

# **Lion Brewery (Ceylon) PLC**

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

## **LION BREWERY (CEYLON) 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 disposables 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. Lion Brewery paid Rs. 52.6 Bn in total taxes for three quarters of fiscal year 2023-24.

Taking into account the pressure on consumer incomes, the company 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 beverage 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, 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.

# **LION BREWERY (CEYLON) PLC**

## **BOARD OF DIRECTORS AS AT 31ST DECEMBER 2023**

Mr. D. A. Cabraal (Chairman)

Mr. H. Selvanathan (Deputy Chairman)

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

Mr. D. C. R. Gunawardena

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

Mr. D. R. P. Goonetilleke

Mrs. S. J. F. Evans

Mr. S. Selvanathan

Mr. S. Clini

Ms. V. Gun

Mr. A. B. Baliga (Appointed w.e.f. 02/02/2024)

<b>LION BREWERY (CEYLON) PLC</b>				
<b>CONDENSED STATEMENT OF FINANCIAL POSITION</b>				
	<b>Company</b>		<b>Group</b>	
<b>As at</b>	<b>31.12.2023</b>	<b>31.03.2023</b>	<b>31.12.2023</b>	<b>31.03.2023</b>
<b>In Sri Lankan Rs. '000s</b>		<b>(Audited)</b>		<b>(Audited)</b>
<b>ASSETS</b>				
<b>Non- Current Assets</b>				
Property, plant & equipment	23,392,810	21,297,983	25,047,575	22,975,571
Right of use assets	172,846	164,345	172,846	164,345
Intangible assets	717,001	394,991	717,001	394,991
Investments in subsidiaries	1,255,600	1,150,000	-	-
<b>Total Non-Current Assets</b>	<b>25,538,257</b>	<b>23,007,319</b>	<b>25,937,422</b>	<b>23,534,907</b>
<b>Current Assets</b>				
Inventories	9,035,888	7,188,830	9,035,888	7,188,830
Trade and other receivables	5,068,555	5,024,094	5,080,455	5,037,618
Amounts due from related companies	452,188	383,511	452,188	383,511
Cash and cash equivalents	11,004,092	11,104,008	11,385,614	11,227,079
<b>Total Current Assets</b>	<b>25,560,723</b>	<b>23,700,443</b>	<b>25,954,145</b>	<b>23,837,038</b>
<b>Total Assets</b>	<b>51,098,980</b>	<b>46,707,762</b>	<b>51,891,567</b>	<b>47,371,945</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
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	20,685,534	18,966,356	20,332,130	18,596,857
Translation reserve	-	-	322	-
<b>Total Equity</b>	<b>24,711,205</b>	<b>22,992,027</b>	<b>24,962,356</b>	<b>23,226,761</b>
<b>Non- Current Liabilities</b>				
Loans and borrowings	1,949,965	1,924,442	1,949,965	1,924,442
Lease creditor (Note 04)	192,914	179,789	192,914	179,789
Employee benefits	213,549	249,767	213,549	249,767
Net deferred tax liabilities	5,454,469	4,990,136	5,995,913	5,540,692
<b>Total Non- Current Liabilities</b>	<b>7,810,897</b>	<b>7,344,134</b>	<b>8,352,341</b>	<b>7,894,690</b>
<b>Current Liabilities</b>				
Trade and other payables	4,181,932	4,527,102	4,184,054	4,528,414
Amounts due to related companies	118,153	199,132	116,023	76,041
Refundable deposits	2,794,751	2,742,490	2,794,751	2,742,490
Current tax liabilities	4,953,956	2,679,393	4,953,956	2,680,065
Loans and borrowings	3,303,448	4,680,158	3,303,448	4,680,158
Lease creditor (Note 04)	32,655	27,012	32,655	27,012
Bank overdrafts	3,191,983	1,516,314	3,191,983	1,516,314
<b>Total Current Liabilities</b>	<b>18,576,878</b>	<b>16,371,601</b>	<b>18,576,870</b>	<b>16,250,494</b>
<b>Total Liabilities</b>	<b>26,387,775</b>	<b>23,715,735</b>	<b>26,929,211</b>	<b>24,145,184</b>
<b>Total Equity and Liabilities</b>	<b>51,098,980</b>	<b>46,707,762</b>	<b>51,891,567</b>	<b>47,371,945</b>
<b>Net assets per ordinary share (Rs.)</b>	<b>308.89</b>	<b>287.40</b>	<b>312.03</b>	<b>290.33</b>

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 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) Limited**

12th February 2024

(sgd.)

**R.H. Meewakkala**

Director

(sgd.)

**D.R.P. Goonetilleke**

Director

**LION BREWERY (CEYLON) PLC**  
**CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - COMPANY**

	Quarter Ended		Change	Nine Months Ended		Change	Year Ended
	31.12.2023	31.12.2022	%	31.12.2023	31.12.2022	%	31.03.2023
<i>In Sri Lankan Rs.'000s</i>							(Audited)
<b>Revenue</b>	<b>26,912,663</b>	<b>23,793,779</b>	<b>13</b>	<b>78,826,524</b>	<b>70,106,893</b>	<b>12</b>	<b>94,969,346</b>
Cost of sales	(20,661,066)	(17,874,465)	16	(59,947,219)	(53,589,108)	12	(72,506,090)
<b>Gross profit</b>	<b>6,251,597</b>	<b>5,919,314</b>	<b>6</b>	<b>18,879,305</b>	<b>16,517,785</b>	<b>14</b>	<b>22,463,256</b>
Other income	228,080	91,793	148	386,762	216,378	79	291,296
	<b>6,479,677</b>	<b>6,011,107</b>	<b>8</b>	<b>19,266,067</b>	<b>16,734,163</b>	<b>15</b>	<b>22,754,552</b>
Distribution expenses	(1,690,685)	(1,598,098)	6	(4,997,302)	(3,992,908)	25	(5,847,362)
Administrative expenses	(919,153)	(667,047)	38	(2,670,945)	(1,790,788)	49	(2,723,473)
Other expenses	(103,902)	(191,946)	(46)	(313,197)	(696,795)	(55)	(717,138)
Reversal/(provision) of impairment for intangible assets	-	-	-	291,063	(353,229)	100	(353,229)
<b>Operating profit before finance cost</b>	<b>3,765,937</b>	<b>3,554,016</b>	<b>6</b>	<b>11,575,686</b>	<b>9,900,443</b>	<b>17</b>	<b>13,113,350</b>
Finance income	317,596	423,034	(25)	944,713	1,045,375	(10)	1,457,475
Finance costs	(481,301)	(981,612)	(51)	(1,803,402)	(1,871,554)	(4)	(3,357,718)
<b>Net finance income /(cost)</b>	<b>(163,705)</b>	<b>(558,578)</b>	<b>(71)</b>	<b>(858,689)</b>	<b>(826,179)</b>	<b>4</b>	<b>(1,900,243)</b>
	<b>3,602,232</b>	<b>2,995,438</b>	<b>20</b>	<b>10,716,997</b>	<b>9,074,264</b>	<b>18</b>	<b>11,213,107</b>
<b>Profit before taxation</b>	<b>3,602,232</b>	<b>2,995,438</b>	<b>20</b>	<b>10,716,997</b>	<b>9,074,264</b>	<b>18</b>	<b>11,213,107</b>
Income tax expense	(1,292,726)	(871,640)	48	(3,789,486)	(3,300,084)	15	(3,862,223)
Deferred taxation	(146,714)	(54,242)	170	(464,333)	116,282	(499)	(349,577)
<b>Profit after taxation</b>	<b>2,162,792</b>	<b>2,069,556</b>	<b>5</b>	<b>6,463,178</b>	<b>5,890,462</b>	<b>10</b>	<b>7,001,307</b>
<b>Other comprehensive income</b>							
<i>Items that will not be reclassified to profit or loss</i>							
Remeasurement of employee benefit obligations	-	-	-	-	-	-	(50,899)
Deferred tax charge on actuarial gain	-	-	-	-	-	-	20,360
<i>Items that are or may be reclassified subsequently to profit or loss</i>							
Foreign currency translation gain/(loss) from foreign operation	-	-	-	-	-	-	-
<b>Total other comprehensive income for the period net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(30,539)</b>
<b>Total comprehensive income for the period</b>	<b>2,162,792</b>	<b>2,069,556</b>	<b>5</b>	<b>6,463,178</b>	<b>5,890,462</b>	<b>10</b>	<b>6,970,768</b>
Earnings per ordinary share (Rs.)	<b>27.03</b>	<b>25.87</b>		<b>80.79</b>	<b>73.63</b>		<b>87.52</b>

The above figures are provisional and subject to audit.

**LION BREWERY (CEYLON) PLC**  
**CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - GROUP**

	Quarter Ended		Change	Nine Months Ended		Change	Year Ended
	31.12.2023	31.12.2022	%	31.12.2023	31.12.2022	%	31.03.2023 (Audited)
<i>In Sri Lankan Rs. '000s</i>							
<b>Revenue</b>	<b>26,912,663</b>	<b>23,793,779</b>	<b>13</b>	<b>78,826,524</b>	<b>70,106,893</b>	<b>12</b>	<b>94,969,346</b>
Cost of sales	(20,661,066)	(17,874,465)	16	(59,947,219)	(53,589,108)	12	(72,506,090)
<b>Gross profit</b>	<b>6,251,597</b>	<b>5,919,314</b>	<b>6</b>	<b>18,879,305</b>	<b>16,517,785</b>	<b>14</b>	<b>22,463,256</b>
Other income	228,155	91,846	148	387,073	223,882	73	299,029
	<b>6,479,752</b>	<b>6,011,160</b>	<b>8</b>	<b>19,266,378</b>	<b>16,741,667</b>	<b>15</b>	<b>22,762,285</b>
Distribution expenses	(1,690,685)	(1,598,098)	6	(4,997,302)	(3,992,908)	25	(5,847,362)
Administrative expenses	(927,947)	(675,030)	37	(2,687,580)	(1,806,319)	49	(2,777,048)
Other expenses	(103,902)	(191,946)	(46)	(313,197)	(696,795)	(55)	(714,394)
Reversal/(provision) of impairment for intangible assets	-	-	-	291,063	(353,229)	100	(353,229)
<b>Operating profit before finance cost</b>	<b>3,757,218</b>	<b>3,546,086</b>	<b>6</b>	<b>11,559,362</b>	<b>9,892,416</b>	<b>17</b>	<b>13,070,252</b>
Finance income	323,657	427,510	(24)	965,364	1,056,744	(9)	1,476,719
Finance costs	(481,288)	(981,612)	(51)	(1,803,408)	(1,871,554)	(4)	(3,357,718)
<b>Net finance income/(cost)</b>	<b>(157,631)</b>	<b>(554,102)</b>	<b>(72)</b>	<b>(838,044)</b>	<b>(814,810)</b>	<b>3</b>	<b>(1,880,999)</b>
	<b>3,599,587</b>	<b>2,991,984</b>	<b>20</b>	<b>10,721,318</b>	<b>9,077,606</b>	<b>18</b>	<b>11,189,253</b>
<b>Profit before taxation</b>	<b>3,599,587</b>	<b>2,991,984</b>	<b>20</b>	<b>10,721,318</b>	<b>9,077,606</b>	<b>18</b>	<b>11,189,253</b>
Income tax expense	(1,292,727)	(871,641)	48	(3,789,486)	(3,300,084)	15	(3,862,223)
Deferred taxation	(144,689)	(52,246)	177	(452,559)	123,022	(468)	(335,427)
<b>Profit after taxation</b>	<b>2,162,171</b>	<b>2,068,097</b>	<b>5</b>	<b>6,479,273</b>	<b>5,900,544</b>	<b>10</b>	<b>6,991,603</b>
<b>Other comprehensive income</b>							
<i>Items that will not be reclassified to profit or loss</i>							
Remeasurement of employee benefit obligations	-	-	-	-	-	-	(50,899)
Deferred tax charge on actuarial gain	-	-	-	-	-	-	20,360
<i>Items that are or may be reclassified subsequently to profit or loss</i>							
Foreign currency translation gain/(loss) from foreign operation	(477)	-	-	322	-	-	-
<b>Total other comprehensive income for the period net of tax</b>	<b>(477)</b>	<b>-</b>	<b>-</b>	<b>322</b>	<b>-</b>	<b>-</b>	<b>(30,539)</b>
<b>Total comprehensive income for the period</b>	<b>2,161,694</b>	<b>2,068,097</b>	<b>5</b>	<b>6,479,595</b>	<b>5,900,544</b>	<b>10</b>	<b>6,961,064</b>
<b>Earnings per ordinary share (Rs.)</b>	<b>27.03</b>	<b>25.85</b>		<b>80.99</b>	<b>73.76</b>		<b>87.40</b>

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	Translation Reserve	Total Equity
<b>Balance as at 1st April 2022</b>	<b>2,537,801</b>	<b>1,487,870</b>	<b>15,657,552</b>	-	<b>19,683,223</b>
Surcharge tax	-	-	(1,193,964)	-	(1,193,964)
<b>Balance as at 1st April 2022 (Adjusted)</b>	<b>2,537,801</b>	<b>1,487,870</b>	<b>14,463,588</b>	-	<b>18,489,259</b>
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	5,890,462	-	5,890,462
<b>Total comprehensive income for the period</b>	-	-	<b>5,890,462</b>	-	<b>5,890,462</b>
<b>Transactions with owners of the Company</b>					
<b>Distribution made to owners</b>					
Ordinary dividends	-	-	(2,468,000)	-	(2,468,000)
<b>Balance as at 31st December 2022</b>	<b>2,537,801</b>	<b>1,487,870</b>	<b>17,886,050</b>	-	<b>21,911,721</b>
<b>Balance as at 1st April 2022</b>	<b>2,537,801</b>	<b>1,487,870</b>	<b>15,657,552</b>	-	<b>19,683,223</b>
Surcharge tax	-	-	(1,193,964)	-	(1,193,964)
<b>Balance as at 1st April 2022 (Adjusted)</b>	<b>2,537,801</b>	<b>1,487,870</b>	<b>14,463,588</b>	-	<b>18,489,259</b>
<b>Total comprehensive income for the year</b>					
Profit for the year	-	-	7,001,307	-	7,001,307
Other comprehensive income for the year	-	-	(30,539)	-	(30,539)
<b>Total comprehensive income for the year</b>	-	-	<b>6,970,768</b>	-	<b>6,970,768</b>
<b>Transactions with owners of the Company</b>					
<b>Distribution made to owners</b>					
Ordinary dividends	-	-	(2,468,000)	-	(2,468,000)
<b>Balance as at 31st March 2023</b>	<b>2,537,801</b>	<b>1,487,870</b>	<b>18,966,356</b>	-	<b>22,992,027</b>
<b>Balance as at 1st April 2023</b>	<b>2,537,801</b>	<b>1,487,870</b>	<b>18,966,356</b>	-	<b>22,992,027</b>
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	6,463,178	-	6,463,178
<b>Total comprehensive income for the period</b>	-	-	<b>6,463,178</b>	-	<b>6,463,178</b>
<b>Transactions with owners of the Company</b>					
<b>Distribution made to owners</b>					
Ordinary dividends	-	-	(4,744,000)	-	(4,744,000)
<b>Balance as at 31st December 2023</b>	<b>2,537,801</b>	<b>1,487,870</b>	<b>20,685,534</b>	-	<b>24,711,205</b>

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

<i>In Rs.'000s</i>	Stated Capital	Revaluation Reserve	Retained Earnings	Translation Reserve	Total Equity
<b>Balance as at 1st April 2022</b>	<b>2,537,801</b>	<b>2,092,103</b>	<b>15,297,757</b>	-	<b>19,927,661</b>
Surcharge tax	-	-	(1,193,964)	-	<b>(1,193,964)</b>
<b>Balance as at 1st April 2022 (Adjusted)</b>	<b>2,537,801</b>	<b>2,092,103</b>	<b>14,103,793</b>	-	<b>18,733,697</b>
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	5,900,544	-	<b>5,900,544</b>
<b>Total comprehensive income for the period</b>	-	-	<b>5,900,544</b>	-	<b>5,900,544</b>
<b>Transactions with owners of the Company</b>					
<b>Distribution made to owners</b>					
Ordinary dividends	-	-	(2,468,000)	-	<b>(2,468,000)</b>
<b>Balance as at 31st December 2022</b>	<b>2,537,801</b>	<b>2,092,103</b>	<b>17,536,337</b>	-	<b>22,166,241</b>
<b>Balance as at 1st April 2022</b>	<b>2,537,801</b>	<b>2,092,103</b>	<b>15,297,757</b>	-	<b>19,927,661</b>
Surcharge tax	-	-	(1,193,964)	-	<b>(1,193,964)</b>
<b>Balance as at 1st April 2022 (Adjusted)</b>	<b>2,537,801</b>	<b>2,092,103</b>	<b>14,103,793</b>	-	<b>18,733,697</b>
<b>Total comprehensive income for the year</b>					
Profit for the year	-	-	6,991,603	-	6,991,603
Other comprehensive income for the year	-	-	(30,539)	-	(30,539)
<b>Total comprehensive income for the year</b>	-	-	<b>6,961,064</b>	-	<b>6,961,064</b>
<b>Transactions with owners of the Company</b>					
<b>Distribution made to owners</b>					
Ordinary dividends	-	-	(2,468,000)	-	<b>(2,468,000)</b>
<b>Balance as at 31st March 2023</b>	<b>2,537,801</b>	<b>2,092,103</b>	<b>18,596,857</b>	-	<b>23,226,761</b>
<b>Balance as at 1st April 2023</b>	<b>2,537,801</b>	<b>2,092,103</b>	<b>18,596,857</b>	-	<b>23,226,761</b>
<b>Total comprehensive income for the year</b>					
Profit for the period	-	-	6,479,273	-	<b>6,479,273</b>
Other comprehensive income for the period	-	-	-	322	<b>322</b>
<b>Total comprehensive income for the year</b>	-	-	<b>6,479,273</b>	<b>322</b>	<b>6,479,595</b>
<b>Transactions with owners of the Company</b>					
<b>Distribution made to owners</b>					
Ordinary dividends	-	-	(4,744,000)	-	<b>(4,744,000)</b>
<b>Balance as at 31st December 2023</b>	<b>2,537,801</b>	<b>2,092,103</b>	<b>20,332,130</b>	<b>322</b>	<b>24,962,356</b>



**LION BREWERY (CEYLON) PLC**  
**STATEMENT OF CASH FLOWS**

<i>Period ended</i> In Rs.'000s	Company		Group	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
<b>Cash flows from operating activities</b>				
<b>Profit before taxation</b>	<b>10,716,997</b>	<b>9,074,264</b>	<b>10,721,318</b>	<b>9,077,606</b>
<i>Adjustments for:</i>				
Finance costs	1,905,896	2,257,001	1,905,902	2,257,001
Depreciation on property, plant & equipment	1,641,876	1,256,339	1,664,699	1,268,149
Amortisation on Intangible assets	10,275	9,011	10,275	9,011
Depreciation on right of use assets	27,308	26,325	27,308	26,325
Net inventory provision/ (reversal)	(80,463)	(27,896)	(80,463)	(27,896)
Provision for retirement benefit obligation	26,447	18,642	26,447	18,642
Impairment of property, plant & equipment	-	175,752	-	175,752
Provision/(Reversal) of impairment for intangible assets	(291,063)	353,229	(291,063)	353,229
Reversal of impairment for investment in Pearl Springs (Pvt) Ltd	-	-	-	-
Provision for bad & doubtful debts	-	-	-	-
Loss on disposal of property, plant & equipment	11,098	33,779	11,098	33,779
Lease interest expense	26,761	21,314	26,761	21,314
Deposit liability write back	(193,406)	-	(193,406)	-
Unrealised foreign exchange gain	(242,040)	(709,901)	(242,040)	(709,901)
Finance Income	(944,713)	(1,045,375)	(965,364)	(1,056,744)
<b>Operating cash flow before working capital changes</b>	<b>12,614,973</b>	<b>11,442,485</b>	<b>12,621,472</b>	<b>11,446,268</b>
(Increase)/Decrease in inventories	(1,766,595)	(2,875,055)	(1,766,595)	(2,875,055)
(Increase)/Decrease in trade and other receivables	30,579	(9,123,762)	32,203	(9,121,761)
(Increase)/Decrease in amounts due from related companies	(68,677)	(7,120)	(68,677)	(6,233)
Increase/(Decrease) in tax payable/receivable	1,357,077	(48,407)	1,359,067	(47,775)
Increase/(Decrease) in trade and other payables	(345,141)	3,304,089	(344,331)	3,303,717
Increase/(Decrease) in amounts due to related companies	(80,979)	(107,463)	39,982	(107,463)
<b>Cash generated from operations</b>	<b>11,741,236</b>	<b>2,584,767</b>	<b>11,873,121</b>	<b>2,591,698</b>
Finance expenses paid	(1,855,001)	(2,037,261)	(1,855,008)	(2,037,261)
Retirement benefits paid	(62,665)	(8,220)	(62,665)	(8,220)
Surcharge tax paid	-	(1,193,964)	-	(1,193,964)
Tax paid	(2,872,000)	(2,655,000)	(2,872,000)	(2,655,000)
<b>Net cash (used in)/generated from operating activities</b>	<b>6,951,570</b>	<b>(3,309,678)</b>	<b>7,083,448</b>	<b>(3,302,747)</b>
<b>Cash flows from investing activities</b>				
Purchase and construction of property, plant & equipment	(3,747,801)	(2,023,603)	(3,747,801)	(2,023,603)
Purchase of intangible assets	(41,222)	(1,475)	(41,222)	(1,475)
Proceeds from sale of property, plant & equipment	-	-	-	-
Agent deposits received	245,667	376,580	245,667	376,580
Agent deposits refunded	-	-	-	-
Investment in subsidiaries	(105,600)	-	-	-
Interest received	944,713	1,045,375	965,364	1,056,744
<b>Net cash (used in)/generated from investing activities</b>	<b>(2,704,243)</b>	<b>(603,123)</b>	<b>(2,577,992)</b>	<b>(591,754)</b>
<b>Cash flows from financing activities</b>				
Loans and borrowings obtained	1,741,667	4,000,000	1,741,667	4,000,000
Repayments of loans and borrowing	(3,143,750)	(856,150)	(3,143,750)	(856,150)
Repayments of lease rentals	(43,801)	(40,388)	(43,801)	(40,387)
Dividend paid net of tax	(4,744,125)	(2,468,033)	(4,744,125)	(2,468,033)
<b>Net cash (used in)/generated from financing activities</b>	<b>(6,190,009)</b>	<b>635,429</b>	<b>(6,190,009)</b>	<b>635,430</b>
<b>Net (decrease)/increase in cash &amp; cash equivalents</b>	<b>(1,942,682)</b>	<b>(3,277,372)</b>	<b>(1,684,553)</b>	<b>(3,259,071)</b>
<b>Cash &amp; cash equivalents at the beginning of the year</b>	<b>9,587,694</b>	<b>11,793,500</b>	<b>9,710,765</b>	<b>11,916,746</b>
Effect of movements in exchange rate on translation reserve	-	-	322	-
Effect of exchange rate changes on cash and cash equivalents	167,097	558,541	167,097	558,541
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>7,812,109</b>	<b>9,074,669</b>	<b>8,193,631</b>	<b>9,216,216</b>
<b>Analysis of cash and cash equivalents</b>				
Cash and cash equivalents	11,004,092	12,182,865	11,385,614	12,324,412
Bank overdraft	(3,191,983)	(3,108,196)	(3,191,983)	(3,108,196)
	<b>7,812,109</b>	<b>9,074,669</b>	<b>8,193,631</b>	<b>9,216,216</b>

# 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. Ceylon Beverage Holdings PLC is the immediate Parent Company of Lion Brewery (Ceylon) 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 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
Millers Brewery Limited (MBL)	100%
Lion Beer (Ceylon) Pte Ltd, Singapore	100%

### 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

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 2023 amounts to Rs.1,317 Mn (2022 - Rs.1,793 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. 2,899 Mn as at 31st December 2023 (2022 - Rs. 2,936 Mn).

#### 3.3 Contingencies

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.

**4 LEASE CREDITOR**

As at In Rs. 000's	Company/Group	
	31.12.2023	31.03.2023
Balance as at beginning of the period	206,801	185,077
Leases obtained	35,808	47,486
Lease rentals paid	(43,801)	(56,141)
Interest expense for the period	26,761	30,379
Balance as at end of the period	<b>225,569</b>	<b>206,801</b>

**5 SEGMENTAL ANALYSIS**

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

**6 EVENTS AFTER THE REPORTING PERIOD**

There were no material events taken place since 31st December 2023 that require adjustments or disclosure in these Financial Statements.

**7 INVESTOR INFORMATION**

Investor Information	Quarter Ended		Nine Month Ended		Year Ended
	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.03.2023
<b>1 Share Information</b>					
Price as at the end of the period (Rs.)	920.25	559.50	920.25	559.50	559.50
Highest price (Rs.)	991.00	594.00	991.00	594.00	728.00
Lowest price (Rs.)	870.00	500.00	510.00	420.00	420.00
<b>2 Trading Statistics</b>					
No of Transactions	435	143	1,195	485	892
No of Shares traded	775,022	25,688	1,010,533	591,972	800,646
Value of all shares traded (Rs. Mn.)	692	13	862	310	441

**LION BREWERY (CEYLON) PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**

**8 TWENTY MAJOR SHAREHOLDERS AS AT 31ST DECEMBER 2023**

#	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	2,404,403	3.01
5	BUKIT DARAH PLC A/C NO. 02	1,300,000	1.63
6	SSBT-AL MEHWAR COMMERCIAL INVESTMENTS L.L.C.	783,779	0.98
7	RBC INVESTOR SERVICES BANK-COELI SICAV I- FRONTIER MARKETS FUNDS	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	SSBT-FRANK RUSSEL TRUST COMPANY COMINGLED BENEFIT FUNDS TRUST GNA-6QH3	198,268	0.25
11	J.B. COCOSHELL (PVT) LTD	189,324	0.24
12	DEUTSCHE BANK AG AS TRUSTEE FOR JB VANTAGE VALUE EQUITY FUND	168,771	0.21
13	PORTELET LIMITED	161,920	0.20
14	TRANZ DOMINION,L.L.C.	129,251	0.16
15	PEOPLE'S LEASING & FINANCE PLC/C.D.KOHOMBANWICKRAMAGE	105,939	0.13
16	MR. M. A. JAFFERJEE	91,884	0.11
17	ODYSSEY CAPITAL PARTNERS (PRIVATE) LIMITED	85,305	0.11
18	NEWGREENS LIMITED	83,200	0.10
19	JB CAPITAL (PRIVATE) LIMITED	70,000	0.09
20	FERN HOLDINGS (PRIVATE) LIMITED	68,701	0.09

**9 PUBLIC HOLDING**

The Company is in compliance with the Minimum Public Holding requirements for Companies listed on the Main Board as per Rule 7.13.1 (i) (a) of the Listing Rules of the Colombo Stock Exchange, under Option 2, i.e. Float-Adjusted Market Capitalization of Rs.7.5 Billion with 500 Public Shareholders and a Public Holding percentage of 5%.

**The Company's Public Holding as at 31st December 2023**

Market Capitalization of the Public Holding	Rs.9.04 Billion
Percentage of ordinary shares held by the public	12.28%
Number of Public Shareholders	1,265

**10 DIRECTOR'S SHAREHOLDINGS**

As at 31st December 2023	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 (Ceased to be an Alternate Director to Mr. H. Selvanathan w.e.f. 31/12/2023)	-
Mr. D. R. P. Goonetilleke	1
Mrs. S. J. F. Evans	-
Mr. S. Selvanathan	-
Mr. S. Clini	-
Ms. V. Gun	-
Mr. A. B. Baliga (Appointed w.e.f. 02/02/2024)	-

**11 STATED CAPITAL**

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

**LION BREWERY (CEYLON) PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**

**12 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	Group		Company	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
<b>Transactions with related parties/subsidiaries</b>				
Royalty expenses	429,232	349,988	429,232	349,988
Intercompany interest income	53,087	43,097	53,087	43,097
Beer sales income	631,103	563,571	631,103	563,571
Trade rebates	2,057	3,013	2,057	3,013
Marketing fee expenses	17,667	19,417	17,667	19,417
Distribution services fee income	3,699	3,237	3,699	3,237
Rent expenses	3,645	9,362	26,179	29,648
Hotel Expenses	1,534	-	1,534	-
Support services fees expenses	701,470	464,387	701,282	464,387
Other service fee expense	84,499	83,129	84,394	83,129
Purchase of raw materials	414,382	601,252	414,382	601,252
<b>Outstanding balances</b>				
Amounts due from related companies	452,188	380,411	452,188	381,298
Amounts due to related companies	116,023	48,293	118,153	48,293

## **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  
Lion Beer (Ceylon) Pte Ltd

#### **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 (Ceased to be an Alternate Director to Mr. H. Selvanathan w.e.f. 31/12/2023)  
Mr. D. R. P. Goonetilleke  
Mrs. S. J. F. Evans  
Mr. S. Selvanathan  
Mr. S. Clini  
Ms. V. Gun  
Mr. A. B. Baliga (Appointed w.e.f. 02/02/2024)

#### **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  
Bank of China Limited

#### **LEGAL ADVISERS**

Messrs. F. J. & G. De Saram  
216, De Saram Place  
Colombo 10, Sri Lanka  
Tel: +94 11 4718 200  
Fax: +94 11 4718 220

#### **AUDITORS**

Messrs. KPMG  
Chartered Accountants  
No. 32A, Sir Mohamed Macan Markar Mawatha  
Colombo 3, Sri Lanka  
Tel: +94 11 5426 426  
Fax: +94 11 2445 872

#### **MANAGERS & SECRETARIES**

Carsons Management Services (Private) Limited  
No. 61, Janadhipathi Mawatha  
Colombo 01, Sri Lanka  
Tel : +94 11 2039 200  
Fax: +94 11 2039 300

#### **REGISTERED OFFICE**

No. 61, Janadhipathi Mawatha  
Colombo 01, Sri Lanka  
Tel : +94 11 2039 200  
Fax: +94 11 2039 300

#### **CORPORATE OFFICE & BREWERY**

254, Colombo Road, Biyagama, Sri Lanka  
Tel : +94 11 2465 900 (10 Lines)  
Fax : +94 11 2465 901

#### **GROUP WEBSITE**

[www.carsoncumberbatch.com](http://www.carsoncumberbatch.com)