

Lion Brewery (Ceylon) PLC

*Interim Condensed Financial Statements
for the First Quarter ended
30th June 2019*

LION BREWERY (CEYLON) PLC

Review

On a revenue of Rs. 11.758 billion the Company earned a post tax profit of Rs. 783 million. This was a marginal growth of 5% when compared to the 1st quarter results of the previous year. In the meanwhile, the Company's contribution to the Treasury in terms of Excise Duty increased by 36%, from Rs 5.3 bn in the 1st quarter of last the last year to Rs 7.2 bn during the period under review.

The events of April 21st & the challenges faced by the economy subsequently, will likely exert pressure on the Company's results in the forthcoming quarters. Tourism is unlikely to reach the previous year's level & footfall of local patrons into on premise outlets is also not expected to pick up significantly in the short term. Thus the remainder of the year will prove challenging.

As shareholders are aware, for many years, your Company has been speaking out on the prevalence of artificial toddy and illicit alcohol. Unfortunately, neither the regulators nor policy makers took much notice. The anti alcohol lobby including foreign funded NGO's working in the field held out these comments as red herrings. Unfortunately, recent events, where 13 people lost their lives in the Gampaha district after consuming illicit alcohol have proven the Company correct. It's a pity that lives had to be lost to bring attention to what was a well known fact. However, even at this late stage, it is to be hoped that policy makers together with regulators and enforcement agencies take the necessary steps to eradicate the illicit alcohol menace from our society. It must be pointed out that enforcement alone is insufficient; instead, the three pillars of policy, regulation & enforcement must work together if significant inroads are to be made in the fight against illicit alcohol. Whilst it may be politically unpalatable, the reality is that the most effective policy measures against illicit alternatives is to make legal products more affordable and reasonably accessible. And since health and other social connotations are at play in the alcohol industry, the milder alternatives within the legal products should be at the forefront in terms of both price & availability. Hopefully, the relevant authorities will now act on an urgent basis before more lives are lost to illicit alcohol.

LION BREWERY (CEYLON) PLC
BOARD OF DIRECTORS AS AT 30TH JUNE 2019

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

Mr. Lim C. K.

Mr. S. Selvanathan (appointed w.e.f. 05/04/2019)

Mr. T. Akiskalos (appointed w.e.f. 20/05/2019)

Mr. L. Lehmann (resigned w.e.f. 20/05/2019)

LION BREWERY (CEYLON) PLC				
CONDENSED STATEMENT OF FINANCIAL POSITION				
	Company		Group	
<i>In Rs. '000s</i>	30-Jun-19	31-Mar-19 (Audited)	30-Jun-19	31-Mar-19 (Audited)
ASSETS				
Non- Current Assets				
Property, plant & equipment	16,559,570	16,674,679	17,944,489	18,073,888
Intangible assets	2,377,090	2,378,212	2,377,090	2,378,212
Investments in subsidiary	1,029,623	1,029,623	-	-
Total Non-Current Assets	19,966,283	20,082,514	20,321,579	20,452,100
Current Assets				
Inventories	2,527,487	2,105,811	2,527,487	2,105,811
Trade and other receivables	1,878,150	1,751,534	1,885,967	1,759,235
Amounts due from related companies	734,460	713,230	734,460	713,230
Cash and cash equivalents	8,258,100	10,126,039	8,400,728	10,250,405
Total Current Assets	13,398,197	14,696,614	13,548,642	14,828,681
Total Assets	33,364,480	34,779,128	33,870,221	35,280,781
EQUITY AND LIABILITIES				
Equity				
Stated capital	2,537,801	2,537,801	2,537,801	2,537,801
Capital reserves	782,557	782,557	1,106,770	1,106,770
Retained earnings	9,791,479	9,008,246	9,662,416	8,876,188
Total Equity	13,111,837	12,328,604	13,306,987	12,520,759
Non- Current Liabilities				
Loans and borrowings	2,992,035	3,271,271	2,992,035	3,271,271
Employee benefits	191,870	197,430	191,870	197,430
Net deferred tax liabilities	4,717,344	4,700,075	5,017,441	5,000,172
Total Non- Current Liabilities	7,901,249	8,168,776	8,201,346	8,468,873
Current Liabilities				
Trade and other payables	1,224,544	1,101,924	1,231,719	1,108,777
Amounts due to related companies	87,783	115,060	87,747	114,946
Refundable deposits	1,545,040	1,456,224	1,545,040	1,456,224
Current tax liabilities	2,142,513	2,417,984	2,145,868	2,420,646
Debentures (Note 4)	2,051,628	2,078,285	2,051,628	2,078,285
Loans and borrowings	4,524,071	6,322,696	4,524,071	6,322,696
Bank overdrafts	775,815	789,575	775,815	789,575
Total Current Liabilities	12,351,394	14,281,748	12,361,888	14,291,149
Total Liabilities	20,252,643	22,450,524	20,563,234	22,760,022
Total Equity and Liabilities	33,364,480	34,779,128	33,870,221	35,280,781
Net assets per ordinary share (Rs.)	163.90	154.11	166.34	156.51

