

ANILANA HOTELS & PROPERTIES PLC

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE
QUARTER ENDED 30th SEPTEMBER 2016 - UNAUDITED**

ANILANA

HOTELS • RESORTS • RETREATS

ANILANA HOTELS AND PROPERTIES PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - (UNAUDITED)

(Expressed in Sri Lankan Rupees)

FOR THE PERIOD ENDED 30 SEPTEMBER	Group				Company			
	For The Quarter Ended 2016	For The Quarter Ended 2015	For The Six Months Ended 2016	For The Six Months Ended 2015	For The Quarter Ended 2016	For The Quarter Ended 2015	For The Six Months Ended 2016	For The Six Months Ended 2015
Revenue	171,068,498	161,231,161	233,974,391	228,199,117	101,854,893	67,736,166	144,011,349	143,137,076
Cost of Sales	(25,485,716)	(24,546,550)	(39,763,526)	(43,555,874)	(14,954,653)	(13,156,498)	(24,231,455)	(27,665,924)
Gross Profit	145,582,783	136,684,611	194,210,865	184,643,242	86,900,240	54,579,668	119,779,895	115,471,152
Other Income	(47)	(922)	2,887,817	-	(47)	7,813	2,887,817	-
Administrative Expenses	(94,646,812)	(103,966,817)	(186,463,269)	(207,063,345)	(54,723,539)	(56,521,347)	(107,458,460)	(122,663,340)
Business Promotion Expenses	(5,159,448)	(5,279,674)	(7,790,109)	(8,376,359)	(3,642,700)	(4,059,135)	(4,525,282)	(5,603,213)
Profit / (Loss) from Operation	45,776,476	27,437,198	2,845,304	(30,796,462)	28,533,955	(5,993,001)	10,683,969	(12,795,402)
Net Gain / (Loss) from Financial Assets at	-	(153,544)	-	(426,137)	-	6,692,277	-	(424,272)
Net Finance (Cost) / Income	(52,327,107)	(37,267,155)	(95,482,895)	(72,614,929)	(39,020,313)	(42,477,182)	(68,760,500)	(51,818,577)
Profit / (Loss) Before Taxation	(6,550,631)	(9,983,501)	(92,637,591)	(103,837,528)	(10,486,359)	(41,777,906)	(58,076,531)	(65,038,251)
Income Tax Expense	-	-	-	-	-	-	-	-
Profit / (Loss) for the Year	(6,550,631)	(9,983,501)	(92,637,591)	(103,837,528)	(10,486,359)	(41,777,906)	(58,076,531)	(65,038,251)
Attributable to - Equityholders of the Parent	(6,550,646)	(9,983,522)	(92,637,593)	(103,837,540)	(10,486,359)	(41,777,906)	(58,076,531)	(65,038,251)
- Non-Controlling Interest	15	21	2	12	-	-	-	-
	(6,550,631)	(9,983,501)	(92,637,591)	(103,837,528)	(10,486,359)	(41,777,906)	(58,076,531)	(65,038,251)
Basic Earnings / (Loss) Per Share (Rs.)	(0.01)	(0.02)	(0.19)	(0.21)	(0.02)	(0.11)	(0.12)	(0.13)
Profit / (Loss) for the Year	(6,550,631)	(9,983,501)	(92,637,591)	(103,837,528)	(10,486,359)	(41,777,906)	(58,076,531)	(65,038,251)
Other Comprehensive Income	-	-	-	-	-	-	-	-
(Expense) for the Year	(6,550,631)	(9,983,501)	(92,637,591)	(103,837,528)	(10,486,359)	(41,777,906)	(58,076,531)	(65,038,251)
Attributable to - Equityholders of the Parent	(6,550,646)	(9,983,522)	(92,637,593)	(103,837,540)	(10,486,359)	(41,777,906)	(58,076,531)	(65,038,251)
- Non-Controlling Interest	15	21	2	12	-	-	-	-
	(6,550,631)	(9,983,501)	(92,637,591)	(103,837,528)	(10,486,359)	(41,777,906)	(58,076,531)	(65,038,251)

Figures in brackets indicate deductions

Notes to the Financial Statements on Pages 5 to 6 form an integral part of these Financial Statements.

ANILANA HOTELS AND PROPERTIES PLC
STATEMENT OF FINANCIAL POSITION - (UNAUDITED)

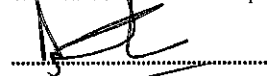
(Expressed in Sri Lankan Rupees)

AS AT	Note	Group		Company	
		30 Sep. 2016	31 March 2016	30 Sep. 2016	31 March 2016
ASSETS					
Non-Current Assets					
Property, Plant and Equipment		4,162,990,557	4,228,425,264	1,948,968,238	1,991,852,028
Investment Properties		939,400,000	939,400,000	-	-
Intangible Assets		1,307,588	2,001,398	1,307,588	2,001,398
Leasehold Land		30,340,556	30,895,556	-	-
Investment in Subsidiaