balance at the beginning of the year		424,423	427,392	-	-
Deferred tax charge recognised in the Statement of Profit or Loss	9	56,441	876	-	-
Deferred tax release recognised in Other Comprehensive Income		(1,366)	(3,845)	-	-
Balance at the end of the year		479,498	424,423	-	-

The movement in deferred tax assets and liabilities during the year, without taking into consideration the off setting of balances within the same tax jurisdiction, is as follows:

	2025		2024	
	Temporary difference	Tax effect on temporary difference	Temporary difference	Tax effect on temporary difference
Property, plant and equipment	640,310	192,093	713,675	214,103
Right-of-use assets	101,343	30,403	107,305	32,191
Biological assets - Non current	1,261,172	378,352	962,567	288,770
Defined benefit obligation	(81,533)	(24,460)	(68,506)	(20,552)
Provision for slow moving and obsolete items	(7,279)	(2,184)	(6,584)	(1,975)
Tax loss	-	-	-	-
Provision for staff related expense	(172,254)	(51,676)	(152,793)	(45,838)
Lease liabilities	(143,435)	(43,030)	(140,921)	(42,276)
	1,598,325	479,498	1,414,743	424,423

26.3 Effective tax rate

Deferred tax of the Group companies have been computed by applying tax rate at the reporting date as follows:

	2025	2024
Ceylon Grain Elevators PLC	30%	30%
Three Acre Farms PLC	30%	30%
Millennium Multibreeder Farms (Private) Limited	30%	30%
Ceylon Warehouse Complex (Private) Limited	30%	30%
Ceylon Aquatech (Private) Limited	30%	30%
Ceylon Pioneer Poultry Breeders Limited	30%	30%

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All amounts in Sri Lankan Rupees thousands

27. Employee Benefits

Defined benefit obligation

	Group		Company	
As at 31 December	**2025**	**2024**	**2025**	**2024**
Balance at the beginning of the year	**297,025**	207,427	**228,519**	161,217
Provisions made during the year	**85,262**	105,154	**67,030**	81,633
Benefits paid by the plan	**(20,114)**	(15,556)	**(14,909)**	(14,331)
Balance at the end of the year	**362,173**	297,025	**280,640**	228,519
Movement in the present value of the defined benefit obligations				
Balance at the beginning of the year	**297,025**	207,427	**228,519**	161,217
Benefits paid by the plan	**(20,114)**	(15,556)	**(14,909)**	(14,331)
Current service cost	**27,482**	20,066	**20,395**	14,908
Interest on obligation	**28,794**	24,891	**22,203**	19,346
Actuarial loss during the year	**28,986**	60,197	**24,432**	47,379
Balance at the end of the year	**362,173**	297,025	**280,640**	228,519
The amounts recognised in the Statement of Financial Position are as follows:				
Present value of unfunded obligations	**362,173**	297,025	**280,640**	228,519
Recognised liability for defined benefit obligations	**362,173**	297,025	**280,640**	228,519
Expense recognised in the Statement of Profit or Loss				
Current service cost	**27,482**	20,066	**20,395**	14,908
Interest on obligation	**28,794**	24,891	**22,203**	19,346
	56,276	44,957	**42,598**	34,254
Expense recognised in the Statement of Other Comprehensive Income				
Actuarial loss during the year	**28,986**	60,197	**24,432**	47,379
	28,986	60,197	**24,432**	47,379

The provision for retiring gratuity for the year is based on the acturial valuation made on 31 December 2025.

The actuarial valuation was carried out by Actuarial and Management Consultants (Private) Limited for retiring gratuity for employees as at 31 December 2025.

The liability is not externally funded.

Distribution of present value of defined benefit obligation in future years ;

	Group		Company	
As at 31 December	**2025**	**2024**	**2025**	**2024**
Within the next 12 months	**32,058**	14,875	**28,932**	11,362
Between 2-5 years	**126,786**	73,094	**101,002**	60,724
Between 5-10 years	**96,749**	91,508	**71,012**	68,819
Beyond 10 years	**106,580**	117,548	**79,694**	87,614
	362,173	297,025	**280,640**	228,519

Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages) :

	Group / Company	
As at 31 December	**2025**	**2024**
Discount rate	**10.00%**	10.00%
Future salary increases	**10.00%**	10.00%

Future mortality is based on published statistics and mortality tables.

The average life expectancy of an individual retiring at age 60.

Staff turnover sliding scale by the age of employee retiring from 16%-2%.

The average future working life time of an individual, as per the assumptions made as at 31 December 2025 is 10.2 years (2024 - 12.4 years).

Rate of discount

The discount rate has been adjusted to convert the coupon bearing yield to a zero coupon yield to match the characteristics of the gratuity payment liability and the resulting yield to maturity for the purpose of valuing Employee Benefit Obligations as per LKAS 19.

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All amounts in Sri Lankan Rupees thousands

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	2025		2024	
Movement by 1%	**Increase**	**Decrease**	**Increase**	**Decrease**
Group				
Discount rate	**(25,980)**	**29,584**	(24,329)	28,052
Future salary scale	**31,018**	**(27,684)**	29,177	(25,710)
Company				
Discount rate	**(19,447)**	**22,069**	(18,075)	20,757
Future salary scale	**23,181**	**(20,763)**	21,622	(19,133)

28. Contingent Liabilities

(a) 284 / 2008 MR - Green Valley Farm (Private) Limited Vs. Ceylon Grain Elevators PLC

Green Valley Farm (Private) Limited filed the above case against CGE claiming Rs. 195,775,306/- as losses resulted from the business affairs, it had with CGE. The judgment of the case was delivered on 21 November 2014.

It was decided that Green Valley Farm (Private) Limited is entitled to recover only a sum of Rs. 47,223,869/- from CGE and that amount be set off against the amount due to be paid by Green Valley Farm (Private) Limited to CGE.

The Company has filed an appeal against the said judgment and case is fixed for argument.

(b) A 3175 - Inter Company Employees Union Vs. CGE and Subsidiaries ('the Group')

Supreme Court Case No. SC (SPL) LA 215/20

Employees of CGE and subsidiary companies went on strike on 20 March 2006 and those who went on strike were terminated. The dispute was referred to the Commissioner of Labour and the reference was gazetted by the Minister dated 26 May 2006 referring the case for hearing at the Industrial Court.

At the Industrial Court the Group took up a preliminary objection that Composite reference is bad in law as they are separate legal entities and cannot be referred in one dispute. The Industrial Court gave its verdict rejecting the preliminary objection and thereafter the Company made an appeal against the interim order in the Court of Appeal (C/A796/2007). Court of Appeal delivered its judgment on 18 May 2010 rejecting the appeal filed by the Group. Accordingly the case was taken up for hearing before the Industrial Court. After a lengthy trial at the industrial Court, the Award was gazetted on 16 January 2018 directing the Group to reinstate the employees with back-wages.

The Company filed a Writ Application under case number CA (Writ) 134/18 in the Court of Appeal to quash the said award of the Industrial Court. On 2 September 2020 order of the Court of Appeal was delivered dismissing the above Writ Application filed by the Company.

Being aggravated by the said Court of Appeal decision the Company filed an Appeal under case No. SC (SPL) LA 215/20 in the Supreme Court. Consequent to a monetary settlement entered into between CGE, its subsidiary companies and the Inter Company Employee Union and on the basis that 171 employees have accepted the settlement, the said case was withdraw on the 23 September 2025.

(c) A 3174 - Inter Company Employees Union Vs. CGE and Global Engineering and Supplies

Employees who worked under Labour Contractor, Global Engineering and Supplies were also involved in the strike. This case was also referred to the Commissioner of Labour and reference was gazetted by the Minister dated 26 May 2006 referring the case for hearing at the Industrial Court.

This dispute was referred as 'Non offer of employment'. Lawyers appearing for CGE took up an objection in the Industrial Court that there is no such dispute called 'Non offer of employment'. The Industrial Court in its preliminary order rejected the said objection and thereafter CGE made an appeal to the Court of Appeal. Court of Appeal delivered its judgment by rejecting the appeal filed by CGE and referring the case back to the Industrial Court for hearing.

While the matter was pending before the Industrial Court, one of the Arbitrators passed away in the year 2019 and as a result the proceedings were temporarily terminated until a new arbitrator is appointed.

However, Hon. Minister of labour has withdrawn the said reference and referred the matter as a fresh dispute to Industrial Court in the case bearing No. A 44/2020. The Industrial Court was of the view that the Hon. Minister's withdrawal of the previous reference was wrong and the matter has been referred back to the Minister for a fresh decision. Thereafter, the Minister directed to continue with the original reference.

CGE raised objections challenging the jurisdiction of the newly formed Industrial Court to hear and determine the case. The Industrial Court by its letter dated 12 October 2023 informed CGE that the Industrial Court had overruled the objections of CGE and had assumed jurisdiction to continue with the case bearing No. A/3174.

CGE filed a Writ of Certiorari in the Court of Appeal bearing No. CA(W)659/2023 to quash the decision of the Industrial Court to proceed with the hearing. The Court of Appeal issued a Stay Order on the Industrial Court Preventing the Industrial Court from hearing the matter until the conclusion of the case. However, the parties there after entered in to a settlement and according the court of appeal case bearing No. CA (W) 659/2023 was withdrawn on the 19 January 2026.

The Department of Labour will inform the parties of the next of Industrial Court case bearing No. A/ 3174 in due course.

29. Commitments

(a) Capital commitments

No significant capital commitments outstanding as at the reporting date.

(b) Operating commitments

Operating commitments arising from contractual lease arrangements as follows;

	Within one year	Within 1-5 years	More than 5 years	Total
Ceylon Grain Elevators PLC	84,761	385,976	1,518,630	1,989,367
Ceylon Warehouse Complex (Private) Limited	20,248	89,420	367,448	477,116
	105,009	475,396	1,886,078	2,466,483

*Above leases will expire on year 2042.

(c) The Company is the Parent Company of Ceylon Aquatech (Private) Limited, and ultimate Parent Company of Ceylon Pioneer Breeder Limited and confirms their commitment, in present circumstances to continue financial support in the business operations and to meet financial obligations. As the Parent and ultimate Parent Company of the above companies, CGE has no intention or inclination of withdrawing their support or reducing the scale of operations of the above company in the forthcoming 12 months.

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All amounts in Sri Lankan Rupees thousands

30. Stated Capital

	Company	
As at 31 December	**2025**	**2024**
Ordinary shares - issued and fully paid (Nos.)	**60,000,000**	60,000,000
Issued and fully paid (Rs.)	**1,017,996**	1,017,996

None of the shares held by neither the Company on its own nor its subsidiries or associate.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share individual present at meeting of the shareholders or one vote per share in the case of a poll.

31. Non-Controlling Interests

(a) Movements in non-controlling interest (NCI) during the year ended 31 December

	Group	
As at 31 December	**2025**	**2024**
Balance as at the beginning of the year	**3,744,879**	3,433,687
Share of net profit of subsidiaries	**658,905**	727,970
Share of other comprehensive income of subsidiaries	**(1,329)**	(3,707)
Dividend paid	**(302,247)**	(413,071)
Balance as at the end of the year	**4,100,208**	3,744,879

(b) NCI Percentage for the year ended 31 December

			Ownership interest held by NCI	
Company Name	**Principal place of business**	**Operating Segment**	**2025**	**2024**
Three Acre Farms PLC	Sri Lanka	Poultry breeding and commercial	**42.79%**	42.79%

(c) Summarised Financial Statements of Three Acre Farms PLC

Statement of Financial Position

Non-current assets			**2,636,914**	2,114,315
Current assets			**9,172,915**	8,154,639
Non-current liabilities			**(514,533)**	(439,428)
Current liabilities			**(1,713,136)**	(1,077,767)
Net assets			**9,582,160**	8,751,759
Carrying amount of NCI			**4,100,208**	3,744,878

Company Name	Principal place of business	Operating Segment	Ownership interest held by NCI 2025	2024
Statement of Profit or Loss and Other Comprehensive Income				
Revenue			6,177,126	6,197,882
Profit for the year			1,539,857	1,701,262
Other comprehensive expense for the year, net of tax			(3,106)	(8,664)
Total comprehensive income			1,536,751	1,692,598
Profit attributable to NCI			658,905	727,970
Other comprehensive expense attributable to NCI, net of tax			(1,329)	(3,707)
Total comprehensive income attributable to NCI			657,576	724,263
Net cash generated from operating activities			1,159,612	1,561,155
Net cash used in investing activities			(559,429)	(427,361)
Net cash used in financing activities			2,976,075	(3,525,377)
Net increase/ (decrease) in cash and cash equivalent			3,576,258	(2,391,583)

32. Financial Instruments

The Group has an exposure to the following risks arising from financial instruments;

- Credit risk
- Liquidity risk
- Market risk
  - Currency risk
  - Interest rate risk
  - Equity price risk

Risk management framework

The Group's Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework, developing and monitoring the Group's risk management policies and report regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Group's activities. The Group though its training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors of Ceylon Grain Elevators PLC, oversee how management monitors compliance with the Company's risk management policies and procedures, and review the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee assists the Board in its oversight role by internal audit which undertakes both regular and ad-hoc reviews of risk management policies and procedures and the results of which are reported to the Audit Committee.

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All amounts in Sri Lankan Rupees thousands

Financial Instruments - Statement of Financial Position

		Group		Company	
As at 31 December	Notes	2025	2024	2025	2024
Financial Assets					
Measured at amortised cost					
Trade and other receivables	21	2,011,305	1,213,711	1,476,901	1,046,972
Amount due from related companies	19	20,056	9,387	464,534	151,253
Short-term investments	22	1,192,538	10,077,467	1,192,538	2,313,493
Cash and cash equivalents	23	11,600,717	1,945,735	3,020,451	1,896,085
		14,824,616	13,246,300	6,154,424	5,407,803

		Group		Company	
As at 31 December	Notes	2025	2024	2025	2024
Financial Liabilities					
Other financial liabilities					
Lease liability	13(b)	805,465	792,534	662,030	651,613
Amount due to related companies	25	1,277,512	3,063,446	1,388,416	3,113,651
Trade and other payables	24	1,059,787	941,691	713,990	520,354
		3,142,764	4,797,671	2,764,436	4,285,618

Financial Instruments - Statement of Profit or Loss

	2025		2024	
As at 31 December	Gain / income	Losses / expenses	Gain / income	Losses / expenses
Group				
Other financial liabilities				
Interest bearing instruments	881,424	573	1,095,292	2,506
Total	881,424	573	1,095,292	2,506
Company				
Other financial liabilities				
Interest bearing instruments	265,422	1,081	398,570	2,051
Total	265,422	1,081	398,570	2,051

32.1 Credit risk

Credit risk is the risk of financial loss to the Group, if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers, placements with banking institutions and in government securities.

(a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was;

As at 31 December	Notes	Group 2025	Group 2024	Company 2025	Company 2024
Amount due from related companies	19	20,056	9,387	495,907	192,906
Trade and other receivables	21	2,210,308	1,405,363	1,670,396	1,233,117
Short-term investments	22	1,192,538	10,077,467	1,192,538	2,313,493
Cash and cash equivalents	23	11,600,717	1,945,735	3,020,451	1,896,085
		15,023,619	13,437,952	6,379,292	5,635,601

(b) Impairment losses

(i) The aging of trade and other receivables at the reporting date was;

As at 31 December	2025 Gross	2025 Impairment	2024 Gross	2024 Impairment
Group				
Not past due	1,373,883	-	483,290	-
Post due 0 - 30 days	418,043	-	426,911	-
Past due 31 - 365 days	210,439	-	273,667	-
More than one year	207,943	199,002	221,495	191,652
	2,210,308	199,002	1,405,363	191,652

As at 31 December	2025 Gross	2025 Impairment	2024 Gross	2024 Impairment
Company				
Not past due	1,056,022	-	452,537	-
Post due 0 - 30 days	276,269	-	287,884	-
Past due 31 - 365 days	140,965	-	289,701	-
More than one year	197,140	193,495	202,994	186,145
	1,670,396	193,495	1,233,116	186,145

The movements in the allowance for impairment in respect of loans and receivables during the year was as follows:

As at 31 December	Group 2025	Group 2024	Company 2025	Company 2024
Balance at the beginning of the year	191,652	190,974	186,145	185,467
Written-off of doubtful debts	(953)	-	(953)	-
Impairment loss recognised	8,303	678	8,303	678
Balance at the end of the year	199,002	191,652	193,495	186,145

Impairment of trade receivables for year 2025 and 2024 was calculated based on 'Expected Credit Loss' (ECL) model.

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(ii) The aging of amount due from related companies at the reporting date was;

	2025		2024	
As at 31 December	**Gross**	**Impairment**	**Gross**	**Impairment**
Group				
Not past due	**20,056**	**-**	9,387	-
Past due 0 - 365 days	**-**	**-**	-	-
More than 365 days	**-**	**-**	-	-
	20,056	**-**	9,387	-

	2025		2024	
As at 31 December	**Gross**	**Impairment**	**Gross**	**Impairment**
Company				
Not past due	**464,534**	**-**	151,253	-
Past due 0 - 365 days	**-**	**-**	-	-
More than 365 days	**31,373**	**(31,373)**	41,653	(41,653)
	495,907	**(31,373)**	192,906	(41,653)

The movement in the allowance for impairment in respect of amount due from related companies during the year was as follows;

	Group		Company	
For the year ended 31 December	**2025**	**2024**	**2025**	**2024**
Balance at the beginning of the year	**-**	-	**41,653**	50,184
Impairment loss recognised	**-**	-	**(10,280)**	(8,531)
Balance at the end of the year	**-**	-	**31,373**	41,653

32.2 Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligation associated with its financial liabilities that are settled by delivering cash or another financial asset. To measure and mitigate liquidity risk, Group will closely monitor its net operating cash flow, maintained a level of cash and cash equivalent and secured committed funding facilities from financial institutions.

As at 31 December 2025	Carrying amount	Contractual cash flows	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
Group							
Non-derivative financial liabilities							
Trade and other payables	1,059,787	(1,059,787)	(1,059,787)	-	-	-	-
Amount due to related companies	1,277,512	(1,277,512)	(1,277,512)	-	-	-	-
	2,337,299	(2,337,299)	(2,337,299)	-	-	-	-
Company							
Non-derivative financial liabilities							
Trade and other payables	713,990	(713,990)	(713,990)	-	-	-	-
Amount due to related companies	1,388,416	(1,388,416)	(1,388,416)	-	-	-	-
	2,102,406	(2,102,406)	(2,102,406)	-	-	-	-

As at 31 December 2024	Carrying amount	Contractual cash flows	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
Group							
Non-derivative financial liabilities							
Trade and other payables	941,691	(941,691)	(941,691)	-	-	-	-
Amount due to related companies	3,063,446	(3,063,446)	(3,063,446)	-	-	-	-
	4,005,137	(4,005,137)	(4,005,137)	-	-	-	-
Company							
Non-derivative financial liabilities							
Trade and other payables	520,354	(520,354)	(520,354)	-	-	-	-
Amount due to related companies	3,113,651	(3,113,651)	(3,113,651)	-	-	-	-
	3,634,005	(3,634,005)	(3,634,005)	-	-	-	-

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amount.

32.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates and interest rates affecting to the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameteres , while optimising the return.

Market risk comprise of the following types of risk:

- Currency risk
- Interest Rate Risk
- Equity Price Risk

(a) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument of fluctuating due to changes in foreign exchange rate. The Group is exposed to currency risk on sales, purchase and investments that are denominated in a currency other than functional currency which is Sri Lankan Rupees (LKR).

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Exposure to currency risk

The Group's exposure to foreign currency risk was as follows based on notional amounts;

	2025		2024	
As at 31 December	USD	EUR	USD	EUR
Group				
Short-term investments	267,950	-	256,461	-
Cash and cash equivalents	305,635	-	300,212	-
Trade payables	(179,986)	111,588	(164,966)	24,013
Amount due to related companies	(4,070,591)	-	(4,865,047)	-
Total Exposure	(3,676,992)	111,588	(4,473,340)	24,013

	2025		2024	
As at 31 December	USD	EUR	USD	EUR
Company				
Short-term investments	267,950	-	256,461	-
Cash and cash equivalents	201,056	-	26,803	-
Trade payables	(50,662)	104,052	(158,497)	24,013
Amount due to related companies	(4,070,591)	-	(4,859,672)	-
Total exposure	(3,652,247)	104,052	(4,734,905)	24,013

The principal exchange rates used by the Group for conversion of foreign currency balances and transactions for the year ended 31 December are as follows:

	Average Rate		Reporting Date Spot Rate	
As at 31 December	2025	2024	2025	2024
USD	300.95	302.12	306.90	292.58
EUR	340.59	327.05	363.59	304.56

Foreign currency sensitivity

The impact to the profit and loss, equity and related current assets and liabilities due to the change in USD by 1% as at 31 December as follows;

	Change in USD / LKR by 1%			
	Group		Company	
	Appreciation	Depreciation	Appreciation	Depreciation
Short-term investments	831	(831)	831	(831)
Cash and cash equivalents	947	(947)	623	(623)
Trade payables	(558)	558	(157)	157
Amount due to related companies	(12,618)	12,618	(12,618)	12,618
	(11,398)	11,398	(11,321)	11,321

(b) 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 is exposed to the risk of changes in market interest rates relates primarily relates to the Group's Investments with variable interest rates. The Group does not have any variable rate long term borrowing as at the reporting date, which results material interest rate. At the reporting date the interest rate profile of the Group's interest bearing financial instruments were:

	Carrying amount			
	Group		Company	
	2025	2024	2025	2024
Fixed rate instruments				
Financial assets	**1,192,538**	10,077,467	**1,192,538**	2,313,493
Financial liabilities	**-**	-	**-**	-
	1,192,538	10,077,467	**1,192,538**	2,313,493
Variable rate instruments				
Financial assets	**5,786,593**	1,015,000	**840,000**	1,015,000
Financial liabilities	**-**	-	**-**	-
	5,786,593	1,015,000	**840,000**	1,015,000

Interest rate sensitivity

The impact to the profit or loss, equity and related current assets and liabilities due to the change in interest rate by 1% as at 31 December as follows;

	Change in Interest Rate by 1%			
	Group		Company	
	+ 1%	- 1%	+ 1%	- 1%
Cash at bank	58,061	(58,061)	21,735	(21,735)
Short-term bank deposits	57,866	(57,866)	8,400	(8,400)
Short-term investments	11,925	(11,925)	11,925	(11,925)
	127,852	(127,852)	42,060	(42,060)

(c) Equity Price Risk

The Group has adopted the policy that its investment in subsidiaries are recorded at cost as per LKAS 27 and LKAS 28 standards and therefore are scoped out from the Sri Lanka Accounting Standards, SLFRS 9 - Financial Instruments.

A sensitivity analysis of the above has not been carried out as the Group's exposure to such is not material.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and sustain future development of the business. Capital consist of ordinary share, retained earnings and non- controlling interest of the Group. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

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33. Related Party Transactions

33.1 Key management personnel information

Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the Company as well as the subsidiaries, directly or indirectly. All the members of the Board of Directors of the Company have been classified as KMP of the Company. Compensation paid to key management personnel on behalf of the companies are as follows:

		Group		Company	
As at 31 December	Notes	2025	2024	2025	2024
Short-term employee benefits	5	7,200	7,200	3,600	3,600
Post employment benefits		-	-	-	-
Sale of goods		-	-	-	-
		7,200	7,200	3,600	3,600

There were no loans given to the Directors of the company during the financial year or as at the reporting date.

33.1.1 Transactions, arrangements and agreements involving KMP and their Close Family Members (CFM)

The Company confirms that there were no transactions, arrangements, or agreements entered into with Key Management Personnel (KMP) or their Close Family Members (CFM) during the financial year that could materially influence the financial or operating decisions of the Company.

	Group		Company	
As at 31 December	2025	2024	2025	2024
Close Familiy Members of KMP				
Sale of goods	-	-	-	-
Total	-	-	-	-

33.1.2 Related party relationship with its subsidiaries, associates and related group companies

Mr. Wickrema Senaka Weerasooria, Mr. Cheng Chih Kwong, Mr. Bernard Cheng Koh Chuen, Mr. Cheng Eng Loong,Mr. Timothy Allan Brent Speldewinde and Mr. Indrajit Asela Wickramasinghe, the directors of the Company are also the directors of the following companies as set out below and with transaction in Note 33.2 have been carried out.

Name of the related party	Name of the Director	Nature of transaction
Three Acre Farms PLC (TAF) Subsidiary	Mr. Wickrema Senaka Weerasooria Mr. Cheng Chih Kwong Mr. Bernard Cheng Koh Chuen Mr. Indrajit Asela Wickramasinghe Mr. Timothy Allan Brent Speldewinde	CGE sells feeds, veterinary drugs and medicine to TAF. Also company purchases broiler DOC and culled birds from TAF. CGE provides management service, Lab service and rent out farm to TAF.
Ceylon Pioneer Poultry Breeders Limited (CPPBL) Subsidiary	Mr. Cheng Chih Kwong	No sales or purchase transactions have been carried out during the year
Ceylon Aquatech (Private) Limited (CAT) Subsidiary	Mr. Cheng Chih Kwong	No sales or purchase transactions have been recorded during the year.
Ceylon Livestock and Agrobusiness Services (Private) Limited (CLAS) Subsidiary	Mr. Cheng Chih Kwong	CLAS supplies poultry equipment to the Company. Also company provides management services and raw materials to CLAS.
Ceylon Warehouse Complex (Private) Limited (CWCL) Subsidiary	Mr. Cheng Chih Kwong	CWCL provides storage facilities to the Company. Also company provides management services to CWCL.
Millennium Multibreeder Farms (Private) Limited (MMF) Subsidiary	Mr. Cheng Chih Kwong	CGE sells feed, veterinary drugs and medicine to MMF. Also company purchases broiler DOC and culled birds from MMF. CGE provides management service and lab service to MMF.
Prima Ceylon (Private) Limited (PCL) Group Company	Mr. Cheng Chih Kwong	The CGE purchases raw materials from PCL. Also the Company sells processed chicken to PCL.
Prima Management Services (Private) Limited (PMS) Associate Company	Mr. Cheng Chih Kwong	PMS provides ICT solutions and services to the Company.
Hapiways Management Services Pte Limited (HMS) Group Company	Mr. Cheng Chih Kwong	CGE purchase of all kind of imported raw materials, feed additives, spare parts and other significant imports from HMS. Also HMS provides consultation services to CGE.
Ceylon Agro-Industries Limited (CAI) Group Company	Mr. Wickrema Senaka Weerasooria Mr. Cheng Chih Kwong Mr. Bernard Cheng Koh Chuen	CGE Sells processed chicken to CAI. Also the Company purchases Value Added Products (VAP) and raw materials from CAI.
Prima Scholarship Fund (Private) Limited (PSF) Group Company	Mr. Cheng Chih Kwong Mr. Bernard Cheng Koh Chuen	PSF maintain a fund on behalf of Group of Companies, with the purpose of providing higher education scholarships for employees' children.
Prima Limited Parent Company	Mr. Cheng Chih Kwong Mr. Bernard Cheng Koh Chuen	No sale or purchase transactions have been recorded during the year.

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33.2 Recurrent related party transactions

The Group has a related party relationship with its subsidiaries, associates and related Group companies as disclosed in note number 33.1 .2 Key Management Personnel Information.

Companies within the Group engage in trading transactions. The following transactions were carried out with related parties during the year ended 31 December 2025.

(a) Transaction with Subsidiaries

	CWCL		CLAS		CAT	
Company	**Value**	**%**	**Value**	**%**	**Value**	**%**
Sale of goods	-	-	193,769	0.8%	-	-
Purchase of goods	-	-	5,163	0.0%	-	-
Sale of services	13,562	0.1%	44,009	0.16%	-	-
Purchase of service	75,373	0.3%	-	-	-	-
Recovery of expenses	17		-		-	
Settlement of third party dues	40,585		88,949		3,910	
Funds received/(paid)	(29,734)		311,846		14,190	
Interest (expenses)/income	(481)		(2,950)		-	

(b) Transaction with Group Companies

	Prima Ltd		PSF	
Group	**Value**	**%**	**Value**	**%**
Sale of goods	-	-	-	-
Purchase of goods	-	0.0%	-	0.0%
Sale of services	-	0.0%	-	0.0%
Purchase of service	1,267		2,082	
Reimbursement of expenses	-		-	
Funds (paid) / received	-		-	

	Prima Ltd		PSF	
Company	**Value**	**%**	**Value**	**%**
Sale of goods		-		-
Purchase of goods		0.0%		0.0%
Sale of services		-		-
Purchase of service		0.0%		0.0%
Reimbursement of expenses	1,267		1,581	
Recovery of expenses				
Funds (paid) / received				

“Value” represent aggregate transaction value with same related during the period.

“%” represent the aggregate transaction value as a previous year percentage of gross revenue/income as per the listing rules of the CSE

	TAF		MMF		CPPBL		Total	Total
	Value	%	Value	%	Value	%	2025	2024
	1,693,662	7.4%	616,923	2.7%	-	-	**2,504,354**	2,905,617
	1,268,248	5.5%	482,187	2.1%	-	-	**1,755,598**	1,822,378
	25,076	0.1%	5,817	0.0%	-	-	**44,755**	36,784
	1,322,566	5.7%	-	-	-	-	**1,397,940**	1,296,757
	371,173		27,542		1,929		**453,529**	235,097
	33,987		2,288		3		**169,724**	293,370
	(400,305)		(15,847)		(208,699)		**(328,550)**	1,279,264
	(1,703)		(8,285)		175		**(13,244)**	(147,498)

	HMS		CAI		PCL		Total	Total
	Value	%	Value	%	Value	%	2025	2024
	-	-	140,928	0.6%	17,602	0.1%	**158,530**	228,847
	9,411,974	39.2%	23,216	0.1%	4,804,494	20.0%	**14,239,684**	11,079,972
	72,361	0.3%	980	0.0%	36,293	0.00	**109,634**	73,300
	-		3,029		-		**6,378**	19,763
	6,001		3,082		-		**10,989**	-
	(10,871,196)		127,126		(6,011,816)		**(16,755,886)**	8,687,602

	HMS		CAI		PCL		Total	Total
	Value	%	Value	%	Value	%	2025	2024
		-	140,928	0.6%	17,602	0.1%	**158,530**	228,847
	9,389,836	40.7%	21,045	0.1%	4,362,447	18.9%	**13,773,328**	11,067,003
	-	-	-	-	-	-	**-**	-
	72,361	0.3%	980	0.0%	36,293	0.00	**109,634**	73,300
	530		3,029		-		**6,407**	19,763
	-		3,082		-		**3,082**	-
	(10,871,196)		129,415		(5,586,603)		**(16,328,384)**	8,678,297

Notes to the Financial Statements

All amounts in Sri Lankan Rupees thousands

(c) Transaction with Associate

	PMS		Total	Total
Group/ Company	Value	%	2025	2024
Purchase of service	120,615	0.5%	120,615	45,885
Reimbursement of expenses	-		-	1,872
Recovery of expenses	1,905		1,905	-
Funds paid	84,652		84,652	51,216

(d) The receivables from related companies and payables to related companies on sale/ purchase of goods/ services are set out in Note 19 and 25 respectively. These receivables and payables are unsecured, interest free and have no fixed repayment terms..

Any interest payable on the financial facility provided by each party to the other shall be subject to an interest calculated at the prevailing average Weighted Lending Rate ("AWLR") published by the Central Bank of Sri Lanka.

The interest calculated as provided herein shall not be subject to Value Added Tax (VAT), Social Security Contribution Levy (SSCL), Withholding Tax (WHT) imposed by the Government of Sri Lanka.

(e) Terms and conditions for recurrent transaction with related parties

All related party transactions are carried out in the normal course of business. All related party outstanding balances at the year-end are unsecured and are to be settled in cash. The Group does not have any material commitments to related parties.

33.3 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 December 2025, 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.

34. Events after the Reporting Period

There are no events which require adjustment to, or disclosure in the Financial Statements except for the followings;

(i) As approved by the Board of Directors at the meeting held on 12 November 2025, Millennium Multibreeder Farm (Private) Limited and Ceylon Pioneer Poultry Breeders Limited were amalgamated with Three Acre Farms PLC with effect from 1 January 2026 and Three Acre Farms PLC continue as the amalgamated entity.

(ii) The Board of Directors has approved a strategic investment in the expansion of a chicken processing facility located in Seeduwa 9 January 2026 .This initiative involves the expansion of a state-of-the-art processing plant with related facilities, at an estimated total investment of Rs. 3,000,000,000/- (Rupees Three Billion Only).

(iii) The Directors declared a final dividend of Rs.15.00 per share for the year ended 31 December 2025 on 28 January 2026, which will be paid on 26 February 2026.

35. Comparative Information

The presentation and classification of the financial statements of the previous period have been adjusted, where relevant to improve comparability with current period.

36. Directors' Responsibility

The Board of Directors are responsible for the preparation and fair presentation of these Financial Statements. The Board of Directors acknowledge their responsibility for financial statements as set out in the "Statement of Directors' Responsibility" and the certification on the Statement of Financial Position.

37. Net Assets Per Share

	Group		Company	
As at 31 December	**2025**	**2024**	**2025**	**2024**
Net assets attributable to ordinary shareholders	**14,800,221**	11,838,511	**9,101,422**	6,630,881
Weighted average number of ordinary shares in issue (thousands)	**60,000**	60,000	**60,000**	60,000
Net assets per share (Rs.)	**246.67**	197.31	**151.69**	110.51

38. Dividend Per Share

	Company	
For the year ended 31 December	**2025**	**2024**
First interim dividend	**-**	900,000
Final dividend*	**900,000**	480,000
Total dividend	**900,000**	1,380,000
Weighted average number of ordinary shares in issue (thousands)	**60,000**	60,000
Dividend per Share (Rs.)	**15.00**	23.00

** Current years' final dividend will be paid in the next financial year.*

Five Year Financial Summary

All amounts in Sri Lankan Rupees thousands

For the years ended 31 December	2025	2024	2023	2022	202 1
Group					
Operating results for the period					
Revenue	29,767,422	23,993,294	19,594,897	17,888,014	24,055,488
Operating profit	5,568,898	3,387,353	4,131,207	5,258,022	1,461,114
Interest income	881,424	1,095,292	824,065	1,213,188	306,395
Net finance costs	(122,233)	(112,505)	55,174	(5,307,287)	(122,866)
Share of profit of equity acounted investee - net of tax	20,468	8,234	16,195	13,806	12,071
Profit before taxation	6,348,557	4,378,374	5,026,641	1,177,729	1,656,714
Taxation	(2,228,981)	(1,233,442)	(978,769)	(160,714)	50,976
Profit from ordinary activities	4,119,576	3,144,932	4,047,872	1,017,015	1,707,690
Non-controlling interest	(658,905)	(727,970)	(1,071,363)	(282,006)	(409,980)
Profit attributable to the Group	3,460,671	2,416,962	2,976,509	735,009	1,297,710
Financial Position as at 31 December					
Stated capital	1,017,996	1,017,996	1,017,996	1,017,996	1,017,996
Retained earnings	13,782,224	10,820,515	10,061,984	7,465,111	7,070,546
Non-controlling interest	4,100,209	3,744,879	3,433,687	2,485,772	2,302,405
Non-current liabilities	1,528,075	1,397,029	1,298,952	1,347,761	1,054,017
	20,428,504	16,980,419	15,812,619	12,316,640	11,444,964
Intangible assets	15,967	30,285	46,557	57,451	62,745
Property, plant and equipment and investments	2,846,975	2,646,088	2,722,534	2,870,503	2,589,084
Right-of-use assets	442,969	469,026	495,085	702,722	738,082
Investment in an associate company	133,468	113,000	104,766	88,571	74,765
Biological assets	1,261,172	962,567	663,266	516,470	540,229
Current assets	21,186,248	18,884,318	14,875,832	11,108,731	15,338,206
Current liabilities	(5,458,295)	(6,124,865)	(3,095,421)	(3,027,807)	(7,898,147)
	20,428,503	16,980,419	15,812,619	12,316,640	11,444,964
Company					
Key ratios and other information					
Basic earnings per share (Rs.)	49.46	30.84	34.00	7.38	15.27
Dividends per share (Rs.)	15.00	23.00	18.00	-	6.00
Dividends pay out ratio (%)	30.33	74.58	52.94	-	39.30
Market price per share (Rs.)	400.00	189.50	158.50	80.50	121.75
Price earnings ratio (No. of times)	8.09	6.14	4.66	10.91	7.97
Debt / equity ratio (No. of times)	-	-	-	-	-
Interest cover (No. of times)	36.09	10.83	23.89	2.98	11.03
Net assets per share (Rs.)	151.69	110.51	107.23	79.49	77.84
Current ratio (No. of times)	3.07	2.08	2.52	1.56	1.44
Shares traded	9,197,068	13,391,392	19,681,490	17,717,366	33,872,694
US $ Exchange rate - (average)	300.95	302.12	327.53	337.02	198.88
US $ Exchange rate - (year end spot)	309.99	292.58	323.92	372.00	203.00

Statement of Value Added

GRI 201-1

For the years ended 31 December	2025	2024	2023	2022	2021
Value Added					
Revenue	36,833,284	29,126,517	23,157,976	21,445,896	26,074,100
Cost of materials and services	(21,595,763)	(18,413,931)	(13,680,650)	(16,035,194)	(20,909,964)
Value added by operations	15,237,521	10,712,586	9,477,326	5,410,702	5,164,136
Other income	63,759	57,771	71,630	70,377	19,743
Interest income	881,424	1,095,292	824,065	1,213,188	306,395
Share of profit of associate	20,468	8,234	16,195	13,806	12,071
Total value added	16,203,172	11,873,883	10,389,216	6,708,073	5,502,344

	2025	%	2024	%	2023	%	2022	%	2021	%
Value Distribution										
Employees										
Salaries, wages, other benefits	2,420,377	14.94	2,041,892	17.20	1,783,886	17.15	1,410,026	21.02	1,477,166	26.85
Government										
Income tax	2,237,857	13.81	1,264,463	10.65	698,779	6.73	353,869	5.28	(26,831)	(0.49)
Sales tax	7,065,862	43.61	5,133,223	43.23	3,563,079	34.30	3,557,882	53.04	2,018,612	36.69
Capital providers and creditors										
Interest expenses	(573)	-	2,506	0.02	10,142	0.10	47,714	0.71	1,624	0.03
NCI	657,576	4.06	724,263	6.10	1,068,814	10.29	284,116	4.24	413,002	7.51
Shareholders										
Dividend	900,000	5.55	1,380,000	11.62	1,080,000	10.40	-	-	360,000	6.54
Value distributed	13,281,099	81.97	10,546,347	88.82	8,204,700	78.97	5,653,607	84.28	4,243,573	77.12
Value Retained										
Depreciation and amortisation	380,363	2.35	329,005	2.77	307,643	2.96	299,901	4.47	294,099	5.34
Reserves	2,541,710	15.68	998,531	8.41	1,876,873	18.07	754,565	11.25	964,672	17.53
Value retained within the business	2,922,073	18.03	1,327,536	11.18	2,184,516	21.03	1,054,466	15.72	1,258,771	22.88
	16,203,172	100.00	11,873,883	100.00	10,389,216	100.00	6,708,073	100.00	5,502,344	100.00

Shareholder Information

Analysis of Shareholders According to the Number of Shares as at 31 December 2025

Shareholdings	Resident			Non Resident			Total		
	Number of Shareholders	Number of Shares	%	Number of Shareholders	Number of Shares	%	Number of Shareholders	Number of Shares	%
1 - 1,000	3,631	747,660	1.25	22	9,718	0.02	3,653	757,378	1.27
1,001 - 10,000	837	2,893,874	4.82	21	84,878	0.14	858	2,978,752	4.96
10,001 - 100,000	220	6,621,472	11.03	12	501,055	0.84	232	7,122,527	11.87
100,001 - 1,000,000	32	7,124,678	11.87	3	731,435	1.22	35	7,856,113	13.09
Over 1,000,000	2	6,569,380	10.95	3	34,715,850	57.86	5	41,285,230	68.81
	4,722	23,957,064	39.92	61	36,042,936	60.08	4,783	60,000,000	100.00

Categories of Shareholders as at 31 December

	2025			2024		
	Number of shareholders	Number of ordinary shares	Percentage %	Number of shareholders	Number of ordinary shares	Percentage %
Individual	4,540	11,694,804	19.49	4,504	10,520,243	17.53
Institutional	243	48,305,196	80.51	257	49,479,757	82.47
	4,783	60,000,000	100.00	4,761	60,000,000	100.00
Less: Shares held by non-public holders						
Ultimate parent company	(1)	(27,270,800)		(1)	(27,270,800)	
Directors	(2)	(3,197)		(2)	(3,197)	
	(3)	(27,273,997)	(45.46)	(3)	(27,273,997)	(45.46)
Total representing the public holding	4,780	32,726,003	54.54	4,758	32,726,003	54.54

Float Adjusted Market Capitalisation

The float adjusted market capitalisation as at 31 December 2025 was Rs. 13,089.6 Mn under Option 5 of Section 7.13.1 (a) of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said option.

List of 20 Major Shareholders Based on Their Shareholding

Name	No. of Shares 31.12.2025	Percentage	No. of Shares 31.12.2024	Percentage
Prima Limited, Singapore	27,270,800	45.45	27,270,800	45.45
Employee's Provident Fund	5,350,549	8.92	5,350,549	8.92
Supra Limited, Hong Kong	5,179,797	8.63	5,179,797	8.63
Eka Limited	2,265,253	3.78	2,265,253	3.78
Hatton National Bank PLC-Senfin Growth Fund	1,218,831	2.03	1,188,831	1.98
E. W. Balasuriya & Co. (Private) Limited	775,003	1.29	671,645	1.12
Deutsche Bank AG-National Equity Fund	566,218	0.94	541,218	0.90
Senkadagala Finance PLC	563,015	0.94	486,278	0.81
Hallsville Frontire Equities Ltd	481,817	0.80	428,817	0.71
Employees Trust Fund Board	355,519	0.59	708,528	1.18
Miss. M. P. Radhakrishnan	310,545	0.52	195,365	0.33
Mr. A. A. Mansoor	293,271	0.49	293,271	0.49
Mr. D. A. Cabraal	275,000	0.46	215,000	0.36
Mr. G. D. M. Ranasinghe / Mrs. O. R. K. Ranasinghe	275,000	0.46		
Mr. J. D. Bandaranayake / Dr. V. Bandaranayake & Miss. I. Bandaranayake	251,446	0.42		
Mr. J. D. Bandaranayake / Miss. I. Bandaranayake & Dr. V. Bandaranayake	249,500	0.42		
Mr. N. R. Gajendran / Miss. N. Gajendran	241,727	0.40		
Peoples Leasing & Finance PLC / Mr. J. M. S. Brito & Mrs. B. S. Brito	235,000	0.39	208,433	0.35
Peoples Leasing & Finance PLC / Mrs. M. E. Amarasinghe	203,452	0.34	198,452	0.33
Miss A. Radhakrishnan	194,642	0.32		
Total shareholding of 20 major shareholders	46,556,385	77.59	45,202,237	75.34
Others	13,443,615	22.41	14,797,763	24.66
Total shareholding	60,000,000	100.00	60,000,000	100.00

Glossary of Financial Terminology

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.

Amortisation

The systematic allocation of the depreciable amount of an asset over its useful life.

Asset Turnover

Revenue including equity accounted investees divided by average total assets.

Capital Employed

Shareholders' Funds plus Debt.

Cash Ratio

Cash and Cash Equivalents over Current Liabilities.

Capital Expenditure

The total of additions to Property, Plant and Equipment.

Contingent Liabilities

A condition or situation existing at the end of the reporting period due to past events, where the financial effect is not recognised because:

1. The obligation is crystallised by the occurrence or non occurrence of one or more future events or,
2. A probable outflow of economic resources is not expected or,
3. It is unable to be measured with sufficient reliability.

Current Ratio

Current Assets over Current Liabilities.

Current Service Cost

Is the increase in the present value of the defined benefit obligations resulting from employee service in the current period.

Past Service Cost

Is the change in the present value of the defined benefit obligation for employee service in prior, resulting from a plan amendment or a curtailment.

Debt / Equity Ratio (Gearing)

Debt as a percentage of Shareholders' Funds.

Dividend Cover

Earnings per share over dividend per share.

Dividend Payout Ratio

Total Dividend as a percentage of Company Profits.

Dividend Yield

Dividend per share as a percentage of market price of share at the end of the period.

Earnings Per Share (EPS)

Profit after tax attributable to Ordinary Shareholders over weighted average number of shares in issue during the period.

Enterprise value

Market capitalisation plus debt minus total cash and cash equivalents.

Earnings Yield

Earnings per share as a percentage of Market Price per share at the end of the period.

Effective Rate of Taxation

Income Tax including Deferred tax over Profit Before Tax.

Earnings before Interest and Taxes (EBIT)

Revenue minus Operating Expenses.

Interest Cover

Profit Before Interest and Tax over Finance Expenses.

Inventory Turnover

Cost of goods sold for the year divided by average inventory Market Capitalisation Number of shares in issue at the end the of period multiplied by the share price at the end of the period.

Net Assets

Total Assets minus Current Liabilities minus Long Term Liabilities minus Minority Interest.

Net Asset per Share

Net Assets divided by number of Ordinary Shares in issue at the end of the period.

Net Debt

Debt minus Cash and Short-Term Deposits.

Net Turnover per Employee

Net Turnover over average number of employees.

Net Profit Margin

Profit after tax attributable to equity holders of the parent divided by total revenue.

Operating Profit Margin

Operating profit divided by Turnover.

Price Earnings Ratio

Market Price of Share over Earnings per Share.

Quick Ratio

Cash plus Short-Term Investments plus Receivables over Current Liabilities.

Return on Assets

Profit After Tax over Average Total Assets.

Revenue per Employee

Total Sales over Number of employees at the year-end.

Return on Capital Employed

Earnings before interest and tax as a percentage of average of shareholders' funds plus total debt.

Return on Equity

Profit after Tax as a Percentage of Average Shareholders' Funds.

Shareholders' Funds

Stated Capital, Capital Reserves and Revenue Reserves.

Shareholders' Equity Ratio

Total Equity divided by Total Assets.

Total Debt / Total Assets

Total Debt divided by Total Assets.

Total Value Added

The difference between Revenue (including Other Income) and Expenses, Cost of Materials and Services purchased from External Sources.

Working Capital

Capital required to finance the day-to-day operations (Current Assets minus Current Liabilities).

Notice of Meeting

NOTICE IS HEREBY GIVEN that the 43rd Annual General Meeting of the Company will be held on Wednesday, 27 May 2026 at the Sri Lanka Foundation Institute No. 100, Sri Lanka Padanama Mawatha, Independence Square, Colombo 7 at 10.30 a.m. and the business to be brought before the Meeting will be:

Ordinary Business

1. To receive and consider the Report of the Board of Directors on the State of Affairs of the Company and the Audited Financial Statements for the year ended 31 December 2025, with the Report of the Auditors' thereon.

2. To re-elect Mr. Cheng Eng Loong Director who retires by rotation at the Annual General Meeting in terms of Article 87 of the Articles of Association of the Company.

3. To consider and if thought fit to pass the following Ordinary Resolution pertaining to the re-appointment of Mr. Cheng Chih Kwong, as a Director who is over 70 years of age, in compliance with Section 211 of the Companies Act No. 7 of 2007 and whose re- appointment has been recommended by the Board of Directors.

   ### Ordinary Resolution

   "That the age limit of 70 years referred to in Section 210 of the Companies Act, No.7 of 2007 shall not apply to Mr. Cheng Chih Kwong a Director, who is 77 years of age (having reached 70 years of age on 30 November 2018) and accordingly that Mr. Cheng Chih Kwong be and is hereby re-appointed as a Director of the Company in terms of Section 211 of the Companies Act No.7 of 2007".

4. To re-appoint Messrs KPMG, Chartered Accountants as Auditors and to authorise the Directors to determine their remuneration.

5. To authorise the Directors to determine contributions to charities and other purposes.

By order of the Board

(Sgd.)
S S P Corporate Services (Private) Limited
Secretaries
Colombo 03

5 May 2026

Note:-

(a) A member entitled to attend and vote at the above mentioned meeting is entitled to appoint a Proxy to attend and vote instead of him/her. Such Proxy needs not be a member of the Company.

(b) A Form of Proxy is annexed to this notice.

(c) The completed Form of Proxy should be deposited at the Registered Office of the Company, No. 15, Rock House Lane, Colombo 15 not later than 48 hours before the time appointed for the holding of the meeting.

(d) Shareholders/proxy holders are requested to bring with them their National Identity Card or any other form of clear/valid identification and present same at the time of registration.

Notes

Notes

Form of Proxy

I/We ..... (NIC No. .....)

of ..... being a member/s of Ceylon Grain Elevators PLC, hereby appoint

..... (NIC No.....) of ..... or failing him

Mr. Wickrema Senaka Weerasooria	of Colombo or failing him
Mr. Cheng Chih Kwong	of Singapore or failing him
Mr. Cheng Eng Loong	of Singapore or failing him
Mr. Bernard Cheng Koh Chuen	of Singapore or failing him
Mr. Indrajit Asela Wickramasinghe	of Colombo or failing him
Mr. Timothy Allan Brent Speldewinde	of Colombo

as my/our Proxy to represent me/us and vote on my/our behalf at the Annual General Meeting of the Company to be held on 27th May 2026, and at any adjournment thereof and at every poll which may be taken in consequence of the aforesaid meeting and to VOTE as indicated below:

Ordinary Business	For	Against
1. To receive and consider the Report of the Board of Directors on the State of Affairs of the Company and the Financial Statements for the year ended 31 December 2025 with the Report of the Auditors' thereon.		
2. To re-elect Mr. Cheng Eng Loong, Director who retires by rotation at the Annual General Meeting in terms of Article 87 of the Articles of Association of the Company.		
3. To re-appoint Mr. Cheng Chih Kwong, who is over 70 years of age as a Director of the Company by passing the Ordinary Resolution set out in the Notice of Meeting.		
4. To re-appoint Messrs KPMG, Chartered Accountants as Auditors and to authorise the Directors to determine their remuneration.		
5. To authorise the Directors to determine contributions to charities and other purposes.		

As witness my/our hand/this ..... day of ..... Two Thousand and Twenty Six.

Signature: .....

Note: Please delete the inappropriate words.

1. Instructions for completion of proxy are noted on the next page
2. A proxy needs not be a member of the Company
3. Please mark "X" in appropriate cages, to indicate your instructions as to voting

Form of Proxy

Instructions to Completion of Form of Proxy

1. Kindly perfect the Form of Proxy by filling in legibly your full name and address, your instructions as to voting, by signing In the space provided and filling in the date of signature.
2. Please indicate with a 'X' in the cages provided how your proxy is to vote on the Resolutions. If no indication is given the Proxy in his/her discretion may vote as he/she thinks fit.
3. The completed Form of Proxy should be deposited at the Registered Office of the Company at No. 15, Rock House Lane, Colombo 15, at least 48 hours before the time appointed for holding of the Meeting.
4. If the form of proxy is signed by an attorney, the relative 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. .

Note:
If the shareholder is a Company or body corporate, Section 138 of the Companies Act No.7 of 2007 applies to Corporate Shareholders of Ceylon Grain Elevators PLC. Section 138 provides for representation of Companies at meetings of other Companies. A Corporation, whether a Company within the meaning of this act or not, may-where it is a member of another Corporation, being a Company within the meaning of this Act, by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company. A person authorised as aforesaid shall be entitled to exercise the same power on behalf of the Corporation which it represent as that Corporation could exercise if it were an individual shareholder.

Corporate Information

Company Name
Ceylon Grain Elevators PLC

Legal Form
A Public Quoted Company with limited liability, incorporated in Sri Lanka in 1982.

Company Registration No.
PQ 161

Holding Company
Prima Limited, Singapore

Registered Office
No.15, Rock House Lane, Colombo 15, Sri Lanka.
Tel : +94 11 2522556 or 8 / 2523580 / 2526378 to 2526383 / +94 11 2526249 / +94 11 2497000
Fax : +94 11 2524163
E-mail : info.cge@prima.com.lk

Subsidiary Companies
Three Acre Farms PLC
Millennium Multibreeder Farms (Private) Limited
Ceylon Pioneer Poultry Breeders Limited
Ceylon Livestock and Agro-Business Services (Private) Limited
Ceylon Warehouse Complex (Private) Limited
Ceylon Aquatech (Private) Limited

Associate Company
Prima Management Services (Private) Limited

Bankers
Hatton National Bank PLC
Nations Trust Bank PLC
National Development Bank PLC
Sampath Bank PLC
Union Bank of Colombo PLC
Bank of Ceylon
Commercial Bank of Ceylon PLC
DFCC Bank PLC
Cargills Bank Limited
Pan Asia Banking Corporation PLC
Seylan Bank PLC
Amana Bank PLC

Lawyers
Varners Lanka Law Office
D. L. & F. De Saram

Auditors
KPMG, Colombo, Sri Lanka

Company Secretary
S S P Corporate Services (Private) Limited
No. 101, Inner Flower Road, Colombo 3

Board of Directors
Mr. Wickrema Senaka Weerasooria
Non-Executive Chairman

Mr. Cheng Chih Kwong
Executive Director and Chief Executive Officer

Mr. Bernard Cheng Koh Chuen
Non-Executive Director

Mr. Cheng Eng Loong
Non-Executive Director

Mr. I. A. Wickramasinghe
Non-Executive Independent Director

Mr. T. A. B. Speldewinde
Non-Executive Independent Director

Management
Mr. K. A. R. S. Perera
General Manager

Mr. Chng Sun Tick
AGM (Farms)

Mr. Akram Ansar
Financial Controller

Mr. Jeff Li Zhen Jie
AGM (Technical)

Mr. Sumith Peiris
AGM (Material Management)

Mr. Neil Jayaweera
AGM (Processing)

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