

Ceylon Beverage Holdings PLC

*Interim Condensed Financial Statements
for the Second Quarter ended
30th September 2022*

CEYLON BEVERAGE HOLDINGS PLC

Review

The economic crisis continues to have an impact on the quarter under review. High interest rates and inflation compounded by the fuel and electricity crisis brought about a challenging environment which had a considerable impact on operations. A series of tax increases further stretched consumer affordability. The business experienced significant cost inflation with our raw material basket inflating by over 100%. A new import tax was introduced on our key raw material which further increased our cost base. Furthermore, the increases in fuel and electricity prices also had significant negative impacts on the business. These tax and cost increases resulted in consumer pricing increasing in excess of 60% so far, which is well in excess of wage growth. Despite the difficult conditions, the Group continued investing behind capabilities and brands with overhead expenses increasing by LKR 720m over the prior year. Cash flow was strained due to increased working capital requirements and capital expenditure costs.

Despite the pressures on the business, we delivered substantial tax growth to Government in calendar year 2022. Estimated total taxes paid by the Group in 2022 will increase by 60% to c. LKR 60.5bn. This tax growth is driven primarily by excise, VAT and SSL increases. Had the increases been implemented on January 1st, total tax growth would have been even higher. The beer industry did not benefit from the 2019 VAT reduction as it was implemented in a tax neutral manner by simultaneously increasing excise taxes. As a result, the increases this year have been entirely incremental to government revenue.

The outlook for the rest of the year is negative as the cumulative effect of the economic depression takes hold. This will be compounded by a steep increase in personal income taxes which will reduce take home pay. Following the Government's successful efforts to restore regular gas and fuel supplies, supply of illicit alcohol has also resumed. As beer prices have significantly outpaced wage growth, consumers are seeking out cheaper alternatives. As such, continued volume loss to the legal industry is to be expected. No relief is expected on the cost front.

CEYLON BEVERAGE HOLDINGS PLC
BOARD OF DIRECTORS AS AT 30TH SEPTEMBER 2022

Mr. D. A. Cabraal (Chairman)

Mr. H. Selvanathan (Deputy Chairman)

Mr. M. Selvanathan (Director / Alternate Director to Mr. H. Selvanathan)

Mr. R. H. Meewakkala (CEO/Director)

Mr. D. C. R. Gunawardena

Mr. S. Clini

Mrs. S. J. F. Evans

CEYLON BEVERAGE HOLDINGS PLC				
CONDENSED STATEMENT OF FINANCIAL POSITION				
	Company		Group	
<i>As at</i>	30th September 2022	31st March 2022	30th September 2022	31st March 2022
<i>In Rs. '000s</i>		(Audited)		(Audited)
ASSETS				
Non-current assets				
Property, plant and equipment	-	-	20,968,510	20,574,458
Investment properties	647,100	647,100	647,100	647,100
Right of use assets	-	-	214,919	207,281
Intangible assets	-	-	461,730	819,545
Deferred tax assets	-	-	1,128	1,548
Investment in subsidiaries	1,835,083	1,835,083	-	-
Total non-current assets	2,482,183	2,482,183	22,293,387	22,249,932
Current assets				
Inventories	-	-	4,659,719	4,537,111
Trade and other receivables	756	571	5,620,349	2,406,133
Amounts due from related companies	134,091	134,091	-	-
Current tax assets	-	-	-	-
Cash and cash equivalents	13,630	28,375	11,739,825	13,114,311
Total current assets	148,477	163,037	22,019,893	20,057,555
Total assets	2,630,660	2,645,220	44,313,280	42,307,487
EQUITY AND LIABILITIES				
Equity				
Stated capital	533,384	533,384	533,384	533,384
Capital reserves	19,924	19,924	1,103,358	1,103,358
Revenue reserves	1,503,361	1,492,565	9,401,757	8,720,708
Equity attributable to equity holders of the Company	2,056,669	2,045,873	11,038,499	10,357,450
Non controlling interest	-	-	10,116,096	9,515,171
Total equity	2,056,669	2,045,873	21,154,595	19,872,621
Non-current liabilities				
Loans and borrowings	-	-	1,968,607	2,300,311
Lease liabilities	-	-	208,434	196,109
Employee benefits	-	-	193,366	182,996
Deferred tax liabilities	31,584	31,584	5,084,810	5,260,140
Total non-current liabilities	31,584	31,584	7,455,217	7,939,556
Current liabilities				
Trade and other payables	17,934	20,524	4,133,526	3,492,710
Amounts due to related companies	339,340	337,741	317,370	155,757
Refundable deposits	-	-	2,536,784	2,301,181
Current tax liabilities	82,309	37,891	3,089,889	3,163,706
Loans and borrowings	-	-	3,087,526	3,347,696
Lease liabilities	-	-	54,967	57,499
Bank overdraft	102,824	171,607	2,483,406	1,976,761
Total current liabilities	542,407	567,763	15,703,468	14,495,310
Total liabilities	573,991	599,347	23,158,685	22,434,866
Total equity and liabilities	2,630,660	2,645,220	44,313,280	42,307,487
Net assets per ordinary share (Rs.)	97.99	97.48	525.94	493.49

The above figures are provisional and subject to audit.

These financial statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

(Sgd.)

D.R.P. Goonetilleke

Head of Finance

The Board of Directors are responsible for the preparation and presentation of these Financial Statements.

Approved and signed on behalf of the Managers

Approved and signed on behalf of the Board

(Sgd.)

V. R. Wijesinghe

Director

Carsons Management Services (Private) Ltd.

11th November 2022

(Sgd.)

M.Selvanathan

Director

(Sgd.)

R.H. Meewakkala

Director

CEYLON BEVERAGE HOLDINGS PLC

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - COMPANY

As at In Rs.'000s	Quarter Ended			Six Months Ended			Year Ended
	30-Sep-22	30-Sep-21	Change %	30-Sep-22	30-Sep-21	Change %	31-Mar-22 (Audited)
Revenue	55,017	636,462	(91)	828,738	672,809	23	935,862
Cost of sales	-	-	-	-	-	-	-
Gross profit	55,017	636,462	(91)	828,738	672,809	23	935,862
Net gains arising from changes in fair value of investment properties	-	-	-	-	-	-	160,230
	55,017	636,462	(91)	828,738	672,809	23	1,096,092
Administrative expenses	(4,744)	(5,475)	(13)	(8,681)	(8,635)	1	(27,561)
Impairment of investments in subsidiaries	-	-	-	-	-	-	(83,989)
Profit before finance cost	50,273	630,987	(92)	820,057	664,174	23	984,542
Finance income	9,012	1,784	405	16,079	3,361	378	8,220
Finance costs	(23,926)	(8,021)	198	(41,510)	(15,928)	161	(34,554)
Net finance costs	(14,914)	(6,237)	139	(25,431)	(12,567)	102	(26,334)
Profit before taxation	35,359	624,750	(94)	794,626	651,607	22	958,208
Income tax expenses	(11,312)	(92,524)	(88)	(123,680)	(99,308)	25	(144,561)
Deferred taxation	-	-	-	-	-	-	(16,023)
Profit after taxation	24,047	532,226	(95)	670,946	552,299	21	797,624
Earnings per ordinary share (Rs.)	1.15	25.36		31.97	26.31	0.00	38.00

The above figures are provisional and subject to audit.

Figures in brackets indicate deductions.

CEYLON BEVERAGE HOLDINGS PLC

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - GROUP

As at In Rs.'000s	Quarter Ended			Six Months Ended			Year Ended
	30-Sep-22	30-Sep-21	Change %	30-Sep-22	30-Sep-21	Change %	31-Mar-22 (Audited)
Revenue	25,480,711	11,475,367	122	47,225,956	22,290,290	112	60,211,220
Cost of Sales	(19,223,968)	(9,110,063)	111	(36,220,632)	(17,793,224)	104	(47,109,574)
Gross profit	6,256,743	2,365,304	165	11,005,324	4,497,066	145	13,101,646
Net gains arising from changes in fair value of investment properties	-	-	-	-	-	-	160,230
Other income	55,810	43,905	27	133,592	78,103	71	193,922
	6,312,553	2,409,209	162	11,138,916	4,575,169	143	13,455,798
Distribution expenses	(1,349,547)	(762,328)	77	(2,473,690)	(1,427,870)	73	(4,044,905)
Administrative expenses	(676,393)	(653,267)	4	(1,244,956)	(1,084,044)	15	(2,366,434)
Other expenses	(171,464)	(144,433)	19	(505,025)	(252,820)	100	(868,581)
Impairment of intangible assets	-	-	-	(353,229)	-	-	(463,578)
Profit before finance cost	4,115,149	849,181	385	6,562,016	1,810,435	262	5,712,300
Finance income	327,496	154,221	112	605,231	289,654	109	627,596
Finance costs	(901,086)	(270,877)	233	(944,488)	(497,128)	90	(454,720)
Net finance income/(costs)	(573,590)	(116,656)	392	(339,257)	(207,474)	64	172,876
Profit before taxation	3,541,559	732,525	383	6,222,759	1,602,961	288	5,885,176
Income tax expenses	(1,270,602)	(346,978)	266	(2,601,594)	(657,717)	296	(2,375,031)
Deferred taxation	(84,430)	70,672	(219)	174,911	136,206	28	311,653
Profit after taxation	2,186,527	456,219	379	3,796,076	1,081,450	251	3,821,798
Other comprehensive income							
Items that will never be reclassified to profit or loss							
Re-measurement of employee benefit obligation	-	-	-	-	-	-	45,763
Deferred tax adjustment on employee benefit obligation	-	-	-	-	-	-	(18,305)
Change in revaluation of property plant and equipment	-	-	-	-	-	-	1,172,713
Deferred tax adjustment on revaluation of lands & buildings	-	-	-	-	-	-	(469,085)
Total other comprehensive income for the period net of tax	-	-	-	-	-	-	731,086
Total comprehensive income for the period	2,186,527	456,219	379	3,796,076	1,081,450	251	4,552,884
Profit attributable to							
- Equity holders of the company	1,147,519	195,644	487	1,966,083	529,462	271	2,070,278
- Non - controlling interest	1,039,008	260,575	299	1,829,993	551,988	232	1,751,520
Profit available for appropriation	2,186,527	456,219	379	3,796,076	1,081,450	251	3,821,798
Total comprehensive income attributable to							
- Equity holders of the company	1,147,519	195,644	487	1,966,083	529,462	271	2,452,270
- Non - controlling interest	1,039,008	260,575	299	1,829,993	551,988	232	2,100,614
Profit available for appropriation	2,186,527	456,219	379	3,796,076	1,081,450	251	4,552,884
Earnings per ordinary share (Rs.)	54.68	9.32		93.68	25.23	0.01	98.64

The above figures are provisional and subject to audit.

Figures in brackets indicate deductions.

CONDENSED STATEMENTS OF CHANGES IN EQUITY								
In Rs.'000s	Attributable to equity holders of the parent						Non-controlling interests	Total equity
	Stated capital	Revaluation reserve	General capital reserve	Revenue reserves fair value	Revenue reserves retained earnings	Total		
COMPANY								
Balance as at 1st April 2021	533,384	14,148	5,776	457,020	892,217	1,902,545	-	1,902,545
Total comprehensive income for the period								
Profit for the period	-	-	-	-	552,299	552,299	-	552,299
Total comprehensive income for the period	-	-	-	-	552,299	552,299	-	552,299
Transactions with owners, recorded directly in equity contribution by and distribution to owners								
Dividends	-	-	-	-	(523,023)	(523,023)	-	(523,023)
Balance as at 30th September 2021	533,384	14,148	5,776	457,020	921,493	1,931,821	-	1,931,821
Balance as at 1st April 2021								
Transfers	-	(14,148)	14,148	-	-	-	-	-
Total comprehensive income for the period								
Profit for the period	-	-	-	144,207	653,417	797,624	-	797,624
Total comprehensive loss for the period	-	-	-	144,207	653,417	797,624	-	797,624
Transactions with owners, recorded directly in equity contribution by and distribution to owners								
Forfeiture of unclaimed dividends	-	-	-	-	1,162	1,162	-	1,162
Dividends	-	-	-	-	(655,458)	(655,458)	-	(655,458)
Balance as at 31st March 2022	533,384	-	19,924	601,227	891,338	2,045,873	-	2,045,873
Balance as at 1st April 2022								
Surcharge tax (Note 08)	-	-	-	-	(35,754)	(35,754)	-	(35,754)
Balance as at 1st April 2022 (Adjusted)	533,384	-	19,924	601,227	855,584	2,010,119	-	2,010,119
Total comprehensive income for the period								
Profit for the period	-	-	-	-	670,946	670,946	-	670,946
Total comprehensive income for the period	-	-	-	-	670,946	670,946	-	670,946
Transactions with owners, recorded directly in equity contribution by and distribution to owners								
Dividends	-	-	-	-	(624,396)	(624,396)	-	(624,396)
Balance as at 30th September 2022	533,384	-	19,924	601,227	902,134	2,056,669	-	2,056,669
GROUP								
Balance as at 1st April 2021	533,384	729,936	5,776	457,020	6,833,120	8,559,236	8,104,994	16,664,230
Total comprehensive income for the period								
Profit for the period	-	-	-	-	529,462	529,462	551,988	1,081,450
Total comprehensive income for the period	-	-	-	-	529,462	529,462	551,988	1,081,450
Transactions with owners, recorded directly in equity contribution by and distribution to owners								
Dividends	-	-	-	-	(523,023)	(523,023)	(550,080)	(1,073,103)
Balance as at 30th September 2021	533,384	729,936	5,776	457,020	6,839,559	8,565,675	8,106,902	16,672,577
Balance as at 1st April 2021								
Transfers	-	(14,148)	14,148	-	-	-	-	-
Total comprehensive income for the period								
Profit for the period	-	-	-	144,207	1,926,071	2,070,278	1,751,520	3,821,798
Other comprehensive income for the period	-	367,646	-	-	14,346	381,992	349,094	731,086
Total comprehensive income for the period	-	367,646	-	144,207	1,940,417	2,452,270	2,100,614	4,552,884
Transactions with owners, recorded directly in equity contribution by and distribution to owners								
Forfeiture of unclaimed dividends	-	-	-	-	1,402	1,402	219	1,621
Dividends	-	-	-	-	(655,458)	(655,458)	(690,656)	(1,346,114)
Balance as at 31st March 2022	533,384	1,083,434	19,924	601,227	8,119,481	10,357,450	9,515,171	19,872,621
Balance as at 1st April 2022								
Surcharge tax (Note 08)	-	-	-	-	(660,638)	(660,638)	(570,118)	(1,230,756)
Balance as at 1st April 2022 (Adjusted)	533,384	1,083,434	19,924	601,227	7,458,843	9,696,812	8,945,053	18,641,865
Total comprehensive income for the period								
Profit for the period	-	-	-	-	1,966,083	1,966,083	1,829,993	3,796,076
Total comprehensive income for the period	-	-	-	-	1,966,083	1,966,083	1,829,993	3,796,076
Transactions with owners, recorded directly in equity contribution by and distribution to owners								
Dividends	-	-	-	-	(624,396)	(624,396)	(658,950)	(1,283,346)
Balance as at 30th September 2022	533,384	1,083,434	19,924	601,227	8,800,530	11,038,499	10,116,096	21,154,595

The above figures are provisional and subject to audit.
Figures in brackets indicate deductions.

CONDENSED STATEMENT OF CASH FLOWS

<i>For the period ended</i> <i>In Rs. '000s</i>	Company			Group		
	30-Sep-22	30-Sep-21	31-Mar-22 (Audited)	30-Sep-22	30-Sep-21	31-Mar-22 (Audited)
Cash flows from operating activities						
Profit before taxation	794,626	651,607	958,208	6,222,759	1,602,961	5,885,176
Adjustments for:						
Finance costs (excluding exchange gain)	41,510	15,928	34,554	1,398,024	497,128	1,062,092
Depreciation on right of use assets	-	-	-	31,924	35,241	70,156
Gain on de-recognition of right of use assets	-	-	-	-	-	(714)
Depreciation on property, plant and equipment	-	-	-	825,488	722,705	1,532,988
Amortisation of intangible assets	-	-	-	6,062	6,291	12,360
Net inventory (reversals)	-	-	-	(28,608)	(27,254)	(10,317)
Provision for retirement benefit obligations	-	-	-	14,242	(7,669)	14,847
Impairment of property plant and equipment	-	-	-	175,752	-	-
Impairment of intangible assets	-	-	-	353,229	-	463,578
Impairment of doubtful debtors	-	-	-	-	-	(162)
Impairment of investments	-	-	83,989	-	-	-
Finance income	(16,079)	(3,361)	(8,220)	(605,231)	(289,654)	(627,596)
Net gain arising from changes in fair value of investment properties	-	-	(160,230)	-	-	(160,230)
Loss on disposal of property, plant and equipment	-	-	-	31,548	26,010	13,896
Loss on disposal of intangible asset	-	-	-	-	-	1,626
ESC write off	-	-	-	-	-	5,804
Lease interest expenses	-	-	-	16,603	18,761	36,773
Unrealised foreign exchange gain	-	-	-	(702,753)	(1,593)	(630,047)
Operating cash flow before working capital changes	820,057	664,174	908,301	7,739,039	2,582,927	7,670,230
Increase in inventories	-	-	-	(94,000)	(940,044)	(805,732)
(Increase)/decrease in trade and other receivables	(186)	307	54	(3,206,778)	(665,770)	(629,294)
(Increase)/decrease in amounts due from related companies	16,079	(10,385)	(5,996)	-	-	-
Increase/(decrease) in amounts due to related companies	(22,199)	(8,696)	(59,852)	161,613	68,947	32,929
Increase/(decrease) in tax payables/receivable	-	-	-	(821,287)	(585,191)	525,126
Increase/(decrease) in trade and other payables	(2,441)	(2,458)	293	788,049	(117,961)	1,379,096
Cash (used in)/generated from operations	811,310	642,942	842,800	4,566,636	342,908	8,172,355
Finance expenses paid	(17,712)	(6,606)	(15,112)	(1,352,497)	(457,207)	(1,004,672)
Tax paid	(79,261)	(59,454)	(134,754)	(1,854,123)	(1,189,454)	(2,148,065)
Surcharge tax paid	(35,754)	-	-	(1,230,756)	-	-
Retirement benefits paid	-	-	-	(3,872)	(2,305)	(29,259)
Net cash (used in)/generated from operating activities	678,583	576,882	692,934	125,388	(1,306,058)	4,990,359
Cash flows from investing activities						
Purchase and construction of property, plant and equipment	-	-	-	(1,426,841)	(919,875)	(2,092,880)
Purchase of intangible assets	-	-	-	(1,475)	-	(7,457)
Proceeds from sale of property, plant and equipment	-	-	-	-	-	14,005
Agent deposits received	-	-	-	235,603	144,569	400,788
Interest received	-	-	-	605,231	289,654	627,596
Net cash (used in)/generated from investing activities	-	-	-	(587,482)	(485,652)	(1,057,948)
Cash flows from financing activities						
Proceeds from loans and borrowings	-	-	-	-	5,550,000	2,000,000
Repayment of loans and borrowings	-	(15,000)	(25,000)	(637,400)	(883,900)	(1,784,300)
Repayment of lease rentals	-	-	-	(46,371)	(47,536)	(96,060)
Forfeiture of unclaimed dividends	-	-	1,162	-	-	1,621
Dividends paid net of tax	(624,545)	(519,369)	(648,339)	(1,283,506)	(1,073,103)	(1,337,740)
Net cash (used in)/generated from financing activities	(624,545)	(534,369)	(672,177)	(1,967,277)	3,545,461	(1,216,479)
Net increase/(decrease) in cash and cash equivalents	54,038	42,513	20,757	(2,429,371)	1,753,751	2,715,932
Cash and cash equivalents at the beginning of the year	(143,232)	(163,989)	(163,989)	11,137,550	7,686,214	7,686,214
Effect of exchange rate changes on cash and cash equivalents	-	-	-	548,240	(2,209)	735,404
Cash and cash equivalents at the end of the period	(89,194)	(121,476)	(143,232)	9,256,419	9,437,756	11,137,550
Analysis of cash and cash equivalents						
Cash and cash equivalents	13,630	26,527	28,375	11,739,825	11,464,945	13,114,311
Bank overdraft	(102,824)	(148,003)	(171,607)	(2,483,406)	(2,027,189)	(1,976,761)
	(89,194)	(121,476)	(143,232)	9,256,419	9,437,756	11,137,550

The above figures are provisional and subject to audit.

Figures in brackets indicate deductions.

CEYLON BEVERAGE HOLDINGS PLC
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

Ceylon Beverage Holdings PLC is a public limited liability Company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The parent company of Ceylon Beverage Holdings PLC is Carson Cumberbatch PLC "(CCPLC)" and the ultimate parent company is Bukit Darah PLC. The registered office of the Company is situated at No 61, Janadhipathi Mawatha, Colombo 01 and the principal place of business is situated at No 254, Colombo Road, Biyagama.

The Interim Consolidated Financial Statements comprise of the Company and its subsidiaries (together referred to as the "Group" and individually Group entities). The Subsidiaries of the Company are set out below.

Subsidiary	Controlling interest	Note
Lion Brewery (Ceylon) PLC	52.25%	"LBCPLC"
Pubs 'N Places (Private) Limited	99.9%	
Retail Spaces (Private) Limited	100%	
Luxury Brands (Private) Limited	100%	
Pearl Springs (Private) Limited	52.25%	"PSPL", wholly owned subsidiary of "LBCPLC"
Millers Brewery Limited	52.25%	wholly owned subsidiary Subsidiary of "PSPL"

The principal activities of the Group is brewing and marketing of high quality beers for both local & export markets and retailing of beer & alcohol products locally through its owned/managed wine shops & pubs. The Group is also engaged in the import & marketing of globally renowned high quality beer and spirits brands.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

The interim condensed Financial Statements of the Company and Group have been prepared in accordance with Sri Lanka Accounting Standard - LKAS 34 (Interim Financial Reporting). This Interim Financial Statement should be read in conjunction with the Annual Financial Statements for the year ended 31st March 2022 including the changes to accounting policies as a result of adapting to Sri Lanka Financial Reporting Standards(" SLFRSs/LKASs ").

2.2 Going Concern

Based on currently available information the management is satisfied that the Company and its subsidiaries would continue its operations in the foreseeable future.

2.3 Basis of measurement

2.3.1 The interim condensed Financial Statements have been prepared on the historical cost basis and applied consistently with no adjustments being made for inflationary factors affecting the financial statements, except for the following;

- Freehold Land and buildings are measured at cost at the time of acquisition and construction and subsequently at revalued amounts, which are the fair values at the date of revaluation less accumulated depreciation and impairment losses, if any.
- Employee benefits are measured at present value of the obligation.

2.4 Functional Currency and Presentation Currency

All values presented in the Financial Statements are in Sri Lankan Rupees Thousands (Rs.'000s) which is the Group's functional currency, unless otherwise indicated.

CEYLON BEVERAGE HOLDINGS PLC

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

3 FINANCIAL COMMITMENTS AND CONTINGENT LIABILITIES

3.1 Financial Commitments

Lion Brewery (Ceylon) PLC

Document credits established for foreign purchases of the company as at 30th September 2022 amounts to Rs. 2,790Mn (2021 - Rs. 2,135Mn)

3.2 Capital Commitments

Lion Brewery (Ceylon) PLC

Capital expenditure committed by the "LBCPLC" for which a provision has not been made in the Financial Statements amounts to Rs. 803Mn at 30th September 2022 (2021 - Rs. 603Mn)

3.3 Contingencies

Following legal matters are outstanding against the Group and no provision has been made in the Financial Statements in this regard.

(i) Company

In 2008 the Customs Department instituted a prosecution in the Fort Magistrate's Court (MC) in Case No. S/65898/07/B against the Company and its Directors for the recovery of Rs. 48,121,634/29 comprising of Rs.23,062,080/43 being the amount of Excise (Special Provision) Duty (the 'duty') purportedly in arrears during the period 1998/IVq to 2001/IIIq and Rs.25,059,553/86 as its penalty. The Company and the Directors filed an application for Writ in the Court of Appeal (CA) to quash the Certificate of Excise Duty in Default issued by the Director General of Customs and Excise Duty and obtained a Stay Order in respect of the proceedings of the Fort MC Case. A sum of Rs. 23,062,080/43 being the duty amount in dispute was paid to Sri Lanka Customs by the Company as required before submitting its appeal. Subsequently the CA Application was dismissed and the Company appealed against the Order to the Supreme Court and was granted Special Leave to Appeal by the Court. The Court also ordered the staying of all further proceedings in the MC Case until final hearing and determination of the Appeal. No provision has been made for the payment of penalty amounting to Rs.25,059,553/86, pending the Judgment from the Supreme Court in the said Leave to Appeal matter. This matter came up for Argument before the Supreme Court on 12th July 2021. Arguments were concluded after a full day and matter is reserved for Judgment.

(ii) Lion Brewery (Ceylon) PLC

Contingent liabilities as at 30th September 2022 amounts to Rs. 469Mn (2021 - Rs. 275Mn), being bank guarantees given to Government bodies and foreign suppliers for operational purposes.

Apart from the above there were no other material contingent liabilities which would require adjustments to or disclosure in the Financial Statements.

4 COMPARATIVE FIGURES

Lion Brewery (Ceylon) PLC

Empty bottle depreciation and machinery maintenance cost previously reported under distribution expenses and other expenses have been reclassified under cost of sales in 2022/2023 financial year. The previous years comparative figures have been reclassified, where relevant, for better presentation to be comparable with those of the current year.

5 STATED CAPITAL

The Company's stated capital consists of 20,988,090 ordinary shares.

CEYLON BEVERAGE HOLDINGS PLC**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS****6 LEASE LIABILITIES**

In Rs. 000's	Company		Group	
	30-Sep-22	31-Mar-22	30-Sep-22	31-Mar-22
Balance as at beginning of the period	-	-	253,608	275,321
Leases obtained	-	-	39,561	40,857
Lease rentals paid	-	-	(46,371)	(96,060)
Interest expenses for the period	-	-	16,603	36,773
Derecognition of lease liability	-	-	-	(3,283)
Balance as at end of the period	-	-	263,401	253,608

7 SEGMENTAL ANALYSIS

The Group does not distinguish its products into significant components for different Geographical/Business segments as the differentiations are insignificant.

8 SURCHARGE TAX

According to the Surcharge Tax Act No. 14 of 2022 which was legislated on 8th April 2022, the Group is liable for Surcharge Tax of Rs. 1,231 Mn out of the taxable income of Rs. 5,227 Mn for year of assessment 2020/21.

Total Surcharge Tax liability of Rs. 1,231Mn has been recognized as an adjustment to the retained earnings of 1st April 2022 in the Statement of Changes in Equity as per the Alternative Treatment (SoAT) issued by The Institute of Chartered Accountants of Sri Lanka. This said Addendum recommends to recognize Surcharge Tax through the Statement of Changes in Equity as an equity adjustment on the first day of the first reporting period ending after enactment of the said Act.

On 20th April 2022, the Group was paid Rs. 615Mn on account of the first installment of the Surcharge Tax liability. The final installment of Surcharge Tax liability was paid on 20th July 2022.

Statement of Changes in Equity as at the beginning of the Financial Year,

	Retained Earnings Rs. Mn	
	Company	Group
Balance as at 1 April 2022	891	8,119
Adjustment for Surcharge tax	(36)	(1,231)
Adjusted balance as at 1 April 2022	855	6,888

9 EVENTS AFTER THE REPORTING PERIOD

There have been no events subsequent to the reporting date, which required adjustment to or disclosure in these Financial Statements.

10 INVESTOR INFORMATION

Investor Information	Quarter ended		Six Months ended		Year ended
	30.09.2022	30.09.2021	30.09.2022	30.09.2021	31.03.2022
Share Information					
Last traded share price/closing price (Rs.)	767.25	799.75	767.25	799.75	706.75
Highest price (Rs.)	874.00	894.50	874.00	894.50	894.50
Lowest price (Rs.)	681.00	747.00	531.00	723.25	660.00
Trading Statistics					
No of Transactions	57	164	116	225	483
No of Shares traded	2,351	1,216	3,152	7,671	120,543
Value of all shares traded (Rs. Mn.)	1.81	0.99	2.32	5.98	89.51

CEYLON BEVERAGE HOLDINGS PLC**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS****11 DIRECTORS' SHAREHOLDINGS**

AS AT 30TH SEPTEMBER 2022	No. of Shares
Mr. D. A. Cabraal (Chairman)	1,500
Mr. H. Selvanathan (Deputy Chairman)	690
Mr. M. Selvanathan (Director / Alternate Director to Mr. H. Selvanathan)	690
Mr. R. H. Meewakkala (CEO/Director)	-
Mr. D.C.R. Gunawardena	15
Mr. S. Clini	-
Mrs. S. J. F. Evans	-

12 TWENTY MAJOR SHAREHOLDERS AS AT 30TH SEPTEMBER 2022

#	Name of Shareholder	No. of Shares	%
1	CARSON CUMBERBATCH PLC A/C NO. 02	15,726,912	74.93
	CARSON CUMBERBATCH PLC A/C NO. 01	144,423	0.69
2	GF CAPITAL GLOBAL LIMITED	2,096,858	9.99
3	CARLSBERG A/S	1,676,440	7.99
4	SERENDIP INVESTMENTS LIMITED	644,000	3.07
5	DEUTSCHE BANK AG SINGAPORE A/C 2 (DCS CLT ACC FOR DEUTSCHE BANK AG SINGAPORE - PWMWM CLIENT)	130,000	0.62
6	TRANZ DOMINION, L.L.C.	75,748	0.36
7	MRS. J.K.P. SINGH	31,485	0.15
8	GUINNESS MORISON INTERNATIONAL LIMITED	20,953	0.10
9	SAMPATH BANK PLC/MRS.PRIYANI DHARSHINI RATNAGOPAL	13,650	0.07
	MRS.PRIYANI DHARSHINI RATNAGOPAL	212	0.00
10	MISS A. RADHAKRISHNAN	12,239	0.06
11	MISS M.P. RADHAKRISHNAN	10,257	0.05
12	MR. N.J. GAMADIA	8,786	0.04
13	MR. R. MAHESWARAN	8,134	0.04
14	ADMIN OF A.C. ABDEEN (DECD)	7,725	0.04
15	MRS. M.C. ABEYSEKERA	7,622	0.04
16	MISS. C.S. THENABADU	7,370	0.04
17	MRS. M.L. PAIVA	6,006	0.03
18	MR. N.J.H.M. COORAY	6,000	0.03
19	MRS. S. MAHADEVA	5,660	0.03
20	MR. M.W. DE SILVA	5,000	0.02

13 PUBLIC HOLDING

The Company is in compliance with the Minimum Public Holding requirements for Companies listed on the Diri Savi Board as per Rule 7.14.1 (i) (b) of the Listing Rules of the Colombo Stock Exchange, under Option 1, i.e. Float-Adjusted Market Capitalization of Rs.1 Billion with 200 Public Shareholders and a Public Holding percentage of 7.5%.

The Company's Public Holding as at 30th September 2022

Market Capitalization of the Public Holding	Rs.3.91 Billion
Percentage of ordinary shares held by the public	24.29%
Number of Public Shareholders	975

CEYLON BEVERAGE HOLDINGS PLC
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

14 RELATED PARTY DISCLOSURES

The Company carried out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard LKAS 24 - 'Related Party Disclosures', the details of which are reported below.

14.1 Transactions with related parties/subsidiaries

In Rs.'000s For the period ended 30th September	Company		Group	
	2022	2021	2022	2021
Royalty income	107,709	70,906	-	-
Royalty expenses	-	-	120,409	41,498
Dividend income	721,029	601,903	-	-
Intercompany interest income	16,079	3,361	-	-
Intercompany interest expense	23,798	9,322	-	-
Beer and spirits sales income	-	-	2,575	156
Rent expenses	-	-	21,671	19
Support services fees expenses	298	293	296,632	354,543
Other service fee expenses	244	154	71,811	137,745

CEYLON BEVERAGE HOLDINGS PLC**Corporate Information**

NAME OF THE COMPANY

Ceylon Beverage Holdings PLC
(A Carson Cumberbatch Company)

COMPANY REGISTRATION NUMBER

PQ 35

LEGAL FORM

A Public Quoted Company with Limited Liability incorporated in Sri Lanka in 1910
Official listing of the Colombo Stock Exchange was obtained in April 1991

SUBSIDIARY COMPANIES

Lion Brewery (Ceylon) PLC
Pubs 'N Places (Private) Limited
Retail Spaces (Private) Limited
Luxury Brands (Private) Limited
Pearl Springs (Private) Limited
Millers Brewery Limited

PARENT AND CONTROLLING ENTITY

Carson Cumberbatch PLC is the Parent Company of Ceylon Beverage Holdings PLC and Bukit Darah PLC is the Ultimate Parent and Controlling Entity of Ceylon Beverage Holdings PLC.

DIRECTORS

Mr. D. A. Cabraal (Chairman)
Mr. H. Selvanathan (Deputy Chairman)
Mr. M. Selvanathan (Director / Alternate Director to H. Selvanathan)
Mr. R. H. Meewakkala (CEO/Director)
Mr. D. C. R. Gunawardena
Mr. S. Clini
Mrs. S. J. F. Evans

BANKERS

Citibank
Commercial Bank
Deutsche Bank
DFCC Bank
Hatton National Bank
Nations Trust Bank
National Development Bank
Peoples' Bank
Standard Chartered Bank
Sampath Bank

LEGAL ADVISERS

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216, De Saram Place
Colombo 10
Sri Lanka
Tel: + 94 11 4718200
Fax: + 94 11 4718220

AUDITORS

Messrs. KPMG
Chartered Accountants
No. 32A, Sir Mohamed Macan Markar Mawatha
Colombo 3
Sri Lanka
Tel: + 94 11 5426426
Fax:+94 11 2445872

MANAGERS & SECRETARIES

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No: 61, Janadhipathi Mawatha
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REGISTERED OFFICE

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Fax: +94 11 2039 300

CORPORATE OFFICE & BREWERY

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Tel: +94 11 2465900 (10 Lines)
Fax:+94 11 2465901

GROUP WEBSITE

www.carsoncumberbatch.com