

Lion Brewery (Ceylon) PLC

*Interim Condensed Financial Statements
for the Third Quarter ended
31st December 2022*

LION BREWERY (CEYLON) PLC

Review

The quarter under review saw the first glimpses of the slowing down of inflation, but the high prices had an overall impact on purchasing power of consumers which resulted in the overall FMCG volumes in Sri Lanka being impacted. The beer industry witnessed a 77% increase in prices driven by Excise Duty, VAT and SSL taxes during the period leading up to January resulting in volumes declining for the quarter compared to the previous year.

The situation has deteriorated in January following the 20% increase in excise taxes. We are witnessing an exponential growth of 'Kasippu' (moonshine), illicit arrack and illicit toddy as the prices of legal alcoholic beverages are out of consumers' reach.

Early signs are that the January excise tax increase is struggling. January excise tax collection has declined in excess of 10% year-on-year. The situation looks worse in February. Six weeks into the year, the full year excise tax target seems difficult to achieve. Indeed, at the current run-rate, the jury is out on whether 2023 taxes will even reach the 2022 amount.

Policy makers should be cognizant of the fact that tax hikes on the Alcohol industry, an industry with a large illicit component, will be counterproductive in the current depressed conditions as volume declines offset duty increases, thereby impacting this steady source of revenue to Government. If there is a decline in excise taxes year-on-year of over 10% , even after a 20% increase in tax rates, then it would appear that we are past the point of optimal taxation.

In the face of this, we strongly advocate for sensible taxation and allow time for consumer earnings power to recover.

With the domestic business under pressure for the foreseeable future, the company is increasing its already high focus on international business. Spend behind product, brand, distribution and people is increasing. Returns on this spend are not only uncertain but will take time to materialize.

Despite efforts to manage costs, given continuing cost inflation and declining domestic volumes, profitability will be subdued.

The amalgamation of Pearl Springs (Private) Limited with Lion Brewery (Ceylon) PLC was completed on 31st Jan 2023 to optimize the corporate structure.

LION BREWERY (CEYLON) PLC
BOARD OF DIRECTORS AS AT 31ST DECEMBER 2022

Mr. D. A. Cabraal (Chairman)
Mr. H. Selvanathan (Deputy Chairman)
Mr. R. H. Meewakkala (CEO/Director)
Mr. D. C. R. Gunawardena
Mr. K. Selvanathan (Director / Alternate Director to H. Selvanathan)
Mr. D. R. P. Goonetilleke
Mrs. S. J. F. Evans
Mr. S. Selvanathan
Mr. S. Clini
Ms. V. Gun

