

Ceylon Beverage Holdings PLC

*Interim Condensed Financial Statements
for the Second Quarter ended
30th September 2017*

CEYLON BEVERAGE HOLDINGS PLC BOARD OF DIRECTORS AS AT 30TH SEPTEMBER 2017
--

Mr. D. A. Cabraal (Chairman - w.e.f. 21/07/2017)

Mr. H. Selvanathan (Deputy Chairman)

Mr. M. Selvanathan (Director / Alternate Director to Mr. H. Selvanathan)

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

Mr. D. C. R. Gunawardena

Mr. L. Lehmann

Mr. R. H. Meewakkala (Appointed w.e.f. 01/09/2017)

Mr. L. C. R. de C Wijetunge (Chairman - stepped down from the Board at the conclusion of the AGM on 20/07/2017)

CEYLON BEVERAGE HOLDINGS PLC				
STATEMENTS OF FINANCIAL POSITION				
	Company		Group	
<i>As at 30th September In Rs. '000s</i>	2017	31-Mar-17 (Audited)	2017	31-Mar-17 (Audited)
ASSETS				
Non-Current Assets				
Property, plant & equipment	331,478	331,766	18,257,649	18,267,017
Intangible assets	-	-	2,441,850	2,469,013
Deferred taxation	-	-	-	-
Investments in subsidiaries (Note 03)	1,971,964	1,971,964	-	-
Loan to operators	-	-	53,986	54,138
Total Non-Current Assets	2,303,442	2,303,730	20,753,485	20,790,168
Current Assets				
Inventories	-	-	1,871,955	2,534,278
Trade & other receivables	9,717	18,377	2,390,106	2,073,358
Amounts due from related companies	61,692	39,909	30,450	33,076
Current Taxation	10,450	-	12,927	2,477
Cash and cash equivalents	4,066	70	8,586,213	7,645,227
Total Current Assets	85,925	58,356	12,891,651	12,288,416
Total Assets	2,389,367	2,362,086	33,645,136	33,078,584
EQUITY AND LIABILITIES				
Equity				
Stated capital	533,384	533,384	533,384	533,384
Capital reserves	334,690	334,690	1,005,356	1,005,356
Revenue reserves	942,625	957,897	2,875,756	2,766,700
Equity Attributable To Equity Holders of the Company	1,810,699	1,825,971	4,414,496	4,305,440
Non controlling interest	-	-	4,164,003	3,969,835
Total Equity	1,810,699	1,825,971	8,578,499	8,275,275
Non Current Liabilities				
Debentures	-	-	2,000,000	2,998,800
Loans and borrowings	143,500	208,300	6,040,740	5,193,065
Employee benefits	-	-	74,350	78,440
Net deferred tax liabilities	597	597	2,509,185	2,373,520
Total Non- Current Liabilities	144,097	208,897	10,624,275	10,643,825
Current Liabilities				
Trade and other payables	15,412	12,497	1,035,744	753,760
Amounts due to related companies	-	-	61,759	144,628
Refundable deposits	-	-	1,031,536	1,009,357
Tax liabilities	861	6,653	1,069,850	919,951
Debentures	-	-	1,112,147	937,932
Loans and borrowings	129,600	129,600	7,809,533	7,846,468
Bank overdraft	288,698	178,468	2,321,793	2,547,388
Total Current Liabilities	434,571	327,218	14,442,362	14,159,484
Total Liabilities	578,668	536,115	25,066,637	24,803,309
Total Equity and Liabilities	2,389,367	2,362,086	33,645,136	33,078,584
Net assets per ordinary share (Rs.)	86.27	87.00	210.33	205.14

The above figures are provisional and subject to audit.

I certify that the above Financial Statements comply with the requirements of Companies Act No.07 of 2007.

(Sgd.)

D.R.P. Goonetilleke

Head of Finance

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.)

A. Weeratunge

Director

Carsons Management Services (Private) Ltd.

6th November 2017

(Sgd.)

M.Selvanathan

Director

(Sgd.)

S.K. Shah

Director

CEYLON BEVERAGE HOLDINGS PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - COMPANY

In Rs.'000s	Quarter Ended			Six Months Ended			31-Mar-17 (Audited)
	30-Sep-17	30-Sep-16	Change %	30-Sep-17	30-Sep-16	Change %	
Revenue	27,502	124,340	(78)	41,972	138,261	(70)	169,971
Cost of Sales	-	-	-	-	-	-	-
Gross Profit	27,502	124,340	(78)	41,972	138,261	(70)	169,971
Administrative Expenses	(7,420)	(4,410)	68	(10,022)	(8,185)	22	(15,268)
Profit Before Finance Cost	20,082	119,930	(83)	31,950	130,076	(75)	154,703
Finance Costs	(11,490)	(12,035)	(5)	(22,989)	(22,887)	0	(42,922)
Net Finance Costs	(11,490)	(12,035)	(5)	(22,989)	(22,887)	0	(42,922)
Profit/(Loss) Before Taxation	8,592	107,895	(92)	8,961	107,189	(92)	111,781
Income Tax Reversal /(Expenses)	(1,903)	-	-	(3,245)	(1,184)	174	(29,618)
Profit/(Loss) After Taxation	6,689	107,895	(94)	5,716	106,005	(95)	82,163
Other Comprehensive Income							
Items that will never be reclassified to profit or loss							
Remeasurement of employee benefit obligation	-	-	-	-	-	-	-
Deferred tax adjustment	-	-	-	-	-	-	-
Change in Revaluation of Property Plant & Equipment	-	-	-	-	-	-	-
Deferred tax adjustment	-	-	-	-	-	-	-
Total Other Comprehensive Income for the year	-	-	-	-	-	-	-
Total Comprehensive Income/(Expenses)	6,689	107,895	(94)	5,716	106,005	(95)	82,163
Earnings/(Loss) per Ordinary Share (Rs.)	0.32	5.14		0.27	5.05		3.91
Dividend per Ordinary Share (Rs.)	-	-		-	-		1.00

The above figures are provisional and subject to audit.

Figures in brackets indicate deductions.

CEYLON BEVERAGE HOLDINGS PLC
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - GROUP

	Quarter Ended			Six Months Ended			31-Mar-17 (Audited)
	30-Sep-17	30-Sep-16	Change %	30-Sep-17	30-Sep-16	Change %	
In Rs.'000s							
Revenue	7,065,970	4,743,248	49	12,849,016	10,680,567	20	23,083,883
Cost of Sales	(5,602,167)	(4,102,308)	37	(10,332,382)	(8,747,449)	18	(19,089,442)
Gross Profit	1,463,803	640,940	128	2,516,634	1,933,118	30	3,994,441
Progressive insurance receipts on business interruption	96,389	-	100	705,085	-	-	1,000,000
Other Income	7,388	13,576	(46)	18,202	11,023	65	29,721
	1,567,580	654,516	140	3,239,921	1,944,141	67	5,024,162
Distribution Expenses	(672,726)	(589,750)	14	(1,204,538)	(1,200,834)	0	(2,735,230)
Administrative Expenses	(311,352)	(297,021)	5	(593,185)	(590,378)	0	(1,334,140)
Other Expenses	(112,439)	(56,051)	101	(199,639)	(88,799)	125	(212,457)
Impairment of intangible assets	-	-	-	-	-	-	(1,673,065)
Profit/(Loss) from Operations	471,063	(288,306)	(263)	1,242,559	64,130	1,838	(930,730)
Reversal of unabsorbed VAT provision	-	-	-	-	-	-	339,811
Stocks and PPE provided/quantified and written-off to date due to flood related damages	-	(236)	(100)	-	(714,906)	-	(1,349,287)
Progressive insurance receipts on property damage	-	300,000	(100)	-	350,000	-	1,366,294
Profit/(Loss) Before Finance Cost	471,063	11,458	4,011	1,242,559	(300,776)	(513)	(573,912)
Finance Income	230,010	94,335	144	433,469	173,845	149	427,493
Finance Costs	(623,730)	(418,244)	49	(1,168,103)	(747,847)	56	(1,831,469)
Net Finance Costs	(393,720)	(323,909)	22	(734,634)	(574,002)	28	(1,403,976)
Profit/(Loss) Before Taxation	77,343	(312,451)	(125)	507,925	(874,778)	(158)	(1,977,888)
Income Tax Reversal /(Expenses)	(35,916)	(202,736)	(82)	(183,713)	(369,639)	(50)	417,716
Profit/(Loss) After Taxation	41,427	(515,187)	(108)	324,212	(1,244,417)	(126)	(1,560,172)
Other Comprehensive Income							
Items that will never be reclassified to profit or loss							
Remeasurement of employee benefit obligation	-	-	-	-	-	-	25,976
Deferred tax adjustment	-	-	-	-	-	-	(10,390)
Total Other Comprehensive Income for the year	-	-	-	-	-	-	15,586
Total Comprehensive Income/(Expenses)	41,427	(515,187)	(108)	324,212	(1,244,417)	(126)	(1,544,586)
Profit Attributable to							
- Equity Holders of the Company	(1,952)	(287,313)	(99)	130,044	(788,776)	(116)	(869,075)
- Minority Shareholders	43,379	(227,874)	(119)	194,168	(455,641)	(143)	(691,097)
Profit/(Loss) Available for Appropriation	41,427	(515,187)	(108)	324,212	(1,244,417)	(126)	(1,560,172)
Total Comprehensive Income Attributable to							
- Equity Holders of the Company	(1,952)	(287,313)	(99)	130,044	(788,776)	(116)	(860,932)
- Minority Shareholders	43,379	(227,874)	(119)	194,168	(455,641)	(143)	(683,654)
Profit/(Loss) Available for Appropriation	41,427	(515,187)	(108)	324,212	(1,244,417)	(126)	(1,544,586)
Earnings/(Loss) per Ordinary Share (Rs.)	(0.09)	(13.69)		6.20	(37.58)		(41.41)
Dividend per Ordinary Share (Rs.)	-	-		-	-		1.00

The above figures are provisional and subject to audit.

Figures in brackets indicate deductions.

CASH FLOW STATEMENT

For the period ended In Rs. '000s	Company			Group		
	30-Sep-17	30-Sep-16	31-Mar-17 (Audited)	30-Sep-17	30-Sep-16	31-Mar-17 (Audited)
Cash Flows From Operating Activities						
Profit/(Loss) before taxation	8,961	107,189	111,781	507,925	(874,778)	(1,977,888)
Adjustments for:						
Finance expenses	22,989	22,887	42,922	1,165,481	749,533	1,838,477
Depreciation on property, plant & equipment	288	289	577	549,529	557,189	1,096,268
Amortisation of intangible assets	-	-	-	29,829	29,424	59,122
Net Inventory provisions/(reversals)	-	-	-	47,726	(15,500)	43,059
Provision for retirement benefit obligations	-	-	-	7,724	8,030	22,047
Impairment of property plant & equipment	-	-	-	289	-	11,736
Impairment of Intangible Assets	-	-	-	-	-	1,673,065
Progressive insurance receipts on property damage	-	-	-	-	-	(1,366,294)
Finance income	-	-	-	(433,469)	(173,845)	(427,493)
(Profit)/Loss on disposal of property, plant & equipment	-	-	-	14,577	43,175	(896)
Loss on PPE written-off	-	-	-	-	-	525,850
Reversal of unabsorbed VAT provision	-	-	-	-	-	(339,811)
ESC Write Off	-	-	-	-	-	2,666
Unrealised exchange loss/(gain) on foreign currency term Loan	-	-	-	(6,304)	(15,280)	6,305
Operating cash flow before working capital changes	32,238	130,365	155,280	1,883,307	307,948	1,166,213
Decrease in inventories	-	-	-	614,597	(1,039,791)	98,809
(Increase)/decrease in trade & other receivables	8,659	(2,083)	(4,721)	(316,840)	(1,382,767)	337,962
(Increase)/decrease in amounts due from related companies	(21,783)	2,238	212,048	2,778	(171,972)	(33,076)
Increase/(decrease) in amounts due to related companies	-	-	-	(82,869)	275,413	(49,663)
Increase/(decrease) in tax payables	(156)	(491)	29	115,557	(1,024,831)	149,226
Increase/(decrease) in trade & other payables	2,915	(647)	1,137	281,984	846,922	(119,231)
Cash generated from operations	21,873	129,382	363,773	2,498,513	(2,189,078)	1,550,240
Finance expenses	(22,989)	(22,887)	(44,787)	(1,200,366)	(745,960)	(1,779,096)
Tax paid	(19,330)	(12,330)	(36,674)	(22,864)	(71,754)	(122,427)
Super gain taxes paid	-	-	-	-	-	-
Economic service charge paid	-	-	-	-	(631)	(2,907)
Retirement benefits paid	-	-	-	(11,814)	(7,077)	(27,442)
Net cash generated from operating activities	(20,446)	94,165	282,312	1,263,469	(3,014,500)	(381,632)
Cash Flows from Investing Activities						
Purchase and construction of property, plant & equipment	-	-	-	(528,328)	(813,066)	(3,306,634)
Borrowing cost capitalized	-	-	-	(27,614)	(63,302)	(119,225)
Purchase of intangible assets	-	-	-	(1,751)	(278)	(7,864)
Proceeds from sale of property, plant & equipment	-	-	-	-	22,287	23,731
Proceeds from sale of assets held for sale	-	-	-	-	-	5,200
Agent deposits received	-	-	-	22,179	823	22,189
Agent deposits refunded	-	-	-	-	-	-
Interest received	-	-	-	433,469	170,143	376,585
Investment in subsidiaries	-	(50,000)	(311,880)	-	-	-
Net cash used in investing activities	-	(50,000)	(311,880)	(102,045)	(683,393)	(3,006,018)
Cash Flows from Financing Activities						
Proceeds from loans & borrowings	-	-	150,000	1,700,000	7,550,000	8,100,000
Repayment of loans & borrowings	(64,800)	(49,574)	(104,600)	(873,255)	(3,028,606)	(1,614,935)
Repayment of debentures	-	-	-	(799,400)	(799,400)	(799,400)
Progressive insurance receipts on property damage	-	-	-	-	-	1,366,294
Dividends paid net of tax	(20,988)	(62,963)	(62,977)	(22,188)	(165,950)	(165,964)
Net cash generated from/(used in) financing activities	(85,788)	(112,537)	(17,577)	5,157	3,556,044	6,885,995
Net increase/(decrease) in cash & cash equivalents	(106,234)	(68,372)	(47,145)	1,166,581	(141,849)	3,498,345
	(178,398)	(131,253)	(131,253)	5,097,839	1,599,494	1,599,494
Cash & cash equivalents at the end of the year	(284,632)	(199,625)	(178,398)	6,264,420	1,457,645	5,097,839
Analysis of Cash and Cash Equivalents						
Cash and cash equivalents	4,066	85	70	8,586,213	4,122,413	7,645,227
Bank overdraft	(288,698)	(199,710)	(178,468)	(2,321,793)	(2,664,768)	(2,547,388)
	(284,632)	(199,625)	(178,398)	6,264,420	1,457,645	5,097,839

Figures in brackets indicate deductions.

STATEMENTS OF CHANGES IN EQUITY

In Rs. '000s	Attributable to Equity Holders of the Parent					Non-Controlling Interests	Total Equity
	Stated Capital	Revaluation Reserve	General Capital Reserve	Retained Profits	Total		
COMPANY							
Balance as at 1st April 2016	533,384	328,914	5,776	938,698	1,806,772	-	1,806,772
Total Comprehensive Income							
Loss for the period	-	-	-	106,005	106,005	-	106,005
Other comprehensive income for the period	-	-	-	-	-	-	-
Total Comprehensive income for the period	-	-	-	106,005	106,005	-	106,005
Transactions with owners, recorded directly in equity contribution by and distribution to owners							
Dividends	-	-	-	-	-	-	-
Balance as at 30th September 2016	533,384	328,914	5,776	1,044,703	1,912,777	-	1,912,777
Balance as at 1st April 2016							
Balance as at 1st April 2016	533,384	328,914	5,776	938,698	1,806,772	-	1,806,772
Total Comprehensive Income							
Profit for the period	-	-	-	82,163	82,163	-	82,163
Other comprehensive income for the period	-	-	-	-	-	-	-
Total Comprehensive income for the period	-	-	-	82,163	82,163	-	82,163
Transactions with owners, recorded directly in equity contribution by and distribution to owners							
Dividends	-	-	-	(62,964)	(62,964)	-	(62,964)
Balance as at 31st March 2017	533,384	328,914	5,776	957,897	1,825,971	-	1,825,971
Balance as at 1st April 2017							
Balance as at 1st April 2017	533,384	328,914	5,776	957,897	1,825,971	-	1,825,971
Total Comprehensive Income							
Profit for the period	-	-	-	5,716	5,716	-	5,716
Other comprehensive income for the period	-	-	-	-	-	-	-
Total Comprehensive income for the period	-	-	-	5,716	5,716	-	5,716
Transactions with owners, recorded directly in equity contribution by and distribution to owners							
Dividends	-	-	-	(20,988)	(20,988)	-	(20,988)
Balance as at 30th September 2017	533,384	328,914	5,776	942,625	1,810,699	-	1,810,699
GROUP							
Balance as at 1st April 2016	533,384	999,580	5,776	3,690,596	5,229,336	4,768,089	9,997,425
Total Comprehensive Income							
Loss for the period	-	-	-	(788,776)	(788,776)	(455,641)	(1,244,417)
Other comprehensive income for the period	-	-	-	-	-	-	-
Total Comprehensive income for the period	-	-	-	(788,776)	(788,776)	(455,641)	(1,244,417)
Transactions with owners, recorded directly in equity contribution by and distribution to owners							
Dividends	-	-	-	-	-	-	-
Balance as at 30th September 2016	533,384	999,580	5,776	2,901,820	4,440,560	4,312,448	8,753,008
Balance as at 1st April 2016							
Balance as at 1st April 2016	533,384	999,580	5,776	3,690,596	5,229,336	4,768,089	9,997,425
Total Comprehensive Income							
Other comprehensive income for the period	-	-	-	(869,075)	(869,075)	(691,097)	(1,560,172)
Other comprehensive income for the period	-	-	-	8,143	8,143	7,443	15,586
Total Comprehensive Income for the period	-	-	-	(860,932)	(860,932)	(683,654)	(1,544,586)
Transactions with owners, recorded directly in equity contribution by and distribution to owners							
Dividends	-	-	-	(62,964)	(62,964)	(114,600)	(177,564)
Balance as at 31st March 2017	533,384	999,580	5,776	2,766,700	4,305,440	3,969,835	8,275,275
Balance as at 1st April 2017							
Balance as at 1st April 2017	533,384	999,580	5,776	2,766,700	4,305,440	3,969,835	8,275,275
Total Comprehensive Income							
Profit for the period	-	-	-	130,044	130,044	194,168	324,212
Other comprehensive income for the period	-	-	-	-	-	-	-
Total Comprehensive Income for the period	-	-	-	130,044	130,044	194,168	324,212
Transactions with owners, recorded directly in equity contribution by and distribution to owners							
Dividends	-	-	-	(20,988)	(20,988)	-	(20,988)
Balance as at 30th September 2017	533,384	999,580	5,776	2,875,756	4,414,496	4,164,003	8,578,499

CEYLON BEVERAGE HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

Ceylon Beverage Holdings PLC is a public limited liability Company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The parent company is Carson Cumberbatch PLC (CCPLC). The Ultimate parent company is Bukit Darah PLC. The registered office of the Company is situated at No 61, Janadhipathi Mawatha, Colombo 01 and the principal place of business is situated at No 254, Colombo Road, Biyagama.

The Interim Consolidated Financial Statements comprise of the Company and its subsidiaries (together referred to as the "Group" and individually Group entities). The Subsidiaries of the Company are set out below.

Subsidiary	Controlling interest	Note
Lion Brewery (Ceylon) PLC	52.25%	"LBCPLC"
Pubs 'N Places (Private) Limited	99.9%	
Retail Spaces (Private) Limited	100%	
Luxury Brands (Private) Limited	100%	
Vee Waruna (Private) Limited	100%	Disposed on 11/08/2017
Pearl Springs (Private) Limited	52.25%	"PSPL" , 100% Subsidiary of LBCPLC
Millers Brewery Limited	52.25%	100% Subsidiary of PSPL

The principal activities of the Group is brewing and marketing of high quality beers for both local & export markets and retailing of beer & alcohol products through its owned/managed wine shops & pubs. The Group is also engaged in the import & marketing of globally renowned high quality beer and spirits brands.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

The 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 2017 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.

CEYLON BEVERAGE HOLDINGS PLC

NOTES TO THE INTERIM FINANCIAL STATEMENTS

3 INVESTMENT IN SUBSIDIARIES

Company disposed its share on fully owned subsidiary Vee Waruna (Private) Limited for Rs.10/- on 11/08/2017. The company had no commercial operations.

4 FINANCIAL COMMITMENTS AND CONTINGENT LIABILITIES

4.1 Financial Commitments

Lion Brewery (Ceylon) PLC

Document credits established for foreign purchases of the Group as at 30th September 2017 amounts to Rs. 73,813,281/-(2016 - Rs. 467,913,204/-)

4.2 Contingencies

Following legal matters are outstanding against the Group and no provision has been made in the Financial Statements in this regard.

(i) Company

In 2008 the Customs Department instituted a prosecution in the Fort Magistrate's Court (MC) in Case No. S/65898/07/B against the Company and its Directors for the recovery of Rs. 48,121,634/29 comprising of Rs.23,062,080/43 being the amount of Excise (Special Provision) Duty (the 'duty') purportedly in arrears during the period 1998/IVq to 2001/IIIq and Rs.25,059,553/86 as its penalty. The Company and the Directors filed an application for Writ in the Court of Appeal (CA) to quash the Certificate of Excise Duty in Default issued by the Director General of Customs and Excise Duty and obtained a Stay Order in respect of the proceedings of the Fort MC Case. A sum of Rs. 23,062,080/43 being the duty amount in dispute was paid to Sri Lanka Customs by the Company as required before submitting its appeal. Subsequently the CA Application was dismissed and the Company appealed against the Order to the Supreme Court and was granted Special Leave to Appeal by the Court. The Court also ordered the staying of all further proceedings in the MC Case until final hearing and determination of the Appeal. No provision has been made for the payment of penalty amounting to Rs.25,059,553/86, pending the Judgment from the Supreme Court in the said Leave to Appeal matter. Currently this matter is in the Arguments stage and will be heard in the Supreme Court.

(ii) The Group

The Customs Department instituted a prosecution in the Magistrate's Court of Kaduwela in Case No. 11303/Customs against the LBCPLC and its directors to recover Excise Duty amounting to Rs. 58,753,582/94 comprising of the disputed Excise Duty of Rs. 29,376,791/47 and its penalty of Rs. 29,376,791/47. The Company and the directors have filed an application for Writ in the Court of Appeal to quash the Certificate Excise Duty in Default issued by the DG of Customs and Excise Duty to recover the said sum and obtained a Stay Order in respect of the proceedings of the MC Kaduwela Case. The Court of Appeal made an order against the Company refusing the writ of certiorari prayed for and the Company has now preferred an appeal against the said order to the Supreme Court. Matter is currently at the stage of arguments and will be coming up for oral submissions/ arguments on 09th May 2018.

(iii) Contingent liabilities of the Group as at 30th September 2017 amounts to Rs. 171,362,131/- (2016-Rs. 282,921,823/-), being bank guarantees given to Government bodies and foreign suppliers for operational purposes.

Apart from the above there were no other material contingent liabilities which would require adjustments to or disclosure in the Financial Statements.

CEYLON BEVERAGE HOLDINGS PLC**NOTES TO THE INTERIM FINANCIAL STATEMENTS****5 COMPARATIVE FIGURES**

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

6 FLOOD RELATED LOSSES**Financial year 2017/18****Lion Brewery Ceylon PLC**

The company has estimated and written off its Property Plant & Inventory amounting to Rs. 525,850,338/- and Rs. 372,371,176/- respectively. The other operational costs related to flood recovery amounted to Rs. 143,136,076/-. Accordingly, the total loss of Rs. 1,041,357,590/- was recorded in the financial year ended 31st March 2017. Interim claims on insurance have been submitted for the damages caused to the company's inventory and for Business Interruption. Against these interim claims, an amount of Rs. 2,066,448,095/- has been received as on account payments during the financial year ended 31st March 2017. Whilst Rs. 1,000,000,000/- of this has been received against Business Interruption the balance amount of Rs. 1,066,448,095/- has been recorded against Property Plant & Inventory as at 31st March 2017.

Luxury Brands (Pvt) Ltd

The company's inventory were damaged due to flooding and a claim was submitted for the damaged value. As of 31st March 2017, the claim has been fully settled.

An amount of Rs. 307 Million had been recognized for the carrying value of damaged inventory including other operational expenses incurred for the flood recovery process.

Financial year 2016/17**Lion Brewery Ceylon PLC**

During the period ended 30th September 2017 the company has further, received an amount of Rs.705,085,456/- against Business Interruption. In terms of the policy in place for insurance the maximum amount that could be received against business interruption & the damage caused to fixed assets & inventory is Rs. 4,000,000,000/-

7 OTHER MATTERS

On 20th September 2016, Ven. Agulugalle Siri Jinananda Thero and 6 others filed a case against the Minister of Finance and 13 other respondents, which includes Lion Brewery (Ceylon) PLC, contesting the extension of the Excise Duty for import of beer to be at the same rate as when manufactured locally, as the Company's brewery was badly affected due to the flood. This extension was granted by the Department of Trade and Investment Policy with the concurrence of the Minister of Finance and was afforded by the Government for companies affected by the flood which occurred during the period 16th to 22nd May 2016.

The case is to be mentioned in the Court of Appeal on the 6th of November 2017.

CEYLON BEVERAGE HOLDINGS PLC**NOTES TO THE INTERIM FINANCIAL STATEMENTS****8 STATED CAPITAL**

The Company's stated capital consists of 20,988,090 ordinary shares.

9 SEGMENTAL ANALYSIS

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

10 INVESTOR INFORMATION

Investor Information	Quarter Ended		Six Months Ended		Year ended
	30.09.2017	30.09.2016	30.09.2017	30.09.2016	31.03.2017
Share Information					
Price as at the end of the period (Rs.)	555.10	648.00	555.10	648.00	600.00
Highest price (Rs.)	610.00	650.00	650.00	799.90	799.90
Lowest price (Rs.)	511.00	564.00	511.00	564.00	562.00
Trading Statistics					
No of Transactions	83	11	162	43	113
No of Shares traded	253,464	3,453	372,326	12,142	16,770
Value of all shares traded (Rs. Mn.)	151.76	2.22	224.60	7.88	10.71

CEYLON BEVERAGE HOLDINGS PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS

11 DIRECTORS' SHAREHOLDINGS

As at 30th September 2017	No. of Shares
Mr. D. A. Cabraal (Chairman - w.e.f. 21/07/2017)	1,500
Mr. H. Selvanathan (Deputy Chairman)	690
Mr. M. Selvanathan (Director / Alternate Director to Mr. H. Selvanathan)	690
Mr. S. K. Shah (Chief Executive Officer)	2,632
Mr. D.C.R. Gunawardena	15
Mr. L. Lehmann	-
Mr. L.C.R. de C Wijetunge (Chairman - stepped down from the Board at the conclusion of the AGM on 20/07/2017)	-
Mr. R. H. Meewakkala (Appointed w.e.f. 01/09/2017)	-

12 TWENTY MAJOR SHAREHOLDERS AS AT 30 SEPTEMBER 2017

#	Name of Shareholder	No. of Shares	%
1	CARSON CUMBERBATCH PLC A/C NO.2	15,726,912	74.93
2	GF CAPITAL GLOBAL LIMITED	1,884,102	8.98
3	CARLSBERG A/S	1,676,440	7.99
4	BNYMSANV RE-BUTTERFIELD TRUST (BERMUDA) LIMITED	800,000	3.81
5	HSBC INTERNATIONAL NOMINEES LTD-SSBT-DEUSTCHE BANK AG SINGAPORE A/C 01	135,000	0.64
6	CARSON CUMBERBATCH PLC A/C NO. 01	91,655	0.44
7	TRANZ DOMINION,L.L.C.	74,894	0.36
8	MR. H.W.M. WOODWARD (DECEASED)	40,065	0.19
9	MRS. J.K.P. SINGH	37,400	0.18
10	GUINNESS MORISON INTERNATIONAL LIMITED	20,953	0.10
11	MR. H.A. VAN STARREX	16,320	0.08
12	LIFE INSURANCE CORPORATION (LANKA) LTD	15,400	0.07
13	MR. H.A. PIERIS	15,000	0.07
14	SAMPATH BANK PLC/MRS.PRIYANI DHARSHINI RATNAGOPAL	13,650	0.07
15	MR. N.J. GAMADIA	8,786	0.04
16	THE CEYLON DESICCATED COCONUT AND OIL COMPANY PVT LTD	8,276	0.04
17	MR. R. MAHESWARAN	8,134	0.04
18	MISS M.P. RADHAKRISHNAN	8,133	0.04
19	MISS A. RADHAKRISHNAN	8,133	0.04
20	MRS. M.S.K. WELIKALA	7,856	0.04

13 PUBLIC HOLDING

Ordinary Shares of the Company held by the public as at 30th September 2017 are as follows;

Number of Public Shareholders	956
Percentage of Public holding	16.61%

14 EVENTS AFTER THE REPORTING PERIOD

No circumstances have arisen which required adjustment to or disclosure in the Financial Statements.

15 RELATED PARTY DISCLOSURES**15.1 Parent and ultimate controlling party**

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.

15.2 Transactions with key management personnel (KMP)

(i) 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.

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

15.3 Other related party transactions**15.3.1 Transactions with subsidiary companies**

Messrs.Mr. L. C. R. de C Wijetunge (stepped down from the Board on 20/07/2017), H.Selvanathan, S.K.Shah, D.C.R.Gunawardena, D.A. Cabraal, Mr. L. Lehmann, Mr. R. H. Meewakkala are also Directors of Lion Brewery (Ceylon) PLC, with which the following contracts/ transactions have been entered into during the period by the Company in the normal course of business.

(a) Lion Brewery (Ceylon) PLC (LBCPLC)

(i) Was charged Rs. 32,731,083/- (2016 -Rs.27,165,484/-) as royalty in accordance with the licensed brewing agreement with the Company.

(ii) No balance was receivable or payable to the Company at 30th September 2017. (2016 - Nil)

(b) Pubs 'N Places (Private) Limited

(i) Mr. S.K. Shah Director of the Company is also a Director of Pubs 'N Places (Private) Limited, which as at 30th September 2017 balance receivable from Pubs 'N Places (Private) Limited to the Company was Rs. 61,692,254.66/-. (2016 - Rs. 249,718,982/-).

(c) Retail Spaces (Pvt) Limited

(i) Mr. S.K. Shah Director of the Company is also a Directors of Retail Spaces (Private) Limited paid a dividend of Rs. 10,800,000/- (2016 - Rs.1,180,558/-) to the Company.

As at 30th September 2017 no balance was receivable or payable to the Company . (2016 - Nil)

15.3.2 Transactions with group entities

Messrs. H.Selvanathan, S.K.Shah and K. Selvanathan, Directors of the Company, are also Directors of Carsons Management Services (Private) Ltd., which provides supporting services to the Company. An amount of Rs. 579,265/-(2016 -Rs.525,125/-) was charged by Carsons Management Services (Private) Limited to the Company and Group Rs.195,112,338/-(2016-Rs. 178,892,248/-) during the period ,which included supporting services fees of Rs. 172,823,263/-(2016 - Rs. 158,183,648/-) and other reimbursable expenses incurred by Carsons Management Services (Private) Limited on behalf of the Group.

CEYLON BEVERAGE HOLDINGS PLC**Corporate Information**

NAME OF THE COMPANY

Ceylon Beverage Holdings PLC
(A Carson Cumberbatch Company)

COMPANY REGISTRATION NUMBER

PQ 35

LEGAL FORM

A Public Quoted Company with Limited Liability incorporated in Sri Lanka in 1910
Official listing of the Colombo Stock Exchange was obtained in April 1991

SUBSIDIARY COMPANIES

Lion Brewery (Ceylon) PLC
Pubs 'N Places (Private) Limited
Retail Spaces (Private) Limited
Luxury Brands (Private) Limited
Pearl Springs (Private) Limited
Millers Brewery Limited
Vee Waruna (Private) Limited [disposed on 11/08/2017]

PARENT AND CONTROLLING ENTITY

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 - w.e.f. 21/07/2017)
Mr. H. Selvanathan (Deputy Chairman)
Mr. M. Selvanathan (Director / Alternate Director to H. Selvanathan)
Mr. S. K. Shah (Chief Executive Officer)
Mr. D. C. R. Gunawardena
Mr. L. Lehmann
Mr. R. H. Meewakkala (Appointed w.e.f. 01/09/2017)
Mr. L. C. R. de C. Wijetunge (Chairman - stepped down from the Board at the conclusion of the AGM on 20/07/2017)

BANKERS

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

LEGAL ADVISERS

Messrs. F.J. & G. De Saram
216, De Saram Place
Colombo 10
Sri Lanka
Tel: + 94 11 4718200
Fax: + 94 11 4718220

AUDITORS

Messrs. KPMG
Chartered Accountants
No. 32A, Sir Mohamed Macan Markar Mawatha
Colombo 3
Sri Lanka
Tel: + 94 11 5426426
Fax: +94 11 2445872

MANAGERS & SECRETARIES

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

REGISTERED OFFICE

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

CORPORATE OFFICE & BREWERY

254, Colombo Road, Biyagama

Sri Lanka
Tel: +94 11 2465900 (10 Lines)
Fax: +94 11 2465901

GROUP WEBSITE

www.carsoncumberbatch.com