

Lion Brewery (Ceylon) PLC

*Interim Condensed Financial Statements
for the Second Quarter ended
30th September 2020*

LION BREWERY (CEYLON) PLC

Review

The company ended the 1st half of the reporting period with a 32% decline in profitability compared to the same period of the previous year. This was the result of the quarantine curfew during all of April and most of May. Since April is a seasonal month, a closure during this period impacts the company's performance very significantly and is reflected in the 11% decline in revenue during the 1st half. Very stringent control of overheads during this period helped reduce the impact of the drop in revenue & return what can be considered a reasonable level of profitability under extremely challenging external conditions.

Whilst business in the local market was adversely affected due to the pandemic, it was satisfying to record a significant growth in exports. Currently, Lion beer is exported to 25 countries & volumes increased by 19% during the 1st half whilst profits rose by 32% in this segment of the business. This was notwithstanding the slowdown in tourism in the Maldives – a sizable market for Lion beer exports – during this period. All export growth was organic as new markets were not penetrated during the 1st half.

After almost 4 ½ months of relative calm, COVID19 has once again impacted the country, particularly the Colombo & Gampaha districts. This will no doubt have an adverse impact on results although its extent will be determined by the length of the quarantine curfew in place currently. The government was very successful in dealing with the 1st phase of COVID19 & we are confident that the current outbreak will be dealt with in a similar fashion, both efficiently & expeditiously. If so, the company's results – whilst not completely unscathed – will continue to remain at what can be considered reasonable levels under very challenging circumstances.

LION BREWERY (CEYLON) PLC

BOARD OF DIRECTORS AS AT 30TH SEPTEMBER 2020

Mr. D. A. Cabraal (Chairman)

Mr. H. Selvanathan (Deputy Chairman)

Mr. S. K. Shah (Chief Executive Officer)

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. R. H. Meewakkala (Chief Executive Officer - Designate w.e.f. 01/07/2020)

Mr. Lim C. K. (resigned w.e.f. 16/10/2020)

Mr. S. Selvanathan

Mr. S. Clini

Ms. V. Gun (appointed w.e.f. 19/10/2020)

LION BREWERY (CEYLON) PLC				
CONDENSED STATEMENT OF FINANCIAL POSITION				
	Company		Group	
<i>In Rs.'000s</i>	30-Sep-20	31-Mar-20 (Audited)	30-Sep-20	31-Mar-20 (Audited)
ASSETS				
Non- Current Assets				
Property, plant & equipment	17,547,775	17,554,046	19,132,997	19,152,259
Right of use assets	173,119	162,759	173,119	162,759
Intangible assets	1,639,418	1,642,330	1,639,418	1,642,330
Investments in subsidiary	1,029,623	1,029,623	-	-
Total Non-Current Assets	20,389,935	20,388,758	20,945,534	20,957,348
Current Assets				
Inventories	2,529,226	2,582,120	2,529,226	2,582,120
Trade and other receivables	1,534,628	1,291,041	1,550,884	1,297,428
Amounts due from related companies	426,057	609,024	426,057	609,024
Cash and cash equivalents	10,179,654	13,183,568	10,324,803	13,338,381
Total Current Assets	14,669,565	17,665,753	14,830,970	17,826,953
Total Assets	35,059,500	38,054,511	35,776,504	38,784,301
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	11,958,915	11,427,695	11,736,991	11,216,367
Total Equity	15,469,684	14,938,464	15,663,267	15,142,643
Non- Current Liabilities				
Loans and borrowings	4,380,824	2,633,041	4,380,824	2,633,041
Lease creditor (Note 04)	175,273	158,642	175,273	158,642
Employee benefits	203,912	198,737	203,912	198,737
Net deferred tax liabilities	4,568,568	4,602,596	5,082,392	5,116,420
Total Non- Current Liabilities	9,328,577	7,593,016	9,842,401	8,106,840
Current Liabilities				
Trade and other payables	1,754,874	1,477,865	1,762,114	1,486,979
Amounts due to related companies	173,315	108,371	172,290	107,748
Refundable deposits	1,898,920	1,715,620	1,898,920	1,715,620
Current tax liabilities	2,018,898	82,996	2,022,280	86,292
Loans and borrowings	3,918,589	9,958,243	3,918,589	9,958,243
Lease creditor (Note 04)	13,474	12,370	13,474	12,370
Bank overdrafts	483,169	2,167,566	483,169	2,167,566
Total Current Liabilities	10,261,239	15,523,031	10,270,836	15,534,818
Total Liabilities	19,589,816	23,116,047	20,113,237	23,641,658
Total Equity and Liabilities	35,059,500	38,054,511	35,776,504	38,784,301
Net assets per ordinary share (Rs.)	193.37	186.73	195.79	189.28

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

18th November 2020

(Sgd.)

S.K. Shah

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 %	Six Months Ended		Change %	Year ended 31.03.2020 (Audited)
	30.09.2020	30.09.2019		30.09.2020	30.09.2019		
Revenue	15,070,666	12,319,224	22	21,529,081	24,077,868	(11)	47,835,328
Cost of sales	(11,999,622)	(9,546,064)	26	(17,322,404)	(18,576,019)	(7)	(37,330,756)
Gross profit	3,071,044	2,773,160	11	4,206,677	5,501,849	(24)	10,504,572
Other income	46,127	35,523	30	62,026	70,091	(12)	150,253
	3,117,171	2,808,683	11	4,268,703	5,571,940	(23)	10,654,825
Distribution expenses	(712,564)	(745,821)	(4)	(1,238,913)	(1,420,601)	(13)	(2,908,894)
Administrative expenses	(365,600)	(376,243)	(3)	(673,331)	(739,855)	(9)	(1,556,963)
Other expenses	(131,432)	(129,236)	2	(209,080)	(359,980)	(42)	(517,623)
Impairment of intangible assets	-	-	-	-	-	-	(740,315)
Operating profit before finance cost	1,907,575	1,557,383	22	2,147,379	3,051,504	(30)	4,931,030
Finance income	195,002	254,554	(23)	429,694	590,230	(27)	1,012,709
Finance costs	(313,107)	(381,157)	(18)	(745,996)	(845,237)	(12)	(1,538,036)
Net finance costs	(118,105)	(126,603)	(7)	(316,302)	(255,007)	24	(525,327)
Profit before taxation	1,789,470	1,430,780	25	1,831,077	2,796,497	(35)	4,405,703
Income tax expense	(637,560)	(520,279)	23	(693,886)	(1,085,495)	(36)	(1,743,340)
Deferred taxation	(58,732)	18,795	(412)	34,029	1,526	2130	229,037
Profit after taxation	1,093,178	929,296	18	1,171,220	1,712,528	(32)	2,891,400
Other comprehensive income							
Items that will not be reclassified to profit or loss							
Remeasurement of employee benefit obligations	-	-	-	-	-	-	11,545
Deferred tax charge on actuarial gain	-	-	-	-	-	-	(4,618)
Revaluation gain on land & buildings	-	-	-	-	-	-	317,351
Deferred tax charge on land and building revaluation	-	-	-	-	-	-	(126,940)
Total other comprehensive income for the period net of tax	-	-	-	-	-	-	197,338
Total comprehensive income for the period	1,093,178	929,296	18	1,171,220	1,712,528	(32)	3,088,738
Earnings per ordinary share (Rs.)	13.66	11.62		14.64	21.41		36.14

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	Six Months Ended		Change	Year Ended
	30.09.2020	30.09.2019	%	30.09.2020	30.09.2019	%	31.03.2020 (Audited)
Revenue	15,070,666	12,319,224	22	21,529,081	24,077,868	(11)	47,835,328
Cost of sales	(11,999,622)	(9,546,064)	26	(17,322,404)	(18,576,019)	(7)	(37,330,756)
Gross profit	3,071,044	2,773,160	11	4,206,677	5,501,849	(24)	10,504,572
Other income	46,572	37,013	26	63,111	82,070	(23)	162,319
	3,117,616	2,810,173	11	4,269,788	5,583,919	(24)	10,666,891
Distribution expenses	(712,564)	(745,821)	(4)	(1,238,913)	(1,420,601)	(13)	(2,908,894)
Administrative expenses	(373,436)	(384,573)	(3)	(689,573)	(757,462)	(9)	(1,594,622)
Other expenses	(131,432)	(129,236)	2	(209,080)	(359,980)	(42)	(517,623)
Impairment of intangible assets	-	-	-	-	-	-	(740,315)
Operating profit before finance cost	1,900,184	1,550,543	23	2,132,222	3,045,876	(30)	4,905,437
Finance income	197,326	257,966	(24)	434,255	596,118	(27)	1,020,932
Finance costs	(313,107)	(381,157)	(18)	(745,996)	(845,237)	(12)	(1,538,036)
Net finance costs	(115,781)	(123,191)	(6)	(311,741)	(249,119)	25	(517,104)
	1,784,403	1,427,352	25	1,820,481	2,796,757	(35)	4,388,333
Profit before taxation	1,784,403	1,427,352	25	1,820,481	2,796,757	(35)	4,388,333
Income tax expense	(637,561)	(519,588)	23	(693,886)	(1,085,495)	(36)	(1,743,340)
Deferred taxation	(58,732)	18,795	(412)	34,029	1,526	2,130	167,137
Profit after taxation	1,088,110	926,559	17	1,160,624	1,712,788	(32)	2,812,130
Other comprehensive income							
Items that will not be reclassified to profit or loss							
Remeasurement of employee benefit obligations	-	-	-	-	-	-	11,545
Deferred tax charge on actuarial (gain)/loss	-	-	-	-	-	-	(4,618)
Revaluation gain on land & buildings	-	-	-	-	-	-	560,472
Deferred tax charge on land and building revaluation	-	-	-	-	-	-	(278,767)
Total other comprehensive income for the period net of tax	-	-	-	-	-	-	288,632
Total comprehensive income for the period	1,088,110	926,559	17	1,160,624	1,712,788	(32)	3,100,762
Earnings per ordinary share (Rs.)	13.60	11.58		14.51	21.41		35.15

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 2019	2,537,801	782,557	9,008,246	12,328,604
Total comprehensive income for the period				
Profit for the period	-	-	1,712,528	1,712,528
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	1,712,528	1,712,528
Transactions with owners of the Company				
Distribution made to owners				
Ordinary dividends	-	-	(480,000)	(480,000)
Balance as at 30th September 2019	2,537,801	782,557	10,240,774	13,561,132
Balance as at 1st April 2019	2,537,801	782,557	9,008,246	12,328,604
Total comprehensive income for the year				
Profit for the year	-	-	2,891,400	2,891,400
Other comprehensive income for the year	-	190,411	6,927	197,338
Total comprehensive income for the year	-	190,411	2,898,327	3,088,738
Transactions with owners of the Company				
Distribution made to owners				
Ordinary dividends	-	-	(480,000)	(480,000)
Forfeiture of unclaimed dividends	-	-	1,122	1,122
Balance as at 31st March 2020	2,537,801	972,968	11,427,695	14,938,464
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	-	-	1,171,220	1,171,220
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	1,171,220	1,171,220
Transactions with owners of the Company				
Distribution made to owners				
Ordinary dividends	-	-	(640,000)	(640,000)
Balance as at 30th September 2020	2,537,801	972,968	11,958,915	15,469,684

GROUP

<i>In Rs. '000s</i>	Stated Capital	Revaluation Reserve	Retained Earnings	Total Equity
Balance as at 1st April 2019	2,537,801	1,106,770	8,876,188	12,520,759
Total comprehensive income for the period				
Profit for the period	-	-	1,712,788	1,712,788
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	1,712,788	1,712,788
Transactions with owners of the Company				
Distribution made to owners				
Ordinary dividends	-	-	(480,000)	(480,000)
Balance as at 30th September 2019	2,537,801	1,106,770	10,108,976	13,753,547
Balance as at 1st April 2019	2,537,801	1,106,770	8,876,188	12,520,759
Total comprehensive income for the year				
Profit for the year	-	-	2,812,130	2,812,130
Other comprehensive income for the year	-	281,705	6,927	288,632
Total comprehensive income for the year	-	281,705	2,819,057	3,100,762
Transactions with owners of the Company				
Distribution made to owners				
Ordinary dividends	-	-	(480,000)	(480,000)
Forfeiture of unclaimed dividends	-	-	1,122	1,122
Balance as at 31st March 2020	2,537,801	1,388,475	11,216,367	15,142,643
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 period	-	-	1,160,624	1,160,624
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the year	-	-	1,160,624	1,160,624
Transactions with owners of the Company				
Distribution made to owners				
Ordinary dividends	-	-	(640,000)	(640,000)
Balance as at 30th September 2020	2,537,801	1,388,475	11,736,991	15,663,267

LION BREWERY (CEYLON) PLC
STATEMENT OF CASH FLOWS

Period ended In Rs.'000s	Company			Group		
	30.09.2020	30.09.2019	31.03.2020 (Audited)	30.09.2020	30.09.2019	31.03.2020 (Audited)
Cash flows from operating activities						
Profit before taxation	1,831,077	2,796,497	4,405,703	1,820,481	2,796,757	4,388,333
Adjustments for:						
Finance costs	753,873	849,706	1,557,657	753,873	849,706	1,557,657
Depreciation on property, plant & equipment	608,455	595,447	1,185,684	621,445	609,044	1,212,460
Amortization on Intangible assets	2,911	2,244	4,850	2,911	2,244	4,850
Depreciation on Leased assets	15,344	7,796	22,916	15,344	7,796	22,916
Net inventory provision /(reversal)	(8,637)	(9,441)	38,847	(8,637)	(9,441)	38,847
Provision for retirement benefit obligation	8,127	8,338	38,858	8,127	8,338	38,858
Impairment of property, plant & equipment	-	150,223	4,729	-	150,223	4,729
Impairment of intangible assets	-	-	740,315	-	-	740,315
Loss /(gain) on disposal of property, plant & equipment	-	(1,575)	(8,950)	-	(11,520)	(19,246)
Loss on disposal of retainable containers	-	-	132,443	-	-	132,443
Lease interest	13,947	6,211	15,508	13,947	6,211	15,508
Exchange loss/ (gain)	(1,376)	5,023	6,167	(1,376)	5,023	6,166
Finance Income	(429,694)	(590,230)	(1,012,709)	(434,255)	(596,118)	(1,020,932)
Operating cash flow before working capital changes	2,794,027	3,820,239	7,132,017	2,791,860	3,818,263	7,122,904
(Increase)/Decrease in inventories	61,531	(47,099)	(515,156)	61,531	(47,099)	(515,156)
(Increase)/Decrease in trade and other receivables	(242,211)	(255,011)	454,327	(252,080)	(255,296)	455,641
(Increase)/Decrease in amounts due from related companies	182,967	(26,478)	104,206	182,967	(26,478)	104,206
Increase/(Decrease) in tax payable	1,518,016	(439,778)	(1,754,305)	1,518,103	(440,471)	(1,753,671)
Increase/(Decrease) in trade and other payables	277,009	91,042	377,126	275,135	91,552	379,387
Increase/(Decrease) in amounts due to related companies	64,944	18,019	(6,689)	64,542	18,051	(7,198)
Cash generated from operations	4,656,283	3,160,934	5,791,526	4,642,058	3,158,521	5,786,113
Finance expenses paid	(714,341)	(743,004)	(1,419,256)	(714,341)	(743,004)	(1,419,256)
Retirement benefits paid	(2,952)	(19,086)	(26,006)	(2,952)	(19,086)	(26,006)
Tax paid	(276,000)	(1,096,000)	(2,391,223)	(276,000)	(1,095,307)	(2,391,223)
Net cash generated from operating activities	3,662,990	1,302,844	1,955,041	3,648,765	1,301,124	1,949,629
Cash flows from investing activities						
Purchase and construction of property, plant & equipment	(602,184)	(777,412)	(1,889,170)	(602,184)	(777,412)	(1,889,170)
Purchase of intangible assets	-	-	(5,747)	-	-	(5,747)
Proceeds from sale of property, plant & equipment	-	2,337	9,713	-	23,566	37,350
Agent deposits received	183,299	159,285	259,396	183,299	159,285	259,396
Interest received	429,694	590,230	1,012,709	434,255	596,117	1,020,932
Net cash (used in)/generated from investing activities	10,809	(25,560)	(613,099)	15,370	1,556	(577,239)
Cash flows from financing activities						
Loans and borrowings received	3,000,000	-	4,373,249	3,000,000	-	4,373,249
Repayments of loans and borrowing	(7,331,400)	(3,624,771)	(1,592,619)	(7,331,400)	(3,624,771)	(1,592,619)
Repayments of debentures	-	-	(2,000,000)	-	-	(2,000,000)
Lease payments	(21,916)	(10,983)	(30,171)	(21,916)	(10,983)	(30,171)
Forfeiture of unclaimed dividends	-	-	1,122	-	-	1,122
Dividend paid net of tax	(640,000)	(412,800)	(413,985)	(640,000)	(412,800)	(413,985)
Net cash used in financing activities	(4,993,316)	(4,048,554)	337,596	(4,993,316)	(4,048,554)	337,596
Net (decrease)/increase in cash & cash equivalents	(1,319,517)	(2,771,270)	1,679,538	(1,329,181)	(2,745,874)	1,709,985
Cash & cash equivalents at the beginning of the year	11,016,002	9,336,464	9,336,464	11,170,815	9,460,830	9,460,830
Cash & cash equivalents at the end of the year	9,696,485	6,565,194	11,016,002	9,841,634	6,714,957	11,170,815
Analysis of cash and cash equivalents						
Cash and cash equivalents	10,179,654	8,264,881	13,183,568	10,324,803	8,414,644	13,338,381
Bank overdraft	(483,169)	(1,699,687)	(2,167,566)	(483,169)	(1,699,687)	(2,167,566)
	9,696,485	6,565,194	11,016,002	9,841,634	6,714,957	11,170,815

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 2020 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 September 2020 amounts to Rs. 480,817,806/- (2019 - Rs. 482,043,994/-)

3.2 Contingencies

Contingent liabilities as at 30th September 2020 amounts to Rs. 269,241,777/- (2019 - Rs. 146,388,893/-), 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	
	30-Sep-20	31-Mar-20	30-Sep-20	31-Mar-20
Balance as at beginning of the period	171,012	-	171,012	-
Recognition of lease liability - SLFRS 16	-	107,239	-	107,239
Leases obtained	25,704	78,436	25,704	78,436
Lease rentals paid	(21,916)	(30,171)	(21,916)	(30,171)
Interest expense for the period	13,947	15,508	13,947	15,508
Balance as at end of the period	188,747	171,012	188,747	171,012

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

There were no material events taken place since September 30th, 2020 that require adjustments or disclosure in these Financial Statements.

8 INVESTOR INFORMATION

Investor Information	Quarter Ended		Six Months Ended		Year Ended
	30.09.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
1 Share Information					
Price as at the end of the period (Rs.)	551.10	605.00	551.10	605.00	520.00
Highest price (Rs.)	610.00	640.00	639.90	640.00	650.00
Lowest price (Rs.)	520.00	540.00	445.00	500.00	500.00
2 Trading Statistics					
No of Transactions	430	202	651	348	707
No of Shares traded	1,409,029	869,409	2,847,259	938,632	2,549,677
Value of all shares traded (Rs. Mn.)	747	492	1,431	529	1,467

LION BREWERY (CEYLON) PLC**NOTES TO THE FINANCIAL STATEMENTS****9 TWENTY MAJOR SHAREHOLDERS AS AT 30TH SEPTEMBER 2020**

#	Name	Total Shares	%
1	CEYLON BEVERAGE HOLDINGS PLC	41,798,788	52.25
2	CARLSBERG BREWERY MALAYSIA BERHAD	20,000,686	25.00
3	CARSON CUMBERBATCH PLC A/C NO.2	4,107,793	5.13
4	CB NY S/A ALLAN GRAY FRONTIER MARKETS EQUITY FUND LIMITED	3,424,152	4.28
5	CARSON CUMBERBATCH PLC A/C NO. 01	1,402,060	1.75
6	BUKIT DARAH PLC A/C NO 2	1,300,000	1.63
7	CITIBANK NEWYORK S/A NORGES BANK ACCOUNT 2	1,050,842	1.31
8	SSBT-AL MEHWAR COMMERCIAL INVESTMENTS L.L.C.	983,779	1.23
9	RBC INVESTOR SERVICES BANK-COELI SICAV I- FRONTIER MARKETS FUND	703,190	0.88
10	MELLON BANK N.A.-FLORIDA RETIREMENT SYSTEM	593,086	0.74
11	BBH-RONDURE NEW WORLD FUND	472,256	0.59
12	GF CAPITAL GLOBAL LIMITED	468,595	0.59
13	SSBT-FRANK RUSSEL TRUST COMPANY COMINGLED BENEFIT FUNDS TRUST GNA-6QH3	436,967	0.55
14	JPMLU-T ROWE PRICE FUNDS SICAV	304,242	0.38
15	SAMPATH BANK PLC/MRS.PRIYANI DHARSHINI RATNAGOPAL	300,000	0.38
16	DEUTSCHE BANK AG-LONDON	200,000	0.25
17	PORTELET LIMITED	161,920	0.20
18	SSBT-RUSSELL INVESTMENTS EMERGING MARKETS EQUITY POOL	157,867	0.20
19	TRANZ DOMINION,L.L.C.	129,251	0.16
20	BNYM RE-GHI HOLDINGS MAURITIUS	120,000	0.15

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 September 2020

Market Capitalization of the Public Holding	Rs.6.14 Billion
Percentage of ordinary shares held by the public	13.92%
Number of Public Shareholders	1,240

11 DIRECTOR'S SHAREHOLDINGS

As at 30th September 2020	No. of Shares
Mr. D. A. Cabraal (Chairman)	-
Mr. H. Selvanathan (Deputy Chairman)	1,579
Mr. S. K. Shah (Chief Executive Officer)	6,016
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. R. H. Meewakkala (Chief Executive Officer - Designate w.e.f. 01/07/2020)	-
Mr. Lim C. K. (resigned w.e.f. 16/10/2020)	-
Mr. S. Selvanathan	-
Mr. S. Clini	-
Ms. V. Gun (appointed w.e.f. 19/10/2020)	-

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, D.C.R. Gunawardena, R.H. Meewakkala, S. Clini and Mrs. S. J. F. Evans (appointed w.e.f 01/10/2020) 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. 68,250,778/- (2019 -Rs. 80,032,558/-) as royalty during the period.
- (ii) As per the loan agreement with Ceylon Beverage Holdings PLC, the Company charged Rs. 17,078,942/- (2019 - Rs. 34,135,931/-) at a rate of AWPLR+1% as loan interest during the period.
- (iii) Balance receivable from Ceylon Beverage Holdings PLC as at 30th September 2020 is Rs. 334,524,544/-

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

Messrs. S.K. Shah and D.R.P. Goonetilleke, 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. 71,563,977/- during the period (2019-Rs. 99,598,500/-).