LION BREWERY (CEYLON) PLC**CONDENSED STATEMENT OF FINANCIAL POSITION**

	Company		Group	
	31-Dec-22	31-Mar-22 (Audited)	31-Dec-22	31-Mar-22 (Audited)
<i>In Rs.'000s</i>				
ASSETS				
Non- Current Assets				
Property, plant & equipment	19,387,120	18,829,387	21,088,512	20,542,588
Right of use assets	165,150	151,914	165,150	151,914
Intangible assets	389,329	750,093	389,329	750,093
Investments in subsidiary	1,029,623	1,029,623	-	-
Total Non-Current Assets	20,971,222	20,761,017	21,642,991	21,444,595
Current Assets				
Inventories	7,341,468	4,438,517	7,341,468	4,438,517
Trade and other receivables	10,926,806	1,791,119	10,930,043	1,796,357
Amounts due from related companies	381,298	374,178	380,411	374,178
Cash and cash equivalents	12,182,865	12,889,986	12,324,412	13,013,232
Total Current Assets	30,832,437	19,493,800	30,976,334	19,622,284
Total Assets	51,803,659	40,254,817	52,619,325	41,066,879
EQUITY AND LIABILITIES				
Equity				
Stated capital	2,537,801	2,537,801	2,537,801	2,537,801
Capital reserves	1,487,870	1,487,870	2,092,103	2,092,103
Retained earnings	17,886,050	15,657,552	17,536,337	15,297,757
Total Equity	21,911,721	19,683,223	22,166,241	19,927,661
Non- Current Liabilities				
Loans and borrowings	1,949,094	2,300,311	1,949,094	2,300,311
Lease creditor (Note 04)	180,856	160,546	180,856	160,546
Employee benefits	184,126	173,704	184,126	173,704
Net deferred tax liabilities	4,544,638	4,660,920	5,102,603	5,225,626
Total Non- Current Liabilities	6,858,714	7,295,481	7,416,679	7,860,187
Current Liabilities				
Trade and other payables	6,398,967	3,234,345	6,400,044	3,235,794
Amounts due to related companies	48,293	155,756	48,293	155,756
Refundable deposits	2,677,762	2,301,181	2,677,762	2,301,181
Current tax liabilities	3,712,795	3,116,118	3,714,899	3,117,587
Loans and borrowings	7,062,503	3,347,696	7,062,503	3,347,696
Lease creditor (Note 04)	24,708	24,531	24,708	24,531
Bank overdrafts	3,108,196	1,096,486	3,108,196	1,096,486
Total Current Liabilities	23,033,224	13,276,113	23,036,405	13,279,031
Total Liabilities	29,891,938	20,571,594	30,453,084	21,139,218
Total Equity and Liabilities	51,803,659	40,254,817	52,619,325	41,066,879

Net assets per ordinary share (Rs.)

273.90

246.04

277.08

249.10

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

Deputy Chief Financial Officer

The Board of Directors is 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) Limited10th February 2023

(Sgd.)

R.H. Meewakkala

Director

(Sgd.)

D.R.P. Goonetilleke

Director

LION BREWERY (CEYLON) PLC
CONDENSED STATEMENT OF COMPREHENSIVE INCOME - COMPANY

<i>In Sri Lankan Rs. '000s</i>	Quarter Ended		Change	Nine Months Ended		Change	Year Ended
	31.12.2022	31.12.2021	%	31.12.2022	31.12.2021	%	31.03.2022 (Audited)
Revenue	23,793,779	17,790,862	34	70,106,893	39,553,449	77	58,570,885
Cost of sales	(17,874,465)	(14,346,440)	25	(53,589,108)	(32,114,274)	67	(47,520,726)
Gross profit	5,919,314	3,444,422	72	16,517,785	7,439,175	122	11,050,159
Other income	91,793	55,509	65	216,378	130,457	66	189,598
	6,011,107	3,499,931	72	16,734,163	7,569,632	121	11,239,757
Distribution expenses	(1,598,098)	(718,854)	122	(3,992,908)	(1,860,182)	115	(2,865,746)
Administrative expenses	(667,047)	(595,605)	12	(1,790,788)	(1,570,881)	14	(2,122,587)
Other expenses	(191,946)	(124,811)	54	(696,795)	(324,885)	114	(480,695)
Impairment of intangible assets	-	-	-	(353,229)	-	100	(463,578)
Operating profit before finance cost	3,554,016	2,060,661	72	9,900,443	3,813,684	160	5,307,151
Finance income	423,034	141,771	198	1,045,375	439,946	138	644,827
Finance costs	(981,612)	(242,975)	304	(1,871,554)	(696,310)	169	(389,793)
Net finance income /(cost)	(558,578)	(101,204)	452	(826,179)	(256,364)	222	255,034
Profit before taxation	2,995,438	1,959,457	53	9,074,264	3,557,320	155	5,562,185
Income tax expense	(871,639)	(732,413)	19	(3,300,084)	(1,290,314)	156	(2,214,371)
Deferred taxation	(54,242)	592	(9,263)	116,282	136,798	(15)	347,440
Profit after taxation	2,069,557	1,227,636	69	5,890,462	2,403,804	145	3,695,254
Other comprehensive income							
Items that will not be reclassified to profit or loss							
Remeasurement of employee benefit obligations	-	-	-	-	-	-	45,763
Deferred tax charge on actuarial gain	-	-	-	-	-	-	(18,305)
Revaluation gain on land & buildings	-	-	-	-	-	-	858,170
Deferred tax charge on land and building revaluation	-	-	-	-	-	-	(343,268)
Total other comprehensive income for the period net of tax	-	-	-	-	-	-	542,360
Total comprehensive income for the period	2,069,557	1,227,636	69	5,890,462	2,403,804	145	4,237,614
Earnings per ordinary share (Rs.)	25.87	15.35		73.63	30.05		46.19

The above figures are provisional and subject to audit.

LION BREWERY (CEYLON) PLC
CONDENSED STATEMENT OF COMPREHENSIVE INCOME - GROUP

<i>In Sri Lankan Rs. '000s</i>	Quarter Ended		Change	Nine Months Ended		Change	Year Ended
	31.12.2022	31.12.2021	%	31.12.2022	31.12.2021	%	31.03.2022 (Audited)
Revenue	23,793,779	17,790,862	34	70,106,893	39,553,449	77	58,570,885
Cost of sales	(17,874,465)	(14,346,440)	25	(53,589,108)	(32,114,274)	67	(47,520,726)
Gross profit	5,919,314	3,444,422	72	16,517,785	7,439,175	122	11,050,159
Other income	91,846	55,581	65	223,882	130,760	71	189,902
	6,011,160	3,500,003	72	16,741,667	7,569,935	121	11,240,061
Distribution expenses	(1,598,098)	(718,855)	122	(3,992,908)	(1,860,182)	115	(2,865,746)
Administrative expenses	(675,030)	(599,962)	13	(1,806,319)	(1,597,587)	13	(2,156,933)
Other expenses	(191,946)	(124,810)	54	(696,795)	(324,885)	114	(480,695)
Impairment of intangible assets	-	-	-	(353,229)	-	100	(463,578)
Operating profit before finance cost	3,546,086	2,056,376	72	9,892,416	3,787,281	161	5,273,109
Finance income	427,510	142,637	200	1,056,744	442,757	139	648,869
Finance costs	(981,612)	(242,975)	304	(1,871,554)	(696,310)	169	(389,793)
Net finance income/(cost)	(554,102)	(100,338)	452	(814,810)	(253,553)	221	259,076
	2,991,984	1,956,038	53	9,077,606	3,533,728	157	5,532,185
Profit before taxation	2,991,984	1,956,038	53	9,077,606	3,533,728	157	5,532,185
Income tax expense	(871,640)	(732,414)	19	(3,300,084)	(1,290,314)	156	(2,214,371)
Deferred taxation	(52,246)	592	(8,925)	123,022	136,798	(10)	350,291
Profit after taxation	2,068,098	1,224,216	69	5,900,544	2,380,212	148	3,668,105
Other comprehensive income							
Items that will not be reclassified to profit or loss							
Remeasurement of employee benefit obligations	-	-	-	-	-	-	45,763
Deferred tax charge on actuarial gain	-	-	-	-	-	-	(18,305)
Revaluation gain on land & buildings	-	-	-	-	-	-	1,172,713
Deferred tax charge on land and building revaluation	-	-	-	-	-	-	(469,085)
Total other comprehensive income for the period net of tax	-	-	-	-	-	-	731,086
Total comprehensive income for the period	2,068,098	1,224,216	69	5,900,544	2,380,212	148	4,399,191
Earnings per ordinary share (Rs.)	25.85	15.30		73.76	29.75		45.85

The above figures are provisional and subject to audit.

LION BREWERY (CEYLON) PLC**STATEMENT OF CHANGES IN EQUITY****Company**

<i>In Rs. '000s</i>	Stated Capital	Revaluation Reserve	Retained Earnings	Total Equity
Balance as at 1st April 2021	2,537,801	972,968	13,380,781	16,891,550
Total comprehensive income for the period				
Profit for the period	-	-	2,403,804	2,403,804
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	2,403,804	2,403,804
Transactions with owners of the Company				
Distribution made to owners				
Ordinary dividends	-	-	(1,446,400)	(1,446,400)
Balance as at 31st December 2021	2,537,801	972,968	14,338,185	17,848,954
Balance as at 1st April 2021	2,537,801	972,968	13,380,781	16,891,550
Total comprehensive income for the year				
Profit for the year	-	-	3,695,254	3,695,254
Other comprehensive income for the year	-	514,902	27,458	542,360
Total comprehensive income for the year	-	514,902	3,722,712	4,237,614
Transactions with owners of the Company				
Distribution made to owners				
Ordinary dividends	-	-	(1,446,400)	(1,446,400)
Forfeiture of unclaimed dividends	-	-	459	459
Balance as at 31st March 2022	2,537,801	1,487,870	15,657,552	19,683,223
Balance as at 1st April 2022	2,537,801	1,487,870	15,657,552	19,683,223
Change relating to surcharge tax (Note 07)	-	-	(1,193,964)	(1,193,964)
Adjusted balance as at 1st April 2022	2,537,801	1,487,870	14,463,588	18,489,259
Total comprehensive income for the period				
Profit for the period	-	-	5,890,462	5,890,462
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	5,890,462	5,890,462
Transactions with owners of the Company				
Distribution made to owners				
Ordinary dividends	-	-	(2,468,000)	(2,468,000)
Balance as at 31st December 2022	2,537,801	1,487,870	17,886,050	21,911,721

GROUP

<i>In Rs. '000s</i>	Stated Capital	Revaluation Reserve	Retained Earnings	Total Equity
Balance as at 1st April 2021	2,537,801	1,388,475	13,048,135	16,974,411
Total comprehensive income for the period				
Profit for the period	-	-	2,380,212	2,380,212
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	2,380,212	2,380,212
Transactions with owners of the Company				
Distribution made to owners				
Ordinary dividends	-	-	(1,446,400)	(1,446,400)
Balance as at 31st December 2021	2,537,801	1,388,475	13,981,947	17,908,223
Balance as at 1st April 2021	2,537,801	1,388,475	13,048,135	16,974,411
Total comprehensive income for the year				
Profit for the year	-	-	3,668,105	3,668,105
Other comprehensive income for the year	-	703,628	27,458	731,086
Total comprehensive income for the year	-	703,628	3,695,563	4,399,191
Transactions with owners of the Company				
Distribution made to owners				
Ordinary dividends	-	-	(1,446,400)	(1,446,400)
Forfeiture of unclaimed dividends	-	-	459	459
Balance as at 31st March 2022	2,537,801	2,092,103	15,297,757	19,927,661
Balance as at 1st April 2022	2,537,801	2,092,103	15,297,757	19,927,661
Change relating to surcharge tax (Note 07)	-	-	(1,193,964)	(1,193,964)
Adjusted Balance as at 1st April 2022	2,537,801	2,092,103	14,103,793	18,733,697
Total comprehensive income for the year				
Profit for the period	-	-	5,900,544	5,900,544
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the year	-	-	5,900,544	5,900,544
Transactions with owners of the Company				
Distribution made to owners				
Ordinary dividends	-	-	(2,468,000)	(2,468,000)
Balance as at 31st December 2022	2,537,801	2,092,103	17,536,337	22,166,241