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 - Finance

Carsons Management Services (Private) Limited

6th August 2019

(sgd.)

S.K. Shah

Director

(sgd.)

D.R.P. Goonetilleke

Director

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

In Sri Lankan Rs. '000s

	Quarter Ended		Change	Year ended
	30.06.2019	30.06.2018	%	31.03.2019 (Audited)
Revenue	11,758,644	9,216,649	28	42,830,494
Cost of sales	(9,029,955)	(6,725,110)	34	(32,007,626)
Gross profit	2,728,689	2,491,539	10	10,822,868
Other income	34,568	21,770	59	140,249
	2,763,257	2,513,309	10	10,963,117
Distribution expenses	(674,780)	(598,145)	13	(2,900,004)
Administrative expenses	(363,612)	(282,761)	29	(1,394,180)
Other expenses	(230,744)	(85,330)	170	(377,862)
Operating profit before finance cost	1,494,121	1,547,073	(3)	6,291,071
Finance income	335,676	220,635	52	1,032,653
Finance costs	(464,080)	(532,615)	(13)	(1,977,378)
Net finance costs	(128,404)	(311,980)	(59)	(944,725)
	1,365,717	1,235,093	11	5,346,346
Profit before taxation	1,365,717	1,235,093	11	5,346,346
Income tax expense	(565,215)	(88,253)	540	(780,243)
Deferred taxation	(17,269)	(399,644)	(96)	(1,295,308)
Profit after taxation	783,233	747,196	5	3,270,795
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurement of employee benefit obligations	-	-	-	12,533
Deferred tax charge on actuarial (gain)/loss	-	-	-	(5,013)
Total other comprehensive income for the period net of tax	-	-	-	7,520
Total comprehensive income for the period	783,233	747,196	5	3,278,315
Earnings per ordinary share (Rs.)	9.79	9.34		40.88

The above figures are provisional and subject to audit.

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

In Sri Lankan Rs. '000s

	Quarter Ended		Change	Year Ended
	30.06.2019	30.06.2018	%	31.03.2019 (Audited)
Revenue	11,758,644	9,216,649	28	42,830,494
Cost of sales	(9,029,955)	(6,725,110)	34	(32,007,626)
Gross profit	2,728,689	2,491,539	10	10,822,868
Other income	45,057	21,978	105	143,060
	2,773,746	2,513,517	10	10,965,928
Distribution expenses	(674,780)	(598,145)	13	(2,900,004)
Administrative expenses	(372,889)	(293,744)	27	(1,440,482)
Other expenses	(230,744)	(85,330)	170	(377,862)
Operating profit before finance cost	1,495,333	1,536,298	(3)	6,247,580
Finance income	338,152	223,131	52	1,043,122
Finance costs	(464,080)	(532,617)	(13)	(1,977,378)
Net finance costs	(125,928)	(309,486)	(59)	(934,256)
	1,369,405	1,226,812	12	5,313,324
Profit before taxation	1,369,405	1,226,812	12	5,313,324
Income tax expense	(565,908)	(89,474)	532	(783,462)
Deferred taxation	(17,269)	(399,644)	(96)	(1,308,982)
Profit after taxation	786,228	737,694	7	3,220,880
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurement of employee benefit obligations	-	-	-	12,533
Deferred tax charge on actuarial (gain)/loss	-	-	-	(5,013)
Revaluation gain on land & buildings	-	-	-	279,091
Deferred tax charge on land and building revaluation	-	-	-	(78,145)
Total other comprehensive income for the period net of tax	-	-	-	208,466
Total comprehensive income for the period	786,228	737,694	7	3,429,346
Earnings per ordinary share (Rs.)	9.83	9.22		40.26

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 2018	2,537,801	782,557	6,049,931	9,370,289
Total comprehensive income for the period				
Profit for the period	-	-	747,196	747,196
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	747,196	747,196
Balance as at 30th June 2018	2,537,801	782,557	6,797,127	10,117,485
Balance as at 1st April 2018	2,537,801	782,557	6,049,931	9,370,289
Total comprehensive income for the year				
Profit for the year	-	-	3,270,795	3,270,795
Other comprehensive income for the year	-	-	7,520	7,520
Total comprehensive income for the year	-	-	3,278,315	3,278,315
Transactions with owners of the Company				
Distribution made to owners				
Ordinary dividends	-	-	(320,000)	(320,000)
Balance as at 31st March 2019	2,537,801	782,557	9,008,246	12,328,604
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	-	-	783,233	783,233
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	783,233	783,233
Balance as at 30th June 2019	2,537,801	782,557	9,791,479	13,111,837

GROUP

<i>In Rs. '000s</i>	Stated Capital	Revaluation Reserve	Retained Earnings	Total Equity
Balance as at 1st April 2018	2,537,801	905,824	5,967,788	9,411,413
Total comprehensive income for the period				
Profit for the period	-	-	737,694	737,694
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	737,694	737,694
Balance as at 30th June 2018	2,537,801	905,824	6,705,482	10,149,107
Balance as at 1st April 2018	2,537,801	905,824	5,967,788	9,411,413
Total comprehensive income for the year				
Profit for the year	-	-	3,220,880	3,220,880
Other comprehensive loss for the year	-	200,946	7,520	208,466
Total comprehensive loss for the year	-	200,946	3,228,400	3,429,346
Transactions with owners of the Company				
Distribution made to owners				
Ordinary dividends	-	-	(320,000)	(320,000)
Balance as at 31st March 2019	2,537,801	1,106,770	8,876,188	12,520,759
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 period	-	-	786,228	786,228
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the year	-	-	786,228	786,228
Balance as at 30th June 2019	2,537,801	1,106,770	9,662,416	13,306,987

LION BREWERY (CEYLON) PLC
STATEMENT OF CASH FLOWS

Period ended In Rs.'000s	Company			Group		
	30.06.2019	30.06.2018	31.03.2019 (Audited)	30.06.2019	30.06.2018	31.03.2019 (Audited)
Cash flows from operating activities						
Profit before taxation	1,365,717	1,235,093	5,346,346	1,369,405	1,226,812	5,313,324
Adjustments for:						
Finance costs	467,713	528,207	1,979,510	467,713	528,209	1,979,510
Depreciation on property, plant & equipment	297,668	289,714	1,191,532	304,620	296,259	1,217,708
Amortization on Intangible assets	1,122	13,337	53,516	1,122	13,337	53,516
Net inventory provision /(reversal)	7,960	(16,364)	(20,818)	7,960	(16,364)	(20,818)
Provision for retirement benefit obligation	4,169	3,128	36,295	4,169	3,128	36,295
Impairment of property, plant & equipment	150,223	-	7,311	150,223	-	7,335
Impairment provision for trade debtors	-	-	10,000	-	-	10,000
Loss /(gain) on disposal of property, plant & equipment	(1,648)	-	(3,528)	(10,452)	-	(3,528)
Exchange loss/ (gain)	8,102	-	(4,638)	8,102	-	(4,638)
Finance Income	(335,676)	(220,635)	(1,032,653)	(338,152)	(223,131)	(1,043,122)
Operating cash flow before working capital changes	1,965,350	1,832,480	7,562,873	1,964,710	1,828,250	7,545,582
(Increase)/Decrease in inventories	(429,636)	(331,551)	(470,989)	(429,636)	(331,551)	(470,989)
(Increase)/Decrease in trade and other receivables	(134,718)	971,378	794,530	(134,834)	970,980	812,938
(Increase)/Decrease in amounts due from related companies	(21,230)	191,071	(95,233)	(21,230)	191,744	(99,560)
Increase/(Decrease) in tax payable	(775,887)	(880,065)	122,456	(775,887)	(884,269)	122,391
Increase/(Decrease) in trade and other payables	122,620	(273,337)	(125,989)	122,942	(269,534)	(126,688)
Increase/(Decrease) in amounts due to related companies	(27,277)	38,680	9,500	(27,199)	38,680	9,386
Cash generated from operations	699,222	1,548,656	7,797,149	698,866	1,544,300	7,793,060
Finance expenses paid	(433,868)	(523,240)	(1,781,024)	(433,868)	(523,242)	(1,781,024)
Retirement benefits paid	(9,729)	(3,783)	(11,209)	(9,729)	(3,783)	(11,209)
Tax paid	(64,800)	(32,000)	(465,991)	(64,800)	(32,000)	(469,466)
Net cash generated from operating activities	190,825	989,633	5,538,924	190,469	985,275	5,531,361
Cash flows from investing activities						
Purchase and construction of property , plant & equipment	(333,471)	(192,483)	(899,522)	(333,471)	(192,483)	(899,522)
Purchase of intangible assets	-	-	(44,506)	-	-	(44,506)
Proceeds from sale of property, plant & equipment	2,337	-	3,529	18,479	-	3,529
Agent deposits received	88,815	32,591	298,961	88,815	32,591	298,961
Agent deposits refunded	-	(6,998)	(6,998)	-	(6,998)	(6,998)
Interest received	335,676	220,635	1,032,653	338,152	223,131	1,043,122
Net cash generated from/(used in) investing activities	93,357	53,745	384,117	111,975	56,241	394,586
Cash flows from financing activities						
Loans and borrowings received	-	700,000	-	-	700,000	-
Repayments of loans and borrowing	(2,138,361)	(411,611)	(2,319,690)	(2,138,361)	(411,611)	(2,319,690)
Repayments of debentures	-	(998,800)	(998,800)	-	(998,800)	(998,800)
Dividend paid net of tax	-	-	(275,210)	-	-	(275,210)
Net cash generated/ (used in) financing activities	(2,138,361)	(710,411)	(3,593,700)	(2,138,361)	(710,411)	(3,593,700)
Net increase in cash & cash equivalents	(1,854,179)	332,968	2,329,341	(1,835,917)	331,105	2,332,247
Cash & cash equivalents at the beginning of the year	9,336,464	7,007,123	7,007,123	9,460,830	7,128,583	7,128,583
Cash & cash equivalents at the end of the year	7,482,285	7,340,091	9,336,464	7,624,913	7,459,688	9,460,830
Analysis of cash and cash equivalents						
Cash and cash equivalents	8,258,100	8,033,727	10,126,039	8,400,728	8,153,324	10,250,405
Bank overdraft	(775,815)	(693,636)	(789,575)	(775,815)	(693,636)	(789,575)
	7,482,285	7,340,091	9,336,464	7,624,913	7,459,688	9,460,830

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 2019 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 2019 amounts to Rs. 468,180,196/- (2018 - Rs. 55,004,776/-)

3.2 Contingencies

Contingent liabilities as at 30th June 2019 amounts to Rs. 158,593,859/- (2018 - Rs. 79,199,208/-), being bank guarantees given to Government bodies and foreign suppliers for operational purposes.

LION BREWERY (CEYLON) PLC

NOTES TO THE FINANCIAL STATEMENTS

4 DEBENTURES

The Company issued 20,000,000 rated Unsecured Redeemable Debentures (Category 3 - Type I) at a face value of Rs. 100/- each to raise Rs. 2,000,000,000/- on 11th December 2014. The interest is paid on 30th September and 31st March for a period of 5 years.

The categories of Debentures and its proportion of the different types of debentures in each category are as follows.