- (i) An amount of Rs. 2,009,595/- was paid by the Company to Pubs 'N Places (Private) Limited as trade rebates on beer purchases during the period.(2019- Rs. 2,931,508/-)
- (ii) As per the loan agreement with Pubs 'N Places (Private) Limited, the Company charged Rs. 3,632,262/- (2019 Rs. 7,122,670/-) at a rate of AWPLR+1% as loan interest during the period.
- (iii) An amount of Rs. 18,749,925/- 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. (2019 - Nil)
- (iv) Balance receivable from Pubs 'N Places (Private) Limited as at 30th September 2020 is Rs. 84,332,822/-

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

Messrs. S.K. Shah and D.R.P. Goonetilleke, Directors of the Company are also Directors of Retail Spaces (Private) Limited, to which the Company sold beer for a total value of Rs. 122,128,704/- (2019 - Rs. 120,672,016/-) during the period.

- (i)Balance receivable from Retail Spaces (Private) Limited as at 30th September 2020 is Nil.

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

- (i) Messrs. S.K. Shah and D.R.P. Goonetilleke, 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. 1,138,587/- (2019 - Rs. 5,453,347/-) during the period.
- (ii) Lion Brewery (Ceylon) PLC purchased Rs. 2,220,000/- worth of beer coolers during the period.
- (iii) Balance receivable from Luxury Brands (Private) Limited as at 30th September 2020 is Nil.

(E) Transactions with Sub Subsidiary - Millers Brewery Limited

Messrs. S.K Shah & D.R.P. Goonetilleke Directors of the Company are also Directors of Millers Brewery Limited.

- (i) An amount of Rs. 4,628,360/- (2019 -Rs. 3,852,000/-) 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 September 2020 is Rs. 1,025,500/-.

(F) Transactions with Group entities

Messrs. H.Selvanathan, S.K.Shah 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. 262,136,387/- (2019 - Rs. 254,038,203/-) was charged by Carsons Management Services (Private) Limited to the Company during the period, which included support services fees of Rs. 224,618,494/- (2019 - Rs. 224,846,903/-) and other reimbursable expenses incurred by Carsons Management Services (Private) Limited on behalf of the Company. Balance receivable from Carsons Management Services (Private) Limited as at 30th September 2020 Rs. 7,200,000/-

LION BREWERY (CEYLON) PLC
NOTES TO THE FINANCIAL STATEMENTS

(G) Transactions with other related entities

- (a) Messrs. S. Clini, Mr. Lim C. K. (resigned on 16/10/2020) and Ms. V. Gun (appointed w.e.f. 19/10/2020) 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. 64,541,861/- (2019 - Rs. 87,995,241/-) 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 purchases during the period for a sum of Rs. 1,809,535/- (2019 -Rs. 3,500,834/-)
 - (iii) An amount of Rs. 172,289,455/- remains payable as at 30th September 2020.
- (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. 417,484/- recognized as income from sale of Beer in the normal course of business. (2019- Rs. 873,648/-)
 - (ii) An amount of Rs. 524,553/- was charged as hotel chargers for services provided (2019- Nil)
- (c) Mr. D.C.R. Gunawardena, Director of the Company, is also a Director of Equity Hotels Ltd following transactions have been entered into during the period by the Company in the normal course of business.
- (i) An amount of Rs. 28,570/- is recognised as income from sale of Beer to Equity Hotels Ltd in the normal course of business (2019- Rs. 129,582/-)

(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. In the opinion of the Directors, 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. S. K. Shah (Chief Executive Officer)
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. R. H. Meewakkala (Chief Executive Officer - Designate w.e.f. 01/07/2020)
Mr. Lim C. K. (resigned w.e.f. 16/10/2020)
Mr. S. Selvanathan
Mr. S. Clini
Ms. V. Gun (appointed w.e.f. 19/10/2020)

BANKERS

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

LEGAL ADVISERS

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

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