LION BREWERY (CEYLON) PLC
STATEMENT OF CASH FLOWS

Period ended In Rs.'000s	Company			Group		
	31.12.2022	31.12.2021	31.03.2022 (Audited)	31.12.2022	31.12.2021	31.03.2022 (Audited)
Cash flows from operating activities						
Profit before taxation	9,074,264	3,557,320	5,562,185	9,077,606	3,533,728	5,532,185
Adjustments for:						
Finance costs (excluding exchange gain)	2,257,001	690,449	981,268	2,257,001	690,449	981,268
Depreciation on property, plant & equipment	1,256,339	1,083,639	1,503,714	1,268,149	1,093,317	1,516,617
Amortization on Intangible assets	9,011	9,342	12,360	9,011	9,342	12,360
Depreciation on Leased assets	26,325	23,879	32,127	26,325	23,879	32,127
Net inventory provision reversal	(27,896)	(2,867)	(10,315)	(27,896)	(2,867)	(10,315)
Provision for retirement benefit obligation	18,642	13,901	14,060	18,642	13,901	14,060
Impairment of property, plant & equipment	175,752	-	-	175,752	-	-
Impairment of intangible assets	353,229	-	463,578	353,229	-	463,578
Loss on disposal of property, plant & equipment	33,779	12,006	12,006	33,779	12,006	12,006
Lease interest	21,314	19,091	25,734	21,314	19,091	25,734
Unrealized foreign exchange gain	(709,901)	(1,473)	(614,148)	(709,901)	(1,473)	(614,148)
Finance Income	(1,045,375)	(439,946)	(644,827)	(1,056,744)	(442,757)	(648,869)
Operating cash flow before working capital changes	11,442,485	4,965,341	7,337,742	11,446,269	4,948,616	7,316,603
(Increase)/Decrease in inventories	(2,875,055)	154,132	(935,085)	(2,875,055)	154,131	(935,085)
(Increase) in trade and other receivables	(9,123,762)	(708,985)	(471,327)	(9,121,761)	(708,094)	(470,489)
(Increase)/Decrease in amounts due from related companies	(7,120)	58,432	71,441	(6,233)	58,432	71,441
Increase/(Decrease) in tax payable/receivable	(48,407)	(858,113)	525,085	(47,775)	(858,287)	525,017
Increase in trade and other payables	3,304,089	392,408	1,253,147	3,303,717	391,603	1,252,732
Increase/(Decrease) in amounts due to related companies	(107,463)	(2,455)	32,414	(107,463)	(1,941)	32,928
Cash generated from operations	2,584,767	4,000,760	7,813,417	2,591,698	3,984,460	7,793,147
Finance expenses paid	(2,037,261)	(624,914)	(939,681)	(2,037,261)	(624,914)	(939,681)
Retirement benefits paid	(8,220)	(23,590)	(28,526)	(8,220)	(23,590)	(28,526)
Surcharge tax paid	(1,193,964)	-	-	(1,193,964)	-	-
Tax paid	(2,655,000)	(1,480,000)	(2,006,914)	(2,655,000)	(1,480,000)	(2,006,914)
Net cash (used in)/generated from operating activities	(3,309,678)	1,872,256	4,838,296	(3,302,747)	1,855,956	4,818,026
Cash flows from investing activities						
Purchase and construction of property, plant & equipment	(2,023,603)	(1,648,981)	(2,092,615)	(2,023,603)	(1,648,981)	(2,092,615)
Purchase of intangible assets	(1,475)	-	(922)	(1,475)	-	(922)
Proceeds from sale of property, plant & equipment	-	14,005	14,005	-	14,005	14,005
Agent deposits received	376,580	300,620	400,788	376,580	300,620	400,788
Interest received	1,045,375	439,946	644,827	1,056,744	442,758	648,869
Net cash (used in)/generated from investing activities	(603,123)	(894,410)	(1,033,917)	(591,754)	(891,598)	(1,029,875)
Cash flows from financing activities						
Loans and borrowings received	4,000,000	2,700,000	2,000,000	4,000,000	2,700,000	2,000,000
Repayments of loans and borrowing	(856,150)	(1,265,850)	(1,759,300)	(856,150)	(1,265,850)	(1,759,300)
Repayments of lease rentals	(40,388)	(33,573)	(45,800)	(40,388)	(33,573)	(45,800)
Forfeiture of unclaimed dividends	-	-	459	-	-	459
Dividend paid net of tax	(2,468,033)	(1,446,400)	(1,445,145)	(2,468,033)	(1,446,400)	(1,445,145)
Net cash (used in)/generated from financing activities	635,429	(45,823)	(1,249,786)	635,429	(45,823)	(1,249,786)
Net (decrease)/increase in cash & cash equivalents	(3,277,372)	932,023	2,554,593	(3,259,071)	918,535	2,538,365
Cash & cash equivalents at the beginning of the year	11,793,500	8,503,503	8,503,503	11,916,746	8,642,977	8,642,977
Effect of exchange rate changes on cash and cash equivalents	558,541	(3,585)	735,404	558,541	(3,585)	735,404
Cash & cash equivalents at the end of the year	9,074,669	9,431,941	11,793,500	9,216,216	9,557,927	11,916,746
Analysis of cash and cash equivalents						
Cash and cash equivalents	12,182,865	11,234,609	12,889,986	12,324,412	11,360,595	13,013,232
Bank overdraft	(3,108,196)	(1,802,668)	(1,096,486)	(3,108,196)	(1,802,668)	(1,096,486)
	9,074,669	9,431,941	11,793,500	9,216,216	9,557,927	11,916,746

LION BREWERY (CEYLON) PLC
NOTES TO THE FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

Lion Brewery (Ceylon) PLC is a public limited liability Company incorporated and domiciled in Sri Lanka and is listed on the Colombo Stock Exchange. The parent company is Ceylon Beverage Holdings PLC 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
Pearl Springs (Private) Limited	100%	"PSPL"
Millers Brewery Limited	100%	100% Subsidiary of PSPL

2 BASIS OF PREPARATION

2.1 Statement of Compliance

The condensed Interim 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

The 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.

3 COMMITMENTS AND CONTINGENT LIABILITIES

3.1 Finance Commitments

Document credits established for foreign purchases of the Company as at 31st December 2022 amounts to Rs. 1,793 Mn (2021 - Rs. 1,915 Mn).

3.2 Capital Commitments

Capital expenditure committed by the Company for which a provision has not been made in the Financial Statements amounts to Rs. 2,936 Mn as at 31st December 2022 (2021 - 307 Mn).

3.3 Contingencies

Contingent liabilities as at 31st December 2022 amounts to Rs. 360 Mn (2021 - Rs. 283 Mn), being bank guarantees given to Government bodies and foreign suppliers for operational purposes.

LION BREWERY (CEYLON) PLC
NOTES TO THE FINANCIAL STATEMENTS

4 LEASE CREDITOR

In Rs. 000's	Company		Group	
	2022/23	2021/22	2022/23	2021/22
Balance as at beginning of the period	185,077	185,221	185,077	185,221
Leases obtained	39,561	19,922	39,561	19,922
Lease rentals paid	(40,388)	(45,800)	(40,388)	(45,800)
Interest expense for the period	21,314	25,734	21,314	25,734
Balance as at end of the period	205,564	185,077	205,564	185,077

5 SEGMENTAL ANALYSIS

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

6 COMPARATIVE FIGURES

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 have been amended, where relevant, for better presentation to be comparable with those of the current year.

7 SURCHARGE TAX

According to the Surcharge Tax Act No. 14 of 2022 which was legislated on 8th April 2022, the Group is liable for the surcharge tax of Rs. 1,194Mn out of taxable income of Rs. 4,776 Mn for year of assessment 2020/21.

Total Surcharge tax liability of Rs. 1,194Mn has been recognized as an adjustment to retained earnings of 1st April 2022 in the statement of Changes in Equity as per the Addendum to Statement of Alternative Treatment (SoAT) issued by The Institute of Chartered Accountants of Sri Lanka. The 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.