	Rs. 000's
Category 03 Debentures - Fixed Rate (Note 4.1)	<u>2,000,000</u>
	<u>2,000,000</u>

4.1 Category 03 Debentures - Fixed Rate

Debentures Category	Amount Rs. ('000)	Interest Rate (per annum)	AER (per annum)	Redemption From the Date of Allotment
Category 03 - Type I	2,000,000	7.85%	8.00%	60 Months (5 Years)
Total	2,000,000			

LION BREWERY (CEYLON) PLC**NOTES TO THE FINANCIAL STATEMENTS****4 Debentures (Contd.)****4.2 Composition of Debentures and Interest Payable****Rs. ('000)****Classified Under Current Liabilities**

Debentures falling due within one year (Category 3)

2,000,000

Debenture interest payable

51,628

2,051,628**4.3 Debenture trading Information**

Debentures issued on 11th Dec 2014 (Rs.100/- par value)	Quarter Ended - 30.06.2019			Quarter Ended - 30.06.2018		
	Highest price (Rs.)	Lowest price (Rs.)	Last Traded Price (Rs.)	Highest price (Rs.)	Lowest price (Rs.)	Last Traded Price (Rs.)
Type I - Fixed Rate - 5 Year	N/T	N/T	N/T	N/T	N/T	N/T

N/T - Not traded during the quarter.

LION BREWERY (CEYLON) PLC**NOTES TO THE FINANCIAL STATEMENTS****4 Debentures (Contd.)****4.4 Debenture trading Information**

Interest rate of comparable government securities(%)	Date	Period Ended 30.06.2019
05 year treasury bonds	30.06.2019	9.83%

Debt related ratios - Company

Debt/equity ratio (times)	0.16
Quick asset ratio (%)	88%
Interest cover (times)	11.64

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 recommended a Final dividend of Rs. 6/-per ordinary share for the year ended 31st March 2019 which was approved at the Annual General Meeting held on 19th July 2019.

Apart from the above, there were no material events taken place since June 30th, 2019 that require adjustments or disclosure in these Financial Statements.

8 INVESTOR INFORMATION

Investor Information	Quarter Ended		Year Ended	
	30.06.2019	30.06.2018	31.03.2019	31.03.2018
1 Share Information				
Price as at the end of the period (Rs.)	550.00	570.00	555.00	525.40
Highest price (Rs.)	590.00	600.00	679.00	598.00
Lowest price (Rs.)	500.00	520.00	520.00	400.00
2 Trading Statistics				
No of Transactions	146	277	1,027	1252
No of Shares traded	69,223	638,329	3,430,480	6,682,337
Value of all shares traded (Rs. Mn.)	38	351	1,981	3,415

LION BREWERY (CEYLON) PLC**NOTES TO THE FINANCIAL STATEMENTS****9 TWENTY MAJOR SHAREHOLDERS AS AT 30TH JUNE 2019**

#	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	RBC INVESTOR SERVICES BANK-COELI SICAV I- FRONTIER MARKETS FUND	1,773,190	2.22
5	CARSON CUMBERBATCH PLC A/C NO. 01	1,402,060	1.75
6	PERSHING LLC S/A AVERBACH GRAUSON & CO.	1,353,445	1.69
7	BUKIT DARAH PLC A/C NO 2	1,300,000	1.63
8	CITIBANK NEWYORK S/A NORGES BANK ACCOUNT 2	1,089,443	1.36
9	SSBT-AL MEHWAR COMMERCIAL INVESTMENTS L.L.C.	983,779	1.23
10	JPMLU-T ROWE PRICE FUNDS SICAV	947,879	1.18
11	MELLON BANK N.A.-FLORIDA RETIREMENT SYSTEM	593,086	0.74
12	GF CAPITAL GLOBAL LIMITED	518,595	0.65
13	BBH-RONDURE NEW WORLD FUND	472,256	0.59
14	DEUTSCHE BANK AG-LONDON	372,614	0.47
15	SAMPATH BANK PLC/MRS.PRIYANI DHARSHINI RATNAGOPAL	300,000	0.38
16	SSBT- RUSSELL INVESTMENTS INSTITUTIONAL FUNDS PUBLIC LIMITED COMPANY	285,009	0.36
17	SSBT-FRANK RUSSEL TRUST COMPANY COMINGLED BENEFIT FUNDS TRUST GNA-6QH3	253,681	0.32
18	SSBT-RUSSELL TRUST COMPANY COMMINGLED EMPLOYEE BENEFIT FUND TRUST RUSSELL FRONTIER MARKETS EQUITY FUND A/C 03	172,789	0.22
19	PORTELET LIMITED	161,920	0.20
20	JPMCB-T.ROWE PRICE INSTITUTIONAL FRONTIER MARKETS EQUITY FUND	157,852	0.20

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 2019

Market Capitalization of the Public Holding	Rs.6.12 Billion
Percentage of ordinary shares held by the public	13.92%
Number of Public Shareholders	1,145

11 DIRECTOR'S SHAREHOLDINGS

As at 30th June 2019	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	-
Mr. Lim C. K.	-
Mr. S. Selvanathan (appointed w.e.f. 05/04/2019)	-
Mr. T. Akiskalos (appointed w.e.f. 20/05/2019)	-
Mr. L. Lehmann (resigned w.e.f. 20/05/2019)	-

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 and R.H. Meewakkala are Directors of the related entity. Mr. L. Lehmann who was a Director of the Company and Ceylon Beverage Holdings PLC resigned on 20/05/2019 and Mr. T. Akiskalos was appointed as a Director of the Company and Ceylon Beverage Holdings PLC w.e.f. 20/05/2019, 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. 39,054,389/- (2018 -Rs. 30,692,491/-) as royalty during the period.
- (ii) As per the loan agreement with Ceylon Beverage Holdings PLC, the Company charged Rs. 17,991,841/- (2018 - Nil) at a rate of AWPLR+1% as loan interest during the period.
- (iii) Balance receivable from Ceylon Beverage Holdings PLC as at 30th June 2019 is Rs. 611,725,598/-

(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. 48,110,543/- during the period (2018-Rs. 39,422,580/-).

- (i) An amount of Rs. 1,421,871/- was paid by the Company to Pubs 'N Places (Private) Limited as trade rebates on beer purchases during the period. (2018- Rs. 1,326,923/-)
- (ii) As per the loan agreement with Pubs 'N Places (Private) Limited, the Company charged Rs. 3,785,308/- (2018 - Nil) at a rate of AWPLR+1% as loan interest during the period.
- (iii) Balance receivable from Pubs 'N Places (Private) Limited as at 30th June 2019 is Rs. 122,734,273/-

(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. 58,913,460/- (2018 - Rs. 42,452,085/-) during the period.

- (i) Balance receivable from Retail Spaces (Private) Limited as at 30th June 2019 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. 2,242,368/- (2018 - Rs. 3,248,308/-) during the period.

- (ii) Balance receivable from Luxury Brands (Private) Limited as at 30th June 2019 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. 1,980,000/- (2018 -Rs. 585,000/-) 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 2019 is Rs. 36,000/-.

(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. 124,373,398/- (2018 - Rs. 79,710,753/-) was charged by Carsons Management Services (Private) Limited to the Company during the period.

LION BREWERY (CEYLON) PLC
NOTES TO THE FINANCIAL STATEMENTS

(G) Transactions with other related entities

- (a) Messrs. L. Lehmann (resigned on 20/05/2019), T. Akiskalos (appointed w.e.f. 20/05/2019) and Lim C. K. 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. 42,745,044/- (2018 - Rs. 38,679,517/-) 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. 3,500,834/- (2018 -Rs. 1,694,492/-)
 - (iii) An amount of Rs. 87,746,544/- remains payable as at 30th June 2019.
- (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. 310,155/- recognized as income from sale of Beer. (2018- Rs. 547,091/-)
- (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. 57,225/- is recognised as income from sale of Beer to Equity Hotels Ltd in the normal course of business. (2018 - 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. 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
Mr. Lim C. K.
Mr. S. Selvanathan (appointed w.e.f. 05/04/2019)
Mr. T. Akiskalos (appointed w.e.f. 20/05/2019)
Mr. L. Lehmann (resigned w.e.f. 20/05/2019)

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
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AUDITORS

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Chartered Accountants
No. 32A, Sir Mohamed Macan Markar Mawatha
Colombo 3, Sri Lanka
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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

www.carsoncumberbatch.com