

Lion Brewery (Ceylon) PLC

*Interim Condensed Financial Statements
for the First Quarter ended
30th June 2021*

LION BREWERY (CEYLON) PLC

Review

Q1 was heavily impacted by Covid shutdowns with the exception of April. As a result, Q1 of the financial year 21/22 concluded with the Company recording a profit after tax of Rs.614 million on a turnover of Rs.10.5 billion. For 30 days the operations of the Company were at a complete standstill due to the lockdown that was imposed to control the spread of the 3rd wave of the pandemic. All liquor outlets were closed during this period resulting in zero sales for the Company. Comparatively, the lockdown during Q1 2020 was 43 days, which included the peak selling festive month of April, whereas this year, the closures were during the latter part of May and the first three weeks of June. As a result of this, an improved turnover was recorded during Q1 21/22 compared to Q1 20/21.

In addition to the countrywide lockdown, sporadic isolations in some selected areas across the Country, created temporary operational disruptions. Time and again certain areas were cordoned off which meant that distribution & sales into these parts were not possible. Additionally, as a further safety measure, to ensure continued production & supply, a high level of inventories was maintained. Cost pressure continued with raw materials and freight rates increasing.

International sales continued to perform well with a turnover growth of 171% in SLR. No doubt the increase in turnover was partly fueled by the COVID impacted prior year period and the depreciating rupee but even on a US\$ comparative, the increase recorded is 152%. Whilst the timing of international sales can vary significantly from month to month, its increase and hence higher Dollar income is most welcome during this period. The local Dollar shortage has become a very serious impediment which most industries, including exporters, have to endure. We remain hopeful that the Government's proactive steps will lead to the current foreign exchange issues being overcome expediently.

In the aforesaid background, the profit recorded for the quarter of Rs.614 million is commendable although it is well below the true potential of the Company. Given the Government's excellent vaccination drive, we are hopeful for the rest of the financial year. Unless there are disruptions to operations, as was seen in Q1, profitability is expected to regain stability.

LION BREWERY (CEYLON) PLC
BOARD OF DIRECTORS AS AT 30TH JUNE 2021

Mr. D. A. Cabraal (Chairman)

Mr. H. Selvanathan (Deputy Chairman)

Mr. R. H. Meewakkala (Chief Executive Officer - appointed w.e.f. 01/07/2021)

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

Mr. S. K. Shah (Chief Executive Officer - retired w.e.f. 30/06/2021)

LION BREWERY (CEYLON) PLC				
CONDENSED STATEMENT OF FINANCIAL POSITION				
	Company		Group	
<i>In Rs. '000s</i>	30-Jun-21	31-Mar-21 (Audited)	30-Jun-21	31-Mar-21 (Audited)
ASSETS				
Non- Current Assets				
Property, plant & equipment	17,570,117	17,408,326	18,978,452	18,819,887
Right of use assets	156,159	164,119	156,159	164,119
Intangible assets	1,221,908	1,225,109	1,221,908	1,225,109
Investments in subsidiary	1,029,623	1,029,623	-	-
Total Non-Current Assets	19,977,807	19,827,177	20,356,519	20,209,115
Current Assets				
Inventories	3,423,572	3,493,117	3,423,572	3,493,117
Trade and other receivables	1,741,350	1,334,241	1,746,671	1,340,316
Amounts due from related companies	447,756	445,619	447,756	445,619
Current tax assets	77,826	-	76,135	-
Cash and cash equivalents	13,641,103	9,525,907	13,781,020	9,665,398
Total Current Assets	19,331,607	14,798,884	19,475,154	14,944,450
Total Assets	39,309,414	34,626,061	39,831,673	35,153,565
EQUITY AND LIABILITIES				
Equity				
Stated capital	2,537,801	2,537,801	2,537,801	2,537,801
Capital reserves	972,968	972,968	1,388,475	1,388,475
Retained earnings	13,994,806	13,380,781	13,658,423	13,048,135
Total Equity	17,505,575	16,891,550	17,584,699	16,974,411
Non- Current Liabilities				
Loans and borrowings	3,232,919	3,497,060	3,232,919	3,497,060
Lease creditor (Note 04)	159,771	165,321	159,771	165,321
Employee benefits	232,251	233,933	232,251	233,933
Net deferred tax liabilities	4,581,253	4,646,786	5,022,992	5,088,525
Total Non- Current Liabilities	8,206,194	8,543,100	8,647,933	8,984,839
Current Liabilities				
Trade and other payables	1,642,893	1,873,132	1,644,305	1,874,996
Amounts due to related companies	182,084	123,342	182,068	122,828
Refundable deposits	1,912,084	1,900,393	1,912,084	1,900,393
Current tax liabilities	-	2,383,576	-	2,385,113
Loans and borrowings	9,082,913	1,868,664	9,082,913	1,868,664
Lease creditor (Note 04)	20,817	19,900	20,817	19,900
Bank overdrafts	756,854	1,022,404	756,854	1,022,421
Total Current Liabilities	13,597,645	9,191,411	13,599,041	9,194,315
Total Liabilities	21,803,839	17,734,511	22,246,974	18,179,154
Total Equity and Liabilities	39,309,414	34,626,061	39,831,673	35,153,565
Net assets per ordinary share (Rs.)	218.82	211.14	219.81	212.18

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

Financial Controller-Corporate

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

06th August 2021

(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	Year ended
	30.06.2021	30.06.2020	%	31.03.2021 (Audited)
Revenue	10,557,138	6,458,415	63	49,849,287
Cost of sales	(8,522,140)	(5,322,782)	60	(39,828,971)
Gross profit	2,034,998	1,135,633	79	10,020,316
Other income	32,563	15,899	105	331,241
	2,067,561	1,151,532	80	10,351,557
Distribution expenses	(650,304)	(526,349)	24	(2,815,812)
Administrative expenses	(389,885)	(307,731)	27	(1,617,768)
Other expenses	(108,181)	(77,648)	39	(562,558)
Impairment of intangible assets	-	-	-	(449,084)
Operating profit before finance cost	919,191	239,804	283	4,906,335
Finance income	140,900	234,692	(40)	688,286
Finance costs	(207,851)	(432,889)	(52)	(1,143,396)
Net finance costs	(66,951)	(198,197)	(66)	(455,110)
	852,240	41,607	1948	4,451,225
Profit before taxation	852,240	41,607	1948	4,451,225
Income tax expense	(303,749)	(56,326)	439	(1,815,068)
Deferred taxation	65,534	92,761	(29)	(43,743)
Profit after taxation	614,025	78,042	687	2,592,414
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurement of employee benefit obligations	-	-	-	1,119
Deferred tax charge on actuarial gain	-	-	-	(447)
Total other comprehensive income for the period net of tax	-	-	-	672
Total comprehensive income for the period	614,025	78,042	687	2,593,086
Earnings per ordinary share (Rs.)	7.68	0.98		32.41

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	Year Ended
	30.06.2021	30.06.2020	%	31.03.2021 (Audited)
Revenue	10,557,138	6,458,415	63	49,849,287
Cost of sales	(8,522,140)	(5,322,782)	60	(39,828,971)
Gross profit	2,034,998	1,135,633	79	10,020,316
Other income	32,701	16,539	98	338,404
	2,067,699	1,152,172	79	10,358,720
Distribution expenses	(650,304)	(526,349)	24	(2,815,812)
Administrative expenses	(395,058)	(316,137)	25	(1,665,071)
Other expenses	(108,181)	(77,648)	39	(722,816)
Impairment of intangible assets	-	-	-	(449,084)
Operating profit before finance cost	914,156	232,038	294	4,705,937
Finance income	142,198	236,929	(40)	695,281
Finance costs	(207,851)	(432,889)	(52)	(1,143,396)
Net finance costs	(65,653)	(195,960)	(66)	(448,115)
	848,503	36,078	2,252	4,257,822
Profit before taxation	848,503	36,078	2,252	4,257,822
Income tax expense	(303,749)	(56,326)	439	(1,815,068)
Deferred taxation	65,534	92,761	(29)	28,342
Profit after taxation	610,288	72,513	742	2,471,096
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurement of employee benefit obligations	-	-	-	1,119
Deferred tax charge on actuarial (gain)/loss	-	-	-	(447)
Total other comprehensive income for the period net of tax	-	-	-	672
Total comprehensive income for the period	610,288	72,513	742	2,471,768
Earnings per ordinary share (Rs.)	7.63	0.91		30.89