The Company paid Rs. 597Mn as first instalment on 20th April 2022 and the balance amount of Rs. 597Mn was paid on 20th July 2022.

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

	Retained Earnings Rs. Mn
Balance as at 1 st April 2022	15,658
Adjustment for Surcharge tax	(1,194)
Adjusted balance as at 1st April 2022	14,464

8 EVENTS AFTER THE REPORTING PERIOD

Amalgamation of Pearl Springs (Private) Limited with Lion Brewery (Ceylon) PLC

In terms of Rule 8.1 of the Listing Rules of the Colombo Stock Exchange, the amalgamation of Pearl Springs (Private) Limited [PV 98633] with Lion Brewery (Ceylon) PLC [PQ 57] under Section 242(2) of the Companies Act, No.07 of 2007 [Short Form Amalgamation] was completed and a Certificate of Amalgamation has been issued by the Registrar General of Companies in terms of Section 244(1)(a) of the Companies Act, No.07 of 2007. The amalgamation is effective 31st January 2023.

Apart from above, there were no material events taken place since 31st December 2022 that require adjustments or disclosure in these Financial Statements.

9 INVESTOR INFORMATION

Investor Information	Quarter Ended		Nine Months Ended		Year Ended
	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
1 Share Information					
Price as at the end of the period (Rs.)	559.50	550.00	559.50	550.00	525.00
Highest price (Rs.)	594.00	591.50	594.00	615.00	615.00
Lowest price (Rs.)	500.00	520.00	420.00	520.00	451.00
2 Trading Statistics					
No of Transactions	143	321	485	882	1,174
No of Shares traded	25,688	364,012	591,972	765,959	890,157
Value of all shares traded (Rs. Mn.)	13	198	310	420	487

LION BREWERY (CEYLON) PLC**NOTES TO THE FINANCIAL STATEMENTS****10 TWENTY MAJOR SHAREHOLDERS AS AT 31ST DECEMBER 2022**

#	Name	Total Shares	%
1	CEYLON BEVERAGE HOLDINGS PLC	41,798,788	52.25
2	CARLSBERG BREWERY MALAYSIA BERHAD	20,000,686	25.00
3	CB NY S/A ALLAN GRAY FRONTIER MARKETS EQUITY FUND LIMITED	5,589,256	6.99
4	CARSON CUMBERBATCH PLC A/C NO. 02	4,107,793	5.13
	CARSON CUMBERBATCH PLC A/C NO. 01	1,778,808	2.22
5	BUKIT DARAH PLC A/C NO. 02	1,300,000	1.63
6	SSBT-AL MEHWAR COMMERCIAL INVESTMENTS L.L.C.	983,779	1.23
7	RBC INVESTOR SERVICES BANK-COELI SICAV I- FRONTIER MARKETS FUND	683,116	0.85
8	GF CAPITAL GLOBAL LIMITED	427,179	0.53
9	SAMPATH BANK PLC/MRS.PRIYANI DHARSHINI RATNAGOPAL	300,000	0.38
10	DEUTSCHE BANK AG AS TRUSTEE FOR JB VANTAGE VALUE EQUITY FUND	267,947	0.33
11	J.B. COCOSHELL (PVT) LTD	207,986	0.26
12	CITIBANK NEWYORK S/A NORGES BANK ACCOUNT 2	202,978	0.25
13	SSBT-FRANK RUSSEL TRUST COMPANY COMINGLED BENEFIT FUNDS TRUST GNA-6QH3	198,268	0.25
14	PORTELET LIMITED	161,920	0.20
15	TRANZ DOMINION,L.L.C.	129,251	0.16
16	PEOPLE'S LEASING & FINANCE PLC/C.D.KOHOMBANWICKRAMAGE	104,739	0.13
17	PERSHING LLC S/A AVERBACH GRAUSON & CO.	92,000	0.12
18	MR. M.A. JAFFERJEE	91,884	0.11
19	METROCORP (PVT) LTD	86,792	0.11
20	NEWGREENS LIMITED	83,200	0.10

11 PUBLIC HOLDING

The Company is in compliance with the Minimum Public Holding requirements for Companies listed on the Main Board as per Rule 7.14.1 (i) (a) of the Listing Rules of the Colombo Stock Exchange, under Option 3, i.e. Float-Adjusted Market Capitalization of Rs.5 Billion with 500 Public Shareholders and a Public Holding percentage of 7.5%.

The Company's Public Holding as at 31st December 2022

Market Capitalization of the Public Holding	Rs.5.85 Billion
Percentage of ordinary shares held by the public	13.06%
Number of Public Shareholders	1,275

12 DIRECTOR'S SHAREHOLDINGS

As at 31st December 2022	No. of Shares
Mr. D. A. Cabraal (Chairman)	-
Mr. H. Selvanathan (Deputy Chairman)	1,579
Mr. R. H. Meewakkala (CEO/Director)	-
Mr. D. C. R. Gunawardena	34
Mr. K. Selvanathan (Director / Alternate Director to H. Selvanathan)	-
Mr. D. R. P. Goonetilleke	1
Mrs. S. J. F. Evans	-
Mr. S. Selvanathan	-
Mr. S. Clini	-
Ms. V. Gun	-

13 STATED CAPITAL

The Company's stated capital consists of 80,000,000 ordinary shares.

LION BREWERY (CEYLON) PLC**NOTES TO THE FINANCIAL STATEMENTS****14 RELATED PARTY TRANSACTIONS**

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.

In Rs.'000s For the period ended 31 st December	Group		Company	
	2022	2021	2022	2021
Transactions with related parties/subsidiaries				
Royalty expenses	349,988	210,628	349,988	210,628
Intercompany interest income	43,097	16,234	43,097	16,234
Beer sales income	563,571	316,061	563,571	316,061
Trade rebates	3,013	2,261	3,013	2,261
Marketing fee expenses	19,417	23,917	19,417	23,917
Distribution services fee income	3,237	2,751	3,237	2,751
Rent expenses	9,362	19	29,648	9,963
Support services fees expenses	464,387	688,650	464,311	688,650
Other service fee expense	83,129	154,808	83,129	154,759
Disposal of motor vehicles	-	3,125	-	3,125
Purchase of raw materials	139,245	-	139,245	-

LION BREWERY (CEYLON) PLC

Corporate Information

NAME OF COMPANY

Lion Brewery (Ceylon) PLC
(A Carson Cumberbatch Company)

COMPANY REGISTRATION NUMBER

PQ 57

LEGAL FORM

A Public Quoted Company with Limited Liability
Incorporated in Sri Lanka in 1996
Official listing of the Colombo Stock Exchange obtained in 1997

SUBSIDIARY COMPANIES

Millers Brewery Limited
Pearl Springs (Private) Limited - Amalgamated with Lion Brewery
(Ceylon) PLC on 31/01/2023

PARENT AND CONTROLLING ENTITY

Ceylon Beverage Holdings PLC is the immediate Parent Company of Lion Brewery (Ceylon) PLC. 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. R. H. Meewakkala (CEO/Director)
Mr. D. C. R. Gunawardena
Mr. K. Selvanathan (Director / Alternate Director to H. Selvanathan)
Mr. D. R. P. Goonetilleke
Mrs. S.J.F.Evans
Mr. S. Selvanathan
Mr. S. Clini
Ms. V. Gun

BANKERS

Citibank
Commercial Bank of Ceylon PLC
Deutsche Bank AG.
DFCC Bank
Hatton National Bank PLC
Nations Trust Bank PLC
National Development Bank PLC
Standard Chartered Bank
Sampath Bank PLC

LEGAL ADVISERS

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Chartered Accountants
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Fax:+94 11 2445 872

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