

Ceylon Beverage Holdings PLC

*Interim Condensed Financial Statements
for the Second Quarter ended
30th September 2023*

CEYLON BEVERAGE HOLDINGS PLC

Review

The three months under review was a very challenging period for the total alcoholic beverages industry due to excise increases which took place in January and July of the year totaling a staggering 44%. Total alcoholic beverage industry volumes declined by 12% during the quarter despite the prior year period being severely impacted by civil unrest and fuel shortages. This decline is mainly driven by trade down into illicit alcohol which has significantly increased its presence, thereby nullifying the impact of the excise rate increases. As a result, the Government is facing a shortfall amounting to tens of billions relative to its targeted collection for the year. Having breached the threshold level at which further tax increases are counterproductive, the Government will have to look at other ways of growing tax revenues. Furthermore, during the period under review, the Group paid Rs. 16.65 billion as Excise Duty and other taxes to the Government.

Despite the dull domestic economic environment, the group continues to invest behind growth initiatives domestically and internationally. To aid growth in key international markets, LION's innovation brewery will be commissioned in 2024. This will aid innovation projects and provide flexibility to serve more complex demands of international customers. We have also taken steps to expand our footprint in the beverage industry beyond beer into adjacent categories, having received conditional approvals. We do not expect material financial results in the short run.

The end of the 2nd quarter was marked by poor weather conditions which had a significant impact on September sales. Q3 will also be a weak quarter on account of the continuing weather conditions, utility price increases and low disposable income. January will see a further increases in excise taxes, VAT and possibly other taxes. Yet another round of taxation combined with the uncertain environment in 2024 will be a headwind for the business.

CEYLON BEVERAGE HOLDINGS PLC
BOARD OF DIRECTORS AS AT 30TH SEPTEMBER 2023

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 PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - COMPANY

As at In Rs.'000s	Quarter Ended			Six Months Ended			Year Ended
	30-Sep-23	30-Sep-22	Change %	30-Sep-23	30-Sep-22	Change %	31-Mar-23 (Audited)
Revenue	46,551	55,017	(15)	1,097,506	828,738	32	1,491,410
Cost of sales	-	-	-	-	-	-	-
Gross profit	46,551	55,017	(15)	1,097,506	828,738	32	1,491,410
Net gains arising from changes in fair value of investment properties	-	-	-	-	-	-	163,100
	46,551	55,017	(15)	1,097,506	828,738	32	1,654,510
Administrative expenses	(10,113)	(4,744)	113	(17,397)	(8,681)	100	(34,363)
Reversal/(provision) of impairment for receivable from intercompany	-	-	-	-	-	-	(44,403)
Provision of impairment for investments in subsidiaries	-	-	-	-	-	-	(175,000)
Profit Before Finance Cost	36,438	50,273	(28)	1,080,109	820,057	32	1,400,744
Finance income	9,940	9,012	10	22,107	16,079	37	39,833
Finance costs	(26,450)	(23,926)	11	(74,932)	(41,510)	81	(97,124)
Net finance costs	(16,510)	(14,914)	11	(52,825)	(25,431)	108	(57,291)
Profit before taxation	19,928	35,359	(44)	1,027,284	794,626	29	1,343,453
Income tax expenses	(15,392)	(11,312)	36	(31,982)	(123,680)	(74)	(228,781)
Deferred taxation	-	-	-	-	-	-	(112,098)
Profit after taxation	4,536	24,047	(81)	995,302	670,946	48	1,002,574
Earnings per ordinary share (Rs.)	0.22	1.15		47.42	31.97		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 In Rs.'000s	Quarter Ended			Six Months Ended			Year Ended
	30-Sep-23	30-Sep-22	Change %	30-Sep-23	30-Sep-22	Change %	31-Mar-23 (Audited)
Revenue	27,909,877	25,480,711	10	53,020,322	47,225,956	12	96,938,522
Cost of Sales	(21,229,598)	(19,223,968)	10	(40,045,669)	(36,220,632)	11	(73,755,671)
Gross profit	6,680,279	6,256,743	7	12,974,653	11,005,324	18	23,182,851
Net gains arising from changes in fair value of investment properties	-	-	-	-	-	-	304,414
Other income	92,786	55,810	66	160,904	133,592	20	163,100
	6,773,065	6,312,553	7	13,135,557	11,138,916	18	23,650,365
Distribution expenses	(1,614,445)	(1,349,547)	20	(3,420,307)	(2,473,690)	38	(6,017,299)
Administrative expenses	(980,045)	(676,393)	45	(1,868,341)	(1,244,956)	50	(3,099,889)
Other expenses	(117,247)	(171,464)	(32)	(209,801)	(505,025)	(58)	(715,125)
Reversal/(provision) of impairment for intangible assets	291,063	-	-	291,063	(353,229)	-	(353,229)
Profit before finance cost	4,352,391	4,115,149	6	7,928,171	6,562,016	21	13,464,823
Finance income	297,554	327,496	(9)	605,080	605,231	-	1,411,521
Finance costs	(561,370)	(901,086)	(38)	(1,471,087)	(944,488)	56	(3,615,441)
Net finance income/(costs)	(263,816)	(573,590)	(54)	(866,007)	(339,257)	155	(2,203,920)
Profit before taxation	4,088,575	3,541,559	15	7,062,164	6,222,759	13	11,260,903
Income tax expenses	(1,374,679)	(1,270,602)	8	(2,706,231)	(2,601,594)	4	(4,091,422)
Deferred taxation	(291,561)	(84,430)	245	(328,381)	174,911	(288)	(423,377)
Profit after taxation	2,422,335	2,186,527	11	4,027,552	3,796,076	6	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	799	-	-	799	-	-	-
Total other comprehensive income for the period net of tax	799	-	-	799	-	-	(30,539)
Total comprehensive income for the period	2,423,134	2,186,527	11	4,028,351	3,796,076	6	6,715,565
Profit attributable to							
- Equity holders of the company	1,229,662	1,147,519	7	1,966,136	1,966,083	-	3,407,614
- Non - controlling interest	1,192,673	1,039,008	15	2,061,416	1,829,993	13	3,338,490
Profit available for appropriation	2,422,335	2,186,527	11	4,027,552	3,796,076	6	6,746,104
Total comprehensive income attributable to							
- Equity holders of the company	1,230,079	1,147,519	7	1,966,553	1,966,083	-	3,391,657
- Non - controlling interest	1,193,055	1,039,008	15	2,061,798	1,829,993	13	3,323,908
Profit available for appropriation	2,423,134	2,186,527	11	4,028,351	3,796,076	6	6,715,565
Earnings per ordinary share (Rs.)	58.59	54.68		93.68	93.68		162.36

The above figures are provisional and subject to audit.

Figures in brackets indicate deductions.

CEYLON BEVERAGE HOLDINGS PLC				
CONDENSED STATEMENT OF FINANCIAL POSITION				
	Company		Group	
As at	30th September 2023	31st March 2023	30th September 2023	31st March 2023
In Rs. '000s		(Audited)		(Audited)
ASSETS				
Non-current assets				
Property, plant and equipment	-	-	24,429,501	22,996,451
Investment properties	810,200	810,200	810,200	810,200
Right of use assets	-	-	184,011	209,947
Intangible assets	-	-	743,446	458,843
Deferred tax assets	-	-	6,351	26,378
Investment in subsidiaries	2,060,084	2,060,084	-	-
Total non-current assets	2,870,284	2,870,284	26,173,509	24,501,819
Current assets				
Inventories	-	-	8,959,901	7,451,345
Trade and other receivables	17,708	7,614	5,780,597	5,530,902
Amounts due from related companies	197,107	175,000	-	-
Current tax assets	-	-	-	639
Cash and cash equivalents	1,083	20,368	11,086,581	11,348,046
Total current assets	215,898	202,982	25,827,079	24,330,932
Total assets	3,086,182	3,073,266	52,000,588	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	1,742,687	1,352,682	11,705,863	10,345,024
Translation reserve	-	-	417	-
Equity attributable to equity holders of the Company	2,295,995	1,905,990	13,343,022	11,981,766
Non controlling interest	-	-	12,071,229	11,090,491
Total equity	2,295,995	1,905,990	25,414,251	23,072,257
Non-current liabilities				
Loans and borrowings	-	-	2,444,408	1,924,442
Lease liabilities (Note 5)	-	-	195,634	216,501
Employee benefits	-	-	259,854	257,730
Deferred tax liabilities	143,682	143,682	5,999,049	5,687,986
Total non-current liabilities	143,682	143,682	8,898,945	8,086,659
Current liabilities				
Trade and other payables	27,861	27,968	4,273,339	4,829,899
Amounts due to related companies	406,272	372,791	84,651	76,041
Refundable deposits	-	-	2,899,675	2,742,490
Current tax liabilities	23,211	75,051	4,920,601	2,855,295
Loans and borrowings	-	400,000	3,004,217	5,080,158
Lease liabilities (Note 5)	-	-	46,449	45,054
Bank overdraft	189,161	147,784	2,458,460	2,044,898
Total current liabilities	646,505	1,023,594	17,687,392	17,673,835
Total liabilities	790,187	1,167,276	26,586,337	25,760,494
Total equity and liabilities	3,086,182	3,073,266	52,000,588	48,832,751
Net assets per ordinary share (Rs.)	109.40	90.81	635.75	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.)

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.

13th November 2023

(Sgd.)

M.Selvanathan

Director

(Sgd.)

R.H. Meewakkala

Director

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	-	-	-	-	670,946	-	670,946	-	670,946
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
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									
Forfeiture of unclaimed dividends	-	-	-	-	-	-	-	-	-
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
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	-	-	-	-	-	-	-	-	-
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	533,384	-	19,924	652,229	700,453	-	1,905,990	-	1,905,990
Total comprehensive income for the period									
Profit for the period	-	-	-	-	995,302	-	995,302	-	995,302
Transfers	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	995,302	-	995,302	-	995,302
Transactions with owners, recorded directly in equity contribution by and distribution to owners									
Forfeiture of unclaimed dividends	-	-	-	-	-	-	-	-	-
Surcharge tax	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	(605,297)	-	(605,297)	-	(605,297)
Balance as at 30th September 2023	533,384	-	19,924	652,229	1,090,458	-	2,295,995	-	2,295,995
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	-	-	-	-	1,966,083	-	1,966,083	1,829,993	3,796,076
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
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									
Forfeiture of unclaimed dividends	-	-	-	-	-	-	-	-	-
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
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	-	-	-	-	-	-	-	-	-
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	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	-	-	-	-	1,966,136	-	1,966,136	2,061,416	4,027,552
Other comprehensive loss for the period	-	-	-	-	-	799	799	-	799
Transfers	-	-	-	-	-	(382)	(382)	382	-
Total comprehensive income for the period	-	-	-	-	1,966,136	417	1,966,553	2,061,798	4,028,351
Transactions with owners, recorded directly in equity contribution by and distribution to owners									
Forfeiture of unclaimed dividends	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	(605,297)	-	(605,297)	(1,081,060)	(1,686,357)
Balance as at 30th September 2023	533,384	1,083,434	19,924	652,229	11,053,634	417	13,343,022	12,071,229	25,414,251

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	
	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22
Cash flows from operating activities				
Profit before taxation	1,027,284	794,626	7,062,164	6,222,759
Adjustments for:				
Finance costs (excluding exchange gain)	74,932	41,510	1,504,732	1,398,024
Depreciation on right of use assets	-	-	25,937	31,924
Gain on de-recognition of right of use assets	-	-	-	-
Depreciation on property, plant and equipment	-	-	1,085,358	825,488
Amortization of intangible assets	-	-	6,460	6,062
Net inventory provision/(reversal)	-	-	(76,443)	(28,608)
Provision for retirement benefit obligation	-	-	18,398	14,242
Impairment of property, plant and equipment	-	-	-	175,752
Provision/(Reversal) of impairment for intangible assets	-	-	(291,063)	353,229
Impairment of doubtful debtors	-	-	-	-
Provision/(Reversal) of Impairment provision for receivable from intercompany	-	-	-	-
Impairment provision for investments in subsidiary	-	-	-	-
Finance income	(22,107)	(16,079)	(605,080)	(605,231)
Net gain arising from changes in fair value of investment properties	-	-	-	-
Loss on disposal of property, plant and equipment	-	-	8,727	31,548
Loss on disposal of intangible asset	-	-	-	-
Lease interest expense	-	-	20,759	16,603
Unrealised foreign exchange gain	-	-	(192,744)	(702,753)
Operating cash flow before working capital changes	1,080,109	820,057	8,567,205	7,739,039
(Increase)/decrease in inventories	-	-	(1,432,113)	(94,000)
(Increase)/decrease in trade and other receivables	(10,095)	(186)	(207,470)	(3,206,778)
(Increase)/decrease in amounts due from related companies	-	16,079	-	-
Increase/(decrease) in amounts due to related companies	(4,376)	(22,199)	8,610	161,613
Increase/(decrease) in tax payable/receivable	908	-	1,386,897	(821,287)
Increase/(decrease) in trade and other payables	(11)	(2,441)	(557,603)	788,049
Cash (used in)/generated from operations	1,066,535	811,310	7,765,526	4,566,636
Finance expenses paid	(37,075)	(17,712)	(1,510,708)	(1,352,497)
Tax paid	(84,729)	(79,261)	(1,846,248)	(1,854,123)
Surcharge tax paid	-	(35,754)	-	(1,230,756)
Retirement benefits paid	-	-	(16,274)	(3,872)
Net cash (used in)/generated from operating activities	944,731	678,583	4,392,296	125,388
Cash flows from investing activities				
Purchase and construction of property, plant and equipment	-	-	(2,527,135)	(1,426,841)
Purchase of intangible assets	-	-	-	(1,475)
Agent deposits received	-	-	157,185	235,603
Interest received	-	-	605,080	605,231
Investment in subsidiaries	-	-	-	-
Net cash (used in)/generated from investing activities	-	-	(1,764,870)	(587,482)
Cash flows from financing activities				
Proceeds from loans and borrowings	-	-	1,900,000	-
Repayment of loans and borrowings	(400,000)	-	(3,450,000)	(637,400)
Repayment of lease rentals	-	-	(40,231)	(46,371)
Forfeiture of unclaimed dividends	-	-	-	-
Dividends paid net of tax	(605,393)	(624,545)	(1,864,009)	(1,283,506)
Net cash (used in)/generated from financing activities	(1,005,393)	(624,545)	(3,454,240)	(1,967,277)
Net increase/(decrease) in cash and cash equivalents	(60,662)	54,038	(826,814)	(2,429,371)
Cash and cash equivalents at the beginning of the year	(127,416)	(143,232)	9,303,148	11,137,550
Effect of exchange rate changes on cash and cash equivalents	-	-	151,787	548,240
Cash and cash equivalents at the end of the period	(188,078)	(89,194)	8,628,121	9,256,419
Analysis of cash and cash equivalents				
Cash and cash equivalents	1,083	13,630	11,086,581	11,739,825
Bank overdraft	(189,161)	(102,824)	(2,458,460)	(2,483,406)
	(188,078)	(89,194)	8,628,121	9,256,419

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"
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). This Interim Financial Statement should be read in conjunction with the Annual Financial Statements for the year ended 31st March 2023 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 2023 amounts to Rs.5,246 Mn (2022 - Rs.2,790 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. 2,739 Mn as at 30th September 2023 (2022 - Rs. 803 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 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 and Judgment was delivered on 16th December 2022 where the Company's Appeal relating to the decision to institute MC action was allowed.

Certificate of Excise Duty in default issued by the Director General of Customs and Excise Duty action filed in the Magistrates' Court of Fort is quashed.

The Director General of Excise is directed to consider the representations made by the Company in respect of the second show cause notice and make a determination under section 9(2) of the said Act. Further, directed to conclude the inquiry within six months from the date of this judgment.

However, the security deposited by the Company should not be withdrawn until a determination is made in terms of section 9(2) and the other relevant provisions of the said Act are complied with.

Despite the lapse of 6 months, inquiry is still pending and there has been an exchange of correspondence with the Director General of Customs and Excise Duty, where the Company is currently awaiting the determination from the Authority on the information provided. Next steps in the conduct of the inquiry will depend on the determination made by the Director General of Customs and Excise Duty.

(ii) Lion Brewery (Ceylon) PLC

Contingent liabilities as at 30th September 2023 amounts to Rs. 736 Mn (2022 - Rs.469 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	
	30-Sep-23	31-Mar-23	30-Sep-23	31-Mar-23
Balance as at beginning of the period	-	-	261,555	253,608
Leases obtained	-	-	-	76,046
Lease rentals paid	-	-	(40,231)	(102,316)
Interest expenses for the period	-	-	20,759	43,670
Derecognition of lease liability	-	-	-	(9,453)
Balance as at end of the period	-	-	242,083	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		Six Month Ended		Year ended
	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22	31-Mar-23
Share Information					
Last traded share price/closing price (Rs.)	1,240.50	767.25	1,240.50	767.25	767.25
Highest price (Rs.)	1,470.00	874.00	1,470.00	874.00	874.00
Lowest price (Rs.)	1,050.00	681.00	903.00	531.00	531.00
Trading Statistics					
No of Transactions	124	57	194	116	116
No of Shares traded	4,657	2,351	10,609	3,152	3,152
Value of all shares traded (Rs. Mn.)	5.48	1.81	12.55	2.32	2.32

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

AS AT 30TH SEPTEMBER 2023	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	-

10 TWENTY MAJOR SHAREHOLDERS AS AT 30TH SEPTEMBER 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)	130,000	0.62
6	TRANZ DOMINION,L.L.C.	78,798	0.38
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 30th September 2023

Market Capitalization of the Public Holding	Rs.6.32 Billion
Percentage of ordinary shares held by the public	24.29%
Number of Public Shareholders	965

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 30th September	Company		Group	
	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22
Royalty income	92,036	107,709	-	-
Royalty expenses	-	-	186,106	120,409
Dividend income	1,005,470	721,029	-	-
Intercompany interest income	22,107	16,079	-	-
Intercompany interest expense	37,857	23,798	-	-
Beer and spirits sales income	-	-	4,320	2,575
Rent expenses	-	-	18,787	21,671
Support services fees expenses	314	298	464,540	296,632
Other service fee expenses	324	244	65,924	71,811

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 (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

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
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

Carsons Management Services (Private) Limited
No: 61, Janadhipathi Mawatha
Colombo 1
Sri Lanka
Tel : +94 11 2039 200
Fax: +94 11 2039 300

REGISTERED OFFICE

No: 61, Janadhipathi Mawatha
Colombo 1
Sri Lanka
Tel : +94 11 2039 200
Fax: +94 11 2039 300

CORPORATE OFFICE & BREWERY

254, Colombo Road, Biyagama
Sri Lanka
Tel: +94 11 2465900 (10 Lines)
Fax: +94 11 2465901

GROUP WEBSITE

www.carsoncumberbatch.com