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 2020	2,537,801	972,968	11,427,695	14,938,464
Total comprehensive income for the period				
Profit for the period	-	-	78,042	78,042
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	78,042	78,042
Transactions with owners of the Company				
Distribution made to owners				
Ordinary dividends	-	-	-	-
Balance as at 30th June 2020	2,537,801	972,968	11,505,737	15,016,506
Balance as at 1st April 2020	2,537,801	972,968	11,427,695	14,938,464
Total comprehensive income for the year				
Profit for the year	-	-	2,592,414	2,592,414
Other comprehensive income for the year	-	-	672	672
Total comprehensive income for the year	-	-	2,593,086	2,593,086
Transactions with owners of the Company				
Distribution made to owners				
Ordinary dividends	-	-	(640,000)	(640,000)
Balance as at 31st March 2021	2,537,801	972,968	13,380,781	16,891,550
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	-	-	614,025	614,025
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	614,025	614,025
Transactions with owners of the Company				
Distribution made to owners				
Ordinary dividends	-	-	-	-
Balance as at 30th June 2021	2,537,801	972,968	13,994,806	17,505,575

GROUP

<i>In Rs. '000s</i>	Stated Capital	Revaluation Reserve	Retained Earnings	Total Equity
Balance as at 1st April 2020	2,537,801	1,388,475	11,216,367	15,142,643
Total comprehensive income for the period				
Profit for the period	-	-	72,513	72,513
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	72,513	72,513
Transactions with owners of the Company				
Distribution made to owners				
Ordinary dividends	-	-	-	-
Balance as at 30th June 2020	2,537,801	1,388,475	11,288,880	15,215,156
Balance as at 1st April 2020	2,537,801	1,388,475	11,216,367	15,142,643
Total comprehensive income for the year				
Profit for the year	-	-	2,471,096	2,471,096
Other comprehensive income for the year	-	-	672	672
Total comprehensive income for the year	-	-	2,471,768	2,471,768
Transactions with owners of the Company				
Distribution made to owners				
Ordinary dividends	-	-	(640,000)	(640,000)
Forfeiture of unclaimed dividends	-	-	-	-
Balance as at 31st March 2021	2,537,801	1,388,475	13,048,135	16,974,411
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 period	-	-	610,288	610,288
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the year	-	-	610,288	610,288
Transactions with owners of the Company				
Distribution made to owners				
Ordinary dividends	-	-	-	-
Balance as at 30th June 2021	2,537,801	1,388,475	13,658,423	17,584,699

LION BREWERY (CEYLON) PLC

STATEMENT OF CASH FLOWS

Period ended In Rs.'000s	Company			Group		
	30.06.2021	30.06.2020	31.03.2021 (Audited)	30.06.2021	30.06.2020	31.03.2021 (Audited)
Cash flows from operating activities						
Profit before taxation	852,240	41,607	4,451,225	848,503	36,078	4,257,822
Adjustments for:						
Finance costs	204,615	443,395	1,189,239	204,615	443,395	1,189,239
Depreciation on property, plant & equipment	346,657	301,348	1,273,080	349,883	307,844	1,299,018
Amortization on Intangible assets	3,201	1,476	7,437	3,201	1,476	7,437
Depreciation on Leased assets	7,960	7,676	32,208	7,960	7,676	32,208
Net inventory provision /(reversal)	(23,010)	(1,864)	1,096	(23,010)	(1,864)	1,096
Provision for retirement benefit obligation	4,621	4,064	39,267	4,621	4,064	39,267
Impairment of property, plant & equipment	-	-	-	-	-	160,258
Impairment of intangible assets	-	-	449,084	-	-	449,084
Loss /(gain) on disposal of property, plant & equipment	130	-	20,557	130	-	21,013
Lease interest	6,528	7,090	28,716	6,528	7,090	28,716
Gain on derecognition of right of use assets	-	-	(2,912)	-	-	(2,913)
Exchange loss/ (gain)	(66)	(1,032)	309	(66)	(1,032)	309
Deposits written back during the year	-	-	(168,072)	-	-	(168,072)
Finance Income	(140,900)	(234,692)	(688,286)	(142,198)	(236,929)	(695,281)
Operating cash flow before working capital changes	1,261,976	569,068	6,632,947	1,260,167	567,798	6,619,201
(Increase)/Decrease in inventories	92,555	125,763	(912,093)	92,555	125,763	(912,093)
(Increase)/Decrease in trade and other receivables	(407,043)	(118,760)	(43,509)	(406,289)	(118,001)	(43,199)
(Increase)/Decrease in amounts due from related companies	(2,137)	(21,856)	163,405	(2,137)	(21,856)	163,405
Increase/(Decrease) in tax payable/receivable	(1,985,151)	1,673,732	1,773,928	(1,984,998)	1,673,731	1,772,169
Increase/(Decrease) in trade and other payables	(230,239)	(161,365)	395,267	(230,691)	(161,435)	388,017
Increase/(Decrease) in amounts due to related companies	58,742	19,926	14,971	59,240	19,964	15,080
Cash generated from operations	(1,211,297)	2,086,508	8,024,916	(1,212,153)	2,085,964	8,002,580
Finance expenses paid	(157,555)	(394,885)	(1,114,498)	(157,555)	(394,885)	(1,114,496)
Retirement benefits paid	(6,303)	(1,129)	(2,952)	(6,303)	(1,129)	(2,952)
Tax paid	(780,000)	(71,000)	(1,301,862)	(780,000)	(71,000)	(1,301,862)
Net cash generated from operating activities	(2,155,155)	1,619,494	5,605,604	(2,156,011)	1,618,950	5,583,270
Cash flows from investing activities						
Purchase and construction of property, plant & equipment	(508,578)	(311,986)	(1,160,021)	(508,578)	(311,986)	(1,160,021)
Purchase of intangible assets	-	-	(27,196)	-	-	(27,196)
Agent deposits received	11,691	75,161	366,290	11,691	75,161	366,290
Interest received	140,900	234,692	688,286	142,198	236,929	695,281
Net cash (used in)/generated from investing activities	(355,987)	(2,133)	(132,641)	(354,689)	104	(125,646)
Cash flows from financing activities						
Loans and borrowings received	7,300,000	-	3,000,000	7,300,000	-	3,000,000
Repayments of loans and borrowing	(396,950)	(728,200)	(10,300,300)	(396,950)	(728,200)	(10,300,300)
Repayments of lease rentals	(11,162)	(10,848)	(45,162)	(11,162)	(10,848)	(45,162)
Dividend paid net of tax	-	-	(640,000)	-	-	(640,000)
Net cash used in financing activities	6,891,888	(739,048)	(7,985,462)	6,891,888	(739,048)	(7,985,462)
Net (decrease)/increase in cash & cash equivalents	4,380,746	878,314	(2,512,499)	4,381,188	880,007	(2,527,838)
Cash & cash equivalents at the beginning of the year	8,503,503	11,016,002	11,016,002	8,642,977	11,170,815	11,170,815
Cash & cash equivalents at the end of the year	12,884,249	11,894,316	8,503,503	13,024,166	12,050,822	8,642,977
Analysis of cash and cash equivalents						
Cash and cash equivalents	13,641,103	12,887,047	9,525,907	13,781,020	13,043,553	9,665,398
Bank overdraft	(756,854)	(992,731)	(1,022,404)	(756,854)	(992,731)	(1,022,421)
	12,884,249	11,894,316	8,503,503	13,024,166	12,050,822	8,642,977

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 2021 including the changes to accounting policies as a result of adapting to Sri Lanka Financial Reporting Standards, (" SLFRSs/LKASs")

2.2 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 recognized as the net total of the plan assets, plus unrecognized past service cost and unrecognized actuarial losses, less unrecognized actuarial gains and the present value of the defined benefit obligation.

2.3 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 FINANCIAL COMMITMENTS AND CONTINGENT LIABILITIES

3.1 Finance Commitments

Document credits established for foreign purchases of the Company as at 30th June 2021 amounts to Rs. 1,705,973,844/- (2020 - Rs. 507,491,247/-)

3.2 Contingencies

Contingent liabilities as at 30th June 2021 amounts to Rs.141,487,732/- (2020 - Rs. 143,827,377/-), 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	
	2021/22	2020/21	2021/22	2020/21
Balance as at beginning of the period	185,221	171,012	185,221	171,012
Leases obtained	-	47,777	-	47,777
Derecognition of lease liability - SLFRS 16	-	(17,122)	-	(17,122)
Lease rentals paid	(11,162)	(45,162)	(11,162)	(45,162)
Interest expense for the period	6,528	28,716	6,528	28,716
Balance as at end of the period	180,588	185,221	180,588	185,221

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

Comparative figures/information have been reclassified where necessary in line with the changes to the new Sri Lanka Accounting Standards (SLFRS/LKAS).

7 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors has approved first interim dividend of Rs. 14.40 per share for the year ended 31st March 2021 on 25th June 2021 which was paid on 09th July 2021. In Accordance with Sri Lanka Accounting Standards LKAS 10 Events after the Reporting period, this dividend has not been recognised as a liability as at 30th June 2021.

Apart from above, there were no material events taken place since June 30th, 2021 that require adjustments or disclosure in these Financial Statements.

8 INVESTOR INFORMATION

Investor Information	Quarter Ended		Year Ended	
	30.06.2021	30.06.2020	31.03.2021	31.03.2020
1 Share Information				
Price as at the end of the period (Rs.)	589.50	595.90	569.00	520.00
Highest price (Rs.)	615.00	639.90	639.90	650.00
Lowest price (Rs.)	540.00	445.00	445.00	500.00
2 Trading Statistics				
No of Transactions	270	221	1,459	707
No of Shares traded	189,549	1,438,230	5,374,644	2,549,677
Value of all shares traded (Rs. Mn.)	104	684	2,814	1,467

LION BREWERY (CEYLON) PLC**NOTES TO THE FINANCIAL STATEMENTS****9 TWENTY MAJOR SHAREHOLDERS AS AT 30TH JUNE 2021**

#	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	5,393,636	6.74
4	CARSON CUMBERBATCH PLC A/C NO. 02	4,107,793	5.13
5	CARSON CUMBERBATCH PLC A/C NO. 01	1,402,060	1.75
6	BUKIT DARAH PLC A/C NO. 02	1,300,000	1.63
7	SSBT-AL MEHWAR COMMERCIAL INVESTMENTS L.L.C.	983,779	1.23
8	RBC INVESTOR SERVICES BANK-COELI SICAV I- FRONTIER MARKETS FUND	703,190	0.88
9	BBH-RONDURE NEW WORLD FUND	472,256	0.59
10	GF CAPITAL GLOBAL LIMITED	468,595	0.59
11	SSBT-FRANK RUSSEL TRUST COMPANY COMINGLED BENEFIT FUNDS TRUST GNA-6QH3	303,516	0.38
12	SAMPATH BANK PLC/MRS.PRIYANI DHARSHINI RATNAGOPAL	300,000	0.38
13	DEUTSCHE BANK AG AS TRUSTEE FOR JB VANTAGE VALUE EQUITY FUND	207,947	0.26
14	CITIBANK NEWYORK S/A NORGES BANK ACCOUNT 2	197,993	0.25
15	PORTELET LIMITED	161,920	0.20
16	UNION ASSURANCE PLC-UNIVERSAL LIFE FUND	155,894	0.19
17	TRANZ DOMINION,L.L.C.	129,251	0.16
18	SSBT-RUSSELL INVESTMENTS EMERGING MARKETS EQUITY POOL	106,498	0.13
19	NEWGREENS LIMITED	83,200	0.10
20	MR. M.A. JAFFERJEE	81,884	0.10

10 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 (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 30th June 2021

Market Capitalization of the Public Holding	Rs.6.57 Billion
Percentage of ordinary shares held by the public	13.93%
Number of Public Shareholders	1,272

11 DIRECTOR'S SHAREHOLDINGS

As at 30th June 2021	No. of Shares
Mr. D. A. Cabraal (Chairman)	-
Mr. H. Selvanathan (Deputy Chairman)	1,579
Mr. R. H. Meewakkala (Chief Executive Officer - appointed w.e.f. 01/07/2021)	-
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	-
Mr. S. K. Shah (Chief Executive Officer - retired w.e.f. 30/06/2021)	6,016

12 STATED CAPITAL

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

LION BREWERY (CEYLON) PLC

NOTES TO THE FINANCIAL STATEMENTS

13 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.

(A) Transactions with Parent Company - Ceylon Beverage Holdings PLC

Messrs. D.A.Cabraal, H Selvanathan, S.K.Shah (retired as Chief Executive Officer & Executive Director w.e.f. 30/06/2021), D.C.R. Gunawardena, R.H. Meewakkala (Chief Executive Officer w.e.f. 01/07/2021 continues to be an Executive Director on the Board. [CEO/Executive Director]), S. Clini and Mrs. S. J. F. Evans Directors of the company are also Directors of Ceylon Beverage Holdings PLC with which the following contracts / transactions have been entered into during the period by the Company in the normal course of business.

- (i) As per the licensed brewing agreement with Ceylon Beverage Holdings PLC, the Company was charged Rs. 36,347,236/- (2020 -Rs. 20,788,404/-) as royalty during the period.
- (ii) As per the loan agreement with Ceylon Beverage Holdings PLC, the Company charged Rs. 4,536,034/- (2020 - Rs. 10,526,892/-) at a rate of AWPLR+1% as loan interest during the period.
- (iii) Balance receivable from Ceylon Beverage Holdings PLC as at 30th June 2021 is Rs. 389,041,753/- (31st March 2021 - Rs. 378,150,804/-)

(B) Transactions with Fellow Subsidiary - Pubs 'N Places (Private) Limited

Messrs. S.K. Shah (resigned w.e.f. 30/06/2021), D.R.P. Goonetilleke and R.H. Meewakkala, Directors of the Company are also Directors of Pubs 'N Places (Private) Limited, to which the Company sold beer for a total value of Rs. 19,604,795/- during the period (2020-Rs. 16,478,615/-). In addition to this,

- (i) An amount of Rs.507,692/- was paid by the Company to Pubs 'N Places (Private) Limited as trade rebates on beer purchases during the period. (2020 - Rs. 457,583/-)
- (ii) As per the loan agreement with Pubs 'N Places (Private) Limited, the Company charged Rs. 696,344/- (2020 - Rs. 2,168,315/-) at a rate of AWPLR+1% as loan interest during the period.
- (iii) An amount of Rs. 8,749,965/- was paid by the company to Pubs 'N Places (Private) Limited as marketing fee for the outlets operated by Pubs 'N Places (Private) Limited during the period. (2020 - Rs. 9,499,962/-)
- (iv) Balance receivable from Pubs 'N Places (Private) Limited as at 30th June 2021 is Rs. 58,714,428/- (31st March 2021 - Rs. 67,468,046/-)

(C) Transactions with Fellow Subsidiary - Retail Spaces (Private) Limited

Messrs. S.K. Shah (resigned w.e.f. 30/06/2021), D.R.P. Goonetilleke and R.H. Meewakkala, Directors of the Company are also Directors of Retail Spaces (Private) Limited, to which the Company sold beer for a total value of Rs. 60,349,183/- (2020 - Rs. 38,412,531/-) during the period.

- (i) Balance receivable from Retail Spaces (Private) Limited as at 30th June 2021 is Nil. (31st March 2021 - Nil)

(D) Transactions with Fellow Subsidiary - Luxury Brands (Private) Limited

Messrs. S.K. Shah (resigned w.e.f. 30/06/2021), D.R.P. Goonetilleke and R.H. Meewakkala, Directors of the Company are also Directors of Luxury Brands (Private) Limited, for which the Company provided distribution services for a fee amounting to Rs. 469,874/- (2020 - Rs. 884,790/-) during the period.

- (i) Balance receivable from Luxury Brands (Private) Limited as at 30th June 2021 is Nil. (31st March 2021 - Nil)

(E) Transactions with Sub Subsidiary - Millers Brewery Limited

Messrs. S.K. Shah (resigned w.e.f. 30/06/2021), D.R.P. Goonetilleke and R.H. Meewakkala Directors of the Company are also Directors of Millers Brewery Limited.

- (i) An amount of Rs. 3,314,618/- (2020 - Rs.1,872,000/-) was charged by Millers Brewery Limited for warehouse services provided to the Company during the period.
- (ii) Balance payable to Millers Brewery Limited as at 30th June 2021 is Rs. 16,200/- (31st March 2021 - Rs. 513,590/-)

(F) Transactions with Group entities

Messrs. H.Selvanathan, S.K.Shah (resigned w.e.f. 30/06/2021) and K. Selvanathan, S.Selvanathan Directors of the Company, are also Directors of Carsons Management Services (Private) Limited., which provides supporting services to the Company. An amount of Rs. 168,224,378/- (2020 - Rs. 123,716,175/-) was charged by Carsons Management Services (Private) Limited to the Company during the period, which included support services fees of Rs. 104,965,480/- (2020 - Rs. 110,018,110/-) and other reimbursable expenses incurred by Carsons Management Services (Private) Limited on behalf of the Company. Balance payable to Carsons Management Services (Private) Limited as at 30th June 2021 is Rs. 48,547,819/- (31st March 2021 - Nil)

LION BREWERY (CEYLON) PLC

NOTES TO THE FINANCIAL STATEMENTS

(G) Transactions with other related entities

- (a) Mr. S. Clini and Ms. V. Gun Directors of the Company represents the Carlsberg Group with which the following contracts / transactions have been entered into during the period by the Company in the normal course of business.
- (i) As per the licensed brewing agreement, a sum of Rs. 19,286,283/- (2020 - Rs. 19,964,352/-) was charged as royalty during the period by Carlsberg A/S.
 - (ii) LBCL purchases part of its requirement of the raw material Aroma Hop From Carlsberg A/S. There were no purchases during the period. (2020 - Rs. 1,809,535/-)
 - (iii) An amount of Rs. 133,519,783/- remains payable as at 30th June 2021. (31st March 2021 - Rs. 122,828,483/-)
- (b) Messrs. D.C.R. Gunawardena and K. Selvanathan Directors of the Company are also Directors of Pegasus Hotels of Ceylon PLC with which the following transactions have been entered into during the period by the Company in the normal course of business.
- (i) An amount of Rs. 96,148/- recognized as income from sale of Beer in the normal course of business. (2020 - Rs. 4,133/-)
 - (ii) An amount of Rs. 524,553/- was charged for hotel services provided in 2020.
 - (iii) Balance payable/receivable to Pegasus Hotels of Ceylon PLC as at 30th June 2021 is nil. (31st March 2021 - Nil)
- (c) Mr. D.C.R. Gunawardena, Director of the Company, is also a Director of Equity Hotels Ltd with which the following transactions have been entered into during the period by the Company in the normal course of business.
- (i) An amount of Rs. 46,579/- is recognised as income from sale of Beer to Equity Hotels Ltd in the normal course of business (2020 - Rs. 57,225/-)
 - (ii) Balance payable/receivable to Equity Hotels Ltd as at 30th June 2021 is nil. (31st March 2021 - Nil)

(H) Transactions with key management personnel (KMP)

According to Sri Lanka Accounting Standard 24 "Related Party Disclosures", key management personnel are those having authority and responsibility for planning and controlling the activities of the entity. Accordingly, the Directors of the Company and its parent company (including executive and non executive directors) and their immediate family members have been classified as KMP of the Company.

The compensation paid to key management personnel consist of short-term employment benefits and no other payments such as post-employment benefits, terminal benefits and share based payments have been paid to key management personnel during the period.

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

Pearl Springs (Private) Limited
Millers Brewery Limited

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 (Chief Executive Officer - appointed w.e.f. 01/07/2021)
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
Mr. S. K. Shah (Chief Executive Officer - retired w.e.f. 30/06/2021)

BANKERS

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

LEGAL ADVISERS

Messrs. F. J. & G. De Saram
216, De Saram Place
Colombo 10, Sri Lanka
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AUDITORS

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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
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REGISTERED OFFICE

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CORPORATE OFFICE & BREWERY

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GROUP WEBSITE

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