

Ceylon Beverage Holdings PLC

*Interim Condensed Financial Statements
for the Nine Months ended
31st December 2023*

CEYLON BEVERAGE HOLDINGS PLC

Review

The quarter under review was extremely challenging. As highlighted in the Q2 review, extreme weather conditions in all parts of the country caused an impact on volumes, compounded by the pressure on disposable income due to negative economic growth and the 44% increase in Excise Duty during the year. Total alcoholic beverage volumes during the quarter contracted by 20%, which is a clear indication of the context discussed earlier.

Total Government revenues from Excise Duty was approximately Rs. 178 Bn from the industry, which was a 5% growth for the calendar year 2023. It is clear that the 44% increase in Excise Duty rate has not had the desired effect as the volumes have eroded rapidly. The illicit trade in alcohol has exploded in all areas, consumers move into this category as a cheaper alternative, and the limited access to legal alcohol has amplified the same. The Group paid Rs. 53.9 Bn in total taxes for three quarters of fiscal year 2023-24.

Taking into account the pressure on consumer incomes, Lion Brewery introduced new pack sizes to reduce the incidence of consumers down trading to the illicit category. Gross margins were under pressure as the full impact of Excise Duty increases could not be passed down to the already price pressured consumer as well as fixed cost deleverage due to lower volumes.

Our export business continues to grow by 16% vs last year. A more geographically focused approach has been adopted which should further spur growth in this vertical. Lion Brewery is by far the largest exporter of alcoholic beverages from Sri Lanka. The current Excise Duty rebate system and tax stamps need to be reconsidered for alcoholic beverages exports, as these costs make our products uncompetitive in the foreign markets thereby capping growth potential.

It should be noted that in January 2024 there was another 14% increase in Excise Duty along with the 3% hike in the VAT rate. As such, Lion Brewery's domestic business performance took a significant step down in January. The Excise Duty increase further pressured our export business financial performance. The combination of lower volumes and gross margin compression will adversely impact 4th quarter financial results.

CEYLON BEVERAGE HOLDINGS PLC
BOARD OF DIRECTORS AS AT 31ST DECEMBER 2023

Mr. D. A. Cabraal (Chairman)

Mr. H. Selvanathan (Deputy Chairman)

Mr. M. Selvanathan (*Ceased to be an Alternate Director to Mr. H. Selvanathan w.e.f. 31/12/2023*)

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 | | | | |
| As at In Rs. '000s | Company | | Group | |
| | 31st December 2023 | 31st March 2023 (Audited) | 31st December 2023 | 31st March 2023 (Audited) |
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | - | - | 25,063,875 | 22,996,451 |
| Investment properties | 810,200 | 810,200 | 810,200 | 810,200 |
| Right of use assets | - | - | 205,966 | 209,947 |
| Intangible assets | - | - | 772,113 | 458,843 |
| Deferred tax assets | - | - | 43,708 | 26,378 |
| Investment in subsidiaries | 2,150,630 | 2,060,084 | - | - |
| Total non-current assets | 2,960,830 | 2,870,284 | 26,895,862 | 24,501,819 |
| Current assets | | | | |
| Inventories | - | - | 9,493,040 | 7,451,345 |
| Trade and other receivables | 24,178 | 7,614 | 5,858,190 | 5,530,902 |
| Amounts due from related companies | 115,354 | 175,000 | - | - |
| Current tax assets | - | - | - | 639 |
| Cash and cash equivalents | 11,027 | 20,368 | 11,504,202 | 11,348,046 |
| Total current assets | 150,559 | 202,982 | 26,855,432 | 24,330,932 |
| Total assets | 3,111,389 | 3,073,266 | 53,751,294 | 48,832,751 |
| 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 | 1,750,368 | 1,352,682 | 11,609,173 | 10,345,024 |
| Translation reserve | - | - | 168 | - |
| Equity attributable to equity holders of the Company | 2,303,676 | 1,905,990 | 13,246,083 | 11,981,766 |
| Non controlling interest | - | - | 11,919,238 | 11,090,491 |
| Total equity | 2,303,676 | 1,905,990 | 25,165,321 | 23,072,257 |
| Non-current liabilities | | | | |
| Loans and borrowings | - | - | 1,949,965 | 1,924,442 |
| Lease liabilities (Note 5) | - | - | 220,618 | 216,501 |
| Employee benefits | - | - | 220,779 | 257,730 |
| Deferred tax liabilities | 143,682 | 143,682 | 6,143,834 | 5,687,986 |
| Total non-current liabilities | 143,682 | 143,682 | 8,535,196 | 8,086,659 |
| Current liabilities | | | | |
| Trade and other payables | 26,962 | 27,968 | 4,512,733 | 4,829,899 |
| Amounts due to related companies | 425,049 | 372,791 | 93,929 | 76,041 |
| Refundable deposits | - | - | 2,794,751 | 2,742,490 |
| Current tax liabilities | 26,244 | 75,051 | 5,053,126 | 2,855,295 |
| Loans and borrowings | - | 400,000 | 3,303,448 | 5,080,158 |
| Lease liabilities (Note 5) | - | - | 46,573 | 45,054 |
| Bank overdraft | 185,776 | 147,784 | 4,246,217 | 2,044,898 |
| Total current liabilities | 664,031 | 1,023,594 | 20,050,777 | 17,673,835 |
| Total liabilities | 807,713 | 1,167,276 | 28,585,973 | 25,760,494 |
| Total equity and liabilities | 3,111,389 | 3,073,266 | 53,751,294 | 48,832,751 |
| Net assets per ordinary share (Rs.) | 109.76 | 90.81 | 631.13 | 570.89 |

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.)

J.N. Goonaratne

Chief Financial Officer

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.

12th February 2024

(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 | | | Nine Months Ended | | | Year Ended |
|---|------------------|-----------------|-------------|-------------------|------------------|-----------|------------------------|
| | 31-Dec-23 | 31-Dec-22 | Change % | 31-Dec-23 | 31-Dec-22 | Change % | 31-Mar-23 (Audited) |
| Revenue | 1,146,725 | 615,315 | 86 | 2,244,231 | 1,444,053 | 55 | 1,491,410 |
| Cost of sales | - | - | - | - | - | - | - |
| Gross profit | 1,146,725 | 615,315 | 86 | 2,244,231 | 1,444,053 | 55 | 1,491,410 |
| Net gains arising from changes in fair value of investment properties | - | - | - | - | - | - | 163,100 |
| | 1,146,725 | 615,315 | 86 | 2,244,231 | 1,444,053 | 55 | 1,654,510 |
| Administrative expenses | (10,139) | (8,105) | 25 | (27,536) | (16,786) | 64 | (34,363) |
| Reversal/(provision) of impairment for intercompany receivable | 44,403 | - | - | 44,403 | - | - | (44,403) |
| Provision of impairment for investments in subsidiaries | (44,403) | - | - | (44,403) | - | - | (175,000) |
| Profit Before Finance Cost | 1,136,586 | 607,210 | 87 | 2,216,695 | 1,427,267 | 55 | 1,400,744 |
| Finance income | 7,371 | 11,155 | (34) | 29,478 | 27,234 | 8 | 39,833 |
| Finance costs | (20,631) | (26,527) | (22) | (95,563) | (68,037) | 40 | (97,124) |
| Net finance costs | (13,260) | (15,372) | (14) | (66,085) | (40,803) | 62 | (57,291) |
| Profit before taxation | 1,123,326 | 591,838 | 90 | 2,150,610 | 1,386,464 | 55 | 1,343,453 |
| Income tax expenses | (15,869) | (96,319) | (84) | (47,851) | (219,999) | (78) | (228,781) |
| Deferred taxation | - | (63,168) | - | - | (63,168) | - | (112,098) |
| Profit after taxation | 1,107,457 | 432,351 | 156 | 2,102,759 | 1,103,297 | 91 | 1,002,574 |
| Earnings per ordinary share (Rs.) | 52.77 | 20.60 | | 100.19 | 52.57 | | 47.77 |

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 | Quarter Ended | | | Nine Months Ended | | | Year Ended |
|---|------------------|------------------|-------------|--------------------|--------------------|-----------|------------------------|
| | 31-Dec-23 | 31-Dec-22 | Change % | 31-Dec-23 | 31-Dec-22 | Change % | 31-Mar-23 (Audited) |
| In Rs.'000s | | | | | | | |
| Revenue | 27,556,644 | 24,467,956 | 13 | 80,576,966 | 71,693,912 | 12 | 96,938,522 |
| Cost of sales | (21,121,850) | (18,324,157) | 15 | (61,167,519) | (54,544,789) | 12 | (73,755,671) |
| Gross profit | 6,434,794 | 6,143,799 | 5 | 19,409,447 | 17,149,123 | 13 | 23,182,851 |
| Net gains arising from changes in fair value of investment properties | - | - | - | - | - | - | 304,414 |
| Other income | 259,231 | 93,866 | 176 | 420,135 | 227,458 | 85 | 163,100 |
| | 6,694,025 | 6,237,665 | 7 | 19,829,582 | 17,376,581 | 14 | 23,650,365 |
| Distribution expenses | (1,739,342) | (1,656,060) | 5 | (5,159,649) | (4,129,750) | 25 | (6,017,299) |
| Administrative expenses | (993,334) | (867,172) | 15 | (2,861,675) | (2,112,128) | 35 | (3,099,889) |
| Other expenses | (104,635) | (191,934) | (45) | (314,436) | (696,959) | (55) | (715,125) |
| Reversal/(provision) of impairment for intangible assets | - | - | - | 291,063 | (353,229) | - | (353,229) |
| Profit before finance cost | 3,856,714 | 3,522,499 | 9 | 11,784,885 | 10,084,515 | 17 | 13,464,823 |
| Finance income | 309,729 | 408,693 | (24) | 914,809 | 1,013,924 | | 1,411,521 |
| Finance costs | (510,310) | (1,094,269) | (53) | (1,981,397) | (2,038,757) | (3) | (3,615,441) |
| Net finance income/(costs) | (200,581) | (685,576) | (71) | (1,066,588) | (1,024,833) | 4 | (2,203,920) |
| Profit before taxation | 3,656,133 | 2,836,923 | 29 | 10,718,297 | 9,059,682 | 18 | 11,260,903 |
| Income tax expenses | (1,503,495) | (952,176) | 58 | (4,209,726) | (3,553,770) | 18 | (4,091,422) |
| Deferred taxation | (117,115) | (115,447) | 1 | (445,496) | 59,464 | (849) | (423,377) |
| Profit after taxation | 2,035,523 | 1,769,300 | 15 | 6,063,075 | 5,565,376 | 9 | 6,746,104 |
| Other comprehensive income | | | | | | | |
| <i>Items that will never be reclassified to profit or loss</i> | - | - | - | - | - | - | (50,899) |
| Re-measurement of employee benefit obligation | - | - | - | - | - | - | 20,360 |
| Deferred tax adjustment on employee benefit obligation | - | - | - | - | - | - | - |
| <i>Items that are or may be reclassified subsequently to profit or loss</i> | | | | | | | |
| Foreign currency translation gain/(loss) from foreign operation | (477) | - | - | 322 | - | - | - |
| Total other comprehensive income for the period net of tax | (477) | - | - | 322 | - | - | (30,539) |
| Total comprehensive income for the period | 2,035,046 | 1,769,300 | 15 | 6,063,397 | 5,565,376 | 9 | 6,715,565 |
| Profit attributable to | | | | | | | |
| - Equity holders of the company | 1,003,086 | 781,783 | 28 | 2,969,222 | 2,747,866 | 8 | 3,407,614 |
| - Non - controlling interest | 1,032,437 | 987,517 | 5 | 3,093,853 | 2,817,510 | 10 | 3,338,490 |
| Profit available for appropriation | 2,035,523 | 1,769,300 | 15 | 6,063,075 | 5,565,376 | 9 | 6,746,104 |
| Total comprehensive income attributable to | | | | | | | |
| - Equity holders of the company | 1,002,837 | 781,783 | 28 | 2,969,390 | 2,747,866 | 8 | 3,391,657 |
| - Non - controlling interest | 1,032,209 | 987,517 | 5 | 3,094,007 | 2,817,510 | 10 | 3,323,908 |
| Profit available for appropriation | 2,035,046 | 1,769,300 | 15 | 6,063,397 | 5,565,376 | 9 | 6,715,565 |
| Earnings per ordinary share (Rs.) | 47.79 | 37.25 | | 141.47 | 130.93 | | 162.36 |

The above figures are provisional and subject to audit.

Figures in brackets indicate deductions.

CEYLON BEVERAGE HOLDINGS PLC
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 | Translation Reserve | | | Total |
| COMPANY | | | | | | | | | |
| Balance as at 1st April 2022 | 533,384 | - | 19,924 | 601,227 | 891,338 | - | 2,045,873 | - | 2,045,873 |
| Surcharge Tax | - | - | - | - | (35,754) | - | (35,754) | - | (35,754) |
| Adjusted Balance as at 1st April 2022 | 533,384 | - | 19,924 | 601,227 | 855,584 | - | 2,010,119 | - | 2,010,119 |
| Total comprehensive income for the period | | | | | | | | | |
| Profit for the period | - | - | - | (63,168) | 1,166,465 | - | 1,103,297 | - | 1,103,297 |
| Other comprehensive income for the period | - | - | - | - | - | - | - | - | - |
| Transfers | - | - | - | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | (63,168) | 1,166,465 | - | 1,103,297 | - | 1,103,297 |
| Transactions with owners, recorded directly in equity contribution by and distribution to owners | | | | | | | | | |
| Forfeiture of unclaimed dividends | - | - | - | - | - | - | - | - | - |
| Dividends | - | - | - | - | (624,396) | - | (624,396) | - | (624,396) |
| Balance as at 31st December 2022 | 533,384 | - | 19,924 | 538,059 | 1,397,653 | - | 2,489,020 | - | 2,489,020 |
| Balance as at 1st April 2022 | | | | | | | | | |
| Balance as at 1st April 2022 | 533,384 | - | 19,924 | 601,227 | 855,584 | - | 2,010,119 | - | 2,010,119 |
| Transfers | - | - | - | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | - | - | - | - | - | - |
| Total comprehensive income for the period | | | | | | | | | |
| Profit for the period | - | - | - | 51,002 | 951,572 | - | 1,002,574 | - | 1,002,574 |
| Other comprehensive Loss for the period | - | - | - | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | 51,002 | 951,572 | - | 1,002,574 | - | 1,002,574 |
| Transactions with owners, recorded directly in equity contribution by and distribution to owners | | | | | | | | | |
| Forfeiture of unclaimed dividends | - | - | - | - | 419 | - | 419 | - | 419 |
| Dividends | - | - | - | - | (1,107,122) | - | (1,107,122) | - | (1,107,122) |
| Balance as at 31st March 2023 | 533,384 | - | 19,924 | 652,229 | 700,453 | - | 1,905,990 | - | 1,905,990 |
| Balance as at 1st April 2023 | | | | | | | | | |
| Balance as at 1st April 2023 | 533,384 | - | 19,924 | 652,229 | 700,453 | - | 1,905,990 | - | 1,905,990 |
| Total comprehensive income for the period | | | | | | | | | |
| Profit for the period | - | - | - | - | 2,102,759 | - | 2,102,759 | - | 2,102,759 |
| Transfers | - | - | - | - | - | - | - | - | - |
| Other comprehensive income for the period | - | - | - | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | - | 2,102,759 | - | 2,102,759 | - | 2,102,759 |
| Transactions with owners, recorded directly in equity contribution by and distribution to owners | | | | | | | | | |
| Forfeiture of unclaimed dividends | - | - | - | - | - | - | - | - | - |
| Surcharge tax | - | - | - | - | - | - | - | - | - |
| Dividends | - | - | - | - | (1,705,073) | - | (1,705,073) | - | (1,705,073) |
| Balance as at 31st December 2023 | 533,384 | - | 19,924 | 652,229 | 1,098,139 | - | 2,303,676 | - | 2,303,676 |
| GROUP | | | | | | | | | |
| Balance as at 1st April 2022 | 533,384 | 1,083,434 | 19,924 | 601,227 | 8,119,481 | - | 10,357,450 | 9,515,171 | 19,872,621 |
| Surcharge Tax | - | - | - | - | (660,638) | - | (660,638) | (570,118) | (1,230,756) |
| Adjusted Balance as at 1st April 2022 | 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 | - | - | - | (63,168) | 2,811,034 | - | 2,747,866 | 2,817,510 | 5,565,376 |
| Other comprehensive income for the period | - | - | - | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | (63,168) | 2,811,034 | - | 2,747,866 | 2,817,510 | 5,565,376 |
| Transactions with owners, recorded directly in equity contribution by and distribution to owners | | | | | | | | | |
| Forfeiture of unclaimed dividends | - | - | - | - | - | - | - | - | - |
| Dividends | - | - | - | - | (624,396) | - | (624,396) | (1,178,470) | (1,802,866) |
| Balance as at 31st December 2022 | 533,384 | 1,083,434 | 19,924 | 538,059 | 9,645,481 | - | 11,820,282 | 10,584,093 | 22,404,375 |
| Balance as at 1st April 2022 | | | | | | | | | |
| Balance as at 1st April 2022 | 533,384 | 1,083,434 | 19,924 | 601,227 | 7,458,843 | - | 9,696,812 | 8,945,053 | 18,641,865 |
| Transfers | - | - | - | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | - | - | - | - | - | - |
| Total comprehensive income for the period | | | | | | | | | |
| Profit for the period | - | - | - | 51,002 | 3,356,612 | - | 3,407,614 | 3,338,490 | 6,746,104 |
| Other comprehensive income for the period | - | - | - | - | (15,957) | - | (15,957) | (14,582) | (30,539) |
| Total comprehensive income for the period | - | - | - | 51,002 | 3,340,655 | - | 3,391,657 | 3,323,908 | 6,715,565 |
| Transactions with owners, recorded directly in equity contribution by and distribution to owners | | | | | | | | | |
| Forfeiture of unclaimed dividends | - | - | - | - | 419 | - | 419 | - | 419 |
| Dividends | - | - | - | - | (1,107,122) | - | (1,107,122) | (1,178,470) | (2,285,592) |
| Balance as at 31st March 2023 | 533,384 | 1,083,434 | 19,924 | 652,229 | 9,692,795 | - | 11,981,766 | 11,090,491 | 23,072,257 |
| Balance as at 1st April 2023 | | | | | | | | | |
| Balance as at 1st April 2023 | 533,384 | 1,083,434 | 19,924 | 652,229 | 9,692,795 | - | 11,981,766 | 11,090,491 | 23,072,257 |
| Total comprehensive income for the period | | | | | | | | | |
| Profit for the period | - | - | - | - | 2,969,222 | - | 2,969,222 | 3,093,853 | 6,063,075 |
| Other comprehensive loss for the period | - | - | - | - | - | 322 | 322 | - | 322 |
| Transfers | - | - | - | - | - | (154) | (154) | 154 | - |
| Total comprehensive income for the period | - | - | - | - | 2,969,222 | 168 | 2,969,390 | 3,094,007 | 6,063,397 |
| Transactions with owners, recorded directly in equity contribution by and distribution to owners | | | | | | | | | |
| Forfeiture of unclaimed dividends | - | - | - | - | - | - | - | - | - |
| Dividends | - | - | - | - | (1,705,073) | - | (1,705,073) | (2,265,260) | (3,970,333) |
| Balance as at 31st December 2023 | 533,384 | 1,083,434 | 19,924 | 652,229 | 10,956,944 | 168 | 13,246,083 | 11,919,238 | 25,165,321 |

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

CEYLON BEVERAGE HOLDINGS PLC
CONDENSED STATEMENT OF CASH FLOWS

| <i>For the period ended</i> <i>In Rs. '000s</i> | Company | | Group | |
|--|--------------------|------------------|--------------------|--------------------|
| | 31-Dec-23 | 31-Dec-22 | 31-Dec-23 | 31-Dec-22 |
| Cash flows from operating activities | | | | |
| Profit before taxation | 2,150,610 | 1,386,464 | 10,718,297 | 9,059,682 |
| Adjustments for: | | | | |
| Finance costs (excluding exchange gain) | 95,563 | 68,037 | 2,086,995 | 2,427,308 |
| Depreciation on right of use assets | - | - | 39,789 | 47,349 |
| Gain on de-recognition of right of use assets | - | - | - | (1,841) |
| Depreciation on property, plant and equipment | - | - | 1,669,518 | 1,276,547 |
| Amortization of intangible assets | - | - | 10,275 | 9,011 |
| Net inventory provision/(reversal) | - | - | (80,463) | (27,896) |
| Provision for retirement benefit obligation | - | - | 27,543 | 21,525 |
| Impairment of property, plant and equipment | - | - | - | 175,752 |
| Provision/(Reversal) of impairment for intangible assets | - | - | (285,360) | 354,579 |
| Impairment of doubtful debtors | - | - | - | - |
| Provision/(Reversal) of Impairment provision for intercompany receivable | (44,403) | - | - | - |
| Impairment provision for investments in subsidiary | 44,403 | - | - | - |
| Finance income | (29,478) | (27,234) | (914,809) | (1,013,924) |
| Net gain arising from changes in fair value of investment properties | - | - | - | - |
| Loss on disposal of property, plant and equipment | - | - | 10,859 | 34,397 |
| Loss on disposal of intangible asset | - | - | 3,037 | - |
| Lease interest expense | - | - | 31,264 | 27,155 |
| Unrealised foreign exchange gain | - | - | (242,040) | (709,901) |
| Operating cash flow before working capital changes | 2,216,695 | 1,427,267 | 12,881,500 | 11,679,743 |
| (Increase)/decrease in inventories | - | - | (1,961,232) | (2,972,370) |
| (Increase)/decrease in trade and other receivables | (16,564) | 63 | (252,282) | (9,634,866) |
| (Increase)/decrease in amounts due from related companies | (30,900) | (30,716) | - | - |
| Increase/(decrease) in amounts due to related companies | (454) | (18,203) | 17,888 | (110,759) |
| Increase/(decrease) in tax payable/receivable | 971 | 2,339 | 1,321,846 | 49,884 |
| Increase/(decrease) in trade and other payables | (899) | (355) | (317,040) | 3,652,946 |
| Cash (used in)/generated from operations | 2,168,849 | 1,380,395 | 11,690,679 | 2,664,578 |
| Finance expenses paid | (42,851) | (26,697) | (2,036,101) | (2,207,569) |
| Tax paid | (97,629) | (115,261) | (2,968,235) | (2,775,414) |
| Surcharge tax paid | - | (35,754) | - | (1,230,756) |
| Retirement benefits paid | - | - | (64,494) | (8,220) |
| Net cash (used in)/generated from operating activities | 2,028,369 | 1,202,683 | 6,621,849 | (3,557,381) |
| Cash flows from investing activities | | | | |
| Purchase and construction of property, plant and equipment | - | - | (3,747,801) | (2,023,603) |
| Purchase of intangible assets | - | - | (41,222) | (1,475) |
| Agent deposits received | - | - | 245,667 | 376,581 |
| Interest received | 29,478 | - | 914,809 | 1,013,924 |
| Investment in subsidiaries | - | - | - | - |
| Net cash (used in)/generated from investing activities | 29,478 | - | (2,628,547) | (634,573) |
| Cash flows from financing activities | | | | |
| Proceeds from loans and borrowings | - | - | 1,741,667 | 4,000,000 |
| Repayment of loans and borrowings | (400,000) | - | (3,543,750) | (856,150) |
| Repayment of lease rentals | - | - | (61,435) | (70,545) |
| Forfeiture of unclaimed dividends | - | - | - | - |
| Dividends paid net of tax | (1,705,180) | (624,545) | (4,342,366) | (1,803,048) |
| Net cash (used in)/generated from financing activities | (2,105,180) | (624,545) | (6,205,884) | 1,270,257 |
| Net increase/(decrease) in cash and cash equivalents | (47,333) | 578,138 | (2,212,582) | (2,921,697) |
| Cash and cash equivalents at the beginning of the year | (127,416) | (143,232) | 9,303,148 | 11,137,550 |
| Effect of movements in exchange rate on translation reserve | | | 322 | - |
| Effect of exchange rate changes on cash and cash equivalents | | | 167,097 | 558,541 |
| Cash and cash equivalents at the end of the period | (174,749) | 434,906 | 7,257,985 | 8,774,394 |
| Analysis of cash and cash equivalents | | | | |
| Cash and cash equivalents | 11,027 | 438,289 | 11,504,202 | 12,824,882 |
| Bank overdraft | (185,776) | (3,383) | (4,246,217) | (4,050,488) |
| | (174,749) | 434,906 | 7,257,985 | 8,774,394 |

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 condensed 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" |
| Lion Beer (Ceylon) Pte Ltd, Singapore | 52.25% | wholly owned Subsidiary of "LBCPLC" |
| Millers Brewery Limited | 52.25% | wholly owned Subsidiary of "LBCPLC" |
| Pubs 'N Places (Private) Limited | 99.9% | |
| Retail Spaces (Private) Limited | 100% | |
| Luxury Brands (Private) Limited | 100% | |

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). These interim condensed financial statements should be read in conjunction with the last annual audited financial statements for the year ended 31st March 2023, as the same accounting policies have been applied consistently.

The presentation and classification of the financial statements of the previous period have been amended, where relevant, for better presentation and to be comparable with those of the current period.

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.
- Investment properties are measured at fair value.

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 31st December 2023 amounts to Rs.1,317 Mn (2022 - Rs.1,793 Mn).

3.2 Capital Commitments

Lion Brewery (Ceylon) PLC

Capital expenditure committed by the Company for which a provision has not been made in the Financial Statements amounts to Rs. 2,899 Mn as at 31st December 2023 (2022 - Rs. 2,936 Mn).

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 to 2001 and Rs.25,059,553/86 as its penalty. The Company and the Directors filed a Writ an application in the Court of Appeal (CA) to quash the Certificate of Excise Duty in Default issued to the Company 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. No provision has been made for the payment of penalty amounting to Rs.25,059,553/86.

Subsequently the CA Application was dismissed and the Company appealed against the Order to the Supreme Court. The Supreme Court also ordered the staying of all further proceedings in the MC Case until final hearing and determination of the Appeal. Supreme Court Judgment was delivered in December 2022 where the Company's Appeal was upheld and Certificate of Excise Duty in default issued by the Director General of Customs and Excise Duty in the Magistrates' Court of Fort was quashed.

The Director General of Excise was directed to consider the representations made by the Company and make a determination under section 9(2) of the said Act, pursuant to an inquiry which was to be concluded within six months from the date of the judgment. Despite the lapse of six months, inquiry is still pending.

(ii) Lion Brewery (Ceylon) PLC

Contingent liabilities as at 31st December 2023 amounts to Rs. 885 Mn (2022 - Rs.360 Mn), 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 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****5 LEASE LIABILITIES**

| In Rs. 000's | Company | | Group | |
|---------------------------------------|-----------|-----------|----------------|----------------|
| | 31-Dec-23 | 31-Mar-23 | 31-Dec-23 | 31-Mar-23 |
| Balance as at beginning of the period | - | - | 261,555 | 253,608 |
| Leases obtained | - | - | 35,807 | 76,046 |
| Lease rentals paid | - | - | (61,435) | (102,316) |
| Interest expenses for the period | - | - | 31,264 | 43,670 |
| Derecognition of lease liability | - | - | - | (9,453) |
| Balance as at end of the period | - | - | 267,191 | 261,555 |

6 SEGMENTAL ANALYSIS

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

7 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.

8 INVESTOR INFORMATION

| Investor Information | Quarter ended | | Nine Month Ended | | Year ended |
|---|-----------------|-----------|------------------|-----------|------------|
| | 31-Dec-23 | 31-Dec-22 | 31-Dec-23 | 31-Dec-22 | 31-Mar-23 |
| Share Information | | | | | |
| Last traded share price/closing price (Rs.) | 1,330.00 | 900.00 | 1,240.50 | 900.00 | 900.00 |
| Highest price (Rs.) | 1,450.00 | 1,000.00 | 1,470.00 | 1,000.00 | 1,000.00 |
| Lowest price (Rs.) | 1,177.50 | 655.00 | 903.00 | 531.00 | 531.00 |
| Trading Statistics | | | | | |
| No of Transactions | 113 | 82 | 307 | 198 | 198 |
| No of Shares traded | 3,960 | 3,619 | 14,569 | 6,771 | 6,771 |
| Value of all shares traded (Rs. Mn.) | 5.40 | 3.22 | 17.95 | 5.55 | 5.55 |

CEYLON BEVERAGE HOLDINGS PLC**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS****9 DIRECTORS' SHAREHOLDINGS**

| AS AT 31ST DECEMBER 2023 | No. of Shares |
|--|---------------|
| Mr. D. A. Cabraal (Chairman) | 1,500 |
| Mr. H. Selvanathan (Deputy Chairman) | 690 |
| Mr. M. Selvanathan (<i>Ceased to be an Alternate Director to Mr. H. Selvanathan w.e.f. 31/12/2023</i>) | 690 |
| Mr. R. H. Meewakkala (CEO/Director) | - |
| Mr. D.C.R. Gunawardena | 15 |
| Mr. S. Clini | - |
| Mrs. S. J. F. Evans | - |

10 TWENTY MAJOR SHAREHOLDERS AS AT 31ST DECEMBER 2023

| # | Name | Total 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) | 128,833 | 0.61 |
| 6 | TRANZ DOMINION,L.L.C. | 81,000 | 0.39 |
| 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. P. D. 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. L.R.Y. WAIDYARATNE | 8,499 | 0.04 |
| 14 | MR. R. MAHESWARAN (DECEASED) | 8,134 | 0.04 |
| 15 | ADMIN OF A. C. ABDEEN (DECD) | 7,725 | 0.04 |
| 16 | MRS. M.C. ABEYSEKERA | 7,622 | 0.04 |
| 17 | MRS. C.S. THENABADU | 7,370 | 0.04 |
| 18 | MRS. M.L. PAIVA | 6,006 | 0.03 |
| 19 | MR. N.J.H.M. COORAY | 6,000 | 0.03 |
| 20 | EST. OF LATE S. MAHADEVA | 5,660 | 0.03 |

11 PUBLIC HOLDING

The Company is in compliance with the Minimum Public Holding requirements for Companies listed on the Diri Savi Board as per Rule 7.13.1 (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 31st December 2023

| | |
|--|-----------------|
| Market Capitalization of the Public Holding | Rs.6.78 Billion |
| Percentage of ordinary shares held by the public | 24.29% |
| Number of Public Shareholders | 982 |

CEYLON BEVERAGE HOLDINGS PLC
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

12 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.

12.1 Transactions with related parties/subsidiaries

| In Rs.'000s For the period ended 31st December | Company | | Group | |
|---|-----------|-----------|-----------|-----------|
| | 31-Dec-23 | 31-Dec-22 | 31-Dec-23 | 31-Dec-22 |
| Royalty income | 137,364 | 154,560 | - | - |
| Royalty expenses | - | - | 291,868 | 195,427 |
| Dividend income | 2,106,868 | 1,289,493 | - | - |
| Intercompany interest income | 29,478 | 27,234 | - | - |
| Intercompany interest expense | 52,712 | 41,340 | - | - |
| Beer and spirits sales income | - | - | 9,013 | 4,167 |
| Rent expenses | - | - | 3,645 | 9,362 |
| Support services fees expenses | 464 | 455 | 701,934 | 464,919 |
| Other service fee expenses | 389 | 433 | 85,760 | 83,796 |
| Outstanding balances | | | | |
| Amounts due from related companies | 115,354 | 192,041 | - | - |
| Amounts due to related companies | 425,049 | 360,878 | 93,929 | 44,998 |

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
Millers Brewery Limited
Lion Beer (Ceylon) Pte Ltd

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 (*Ceased to be an Alternate Director to Mr. H. Selvanathan w.e.f. 31/12/2023*)
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
Bank of China Limited

LEGAL ADVISERS

Messrs. F.J. & G. De Saram
216, De Saram Place
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Sri Lanka
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Fax: + 94 11 4718220

AUDITORS

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Chartered Accountants
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Sri Lanka
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Fax: +94 11 2445872

MANAGERS & SECRETARIES

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Fax: +94 11 2039 300

REGISTERED OFFICE

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CORPORATE OFFICE & BREWERY

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Fax: +94 11 2465901

GROUP WEBSITE

www.carsoncumberbatch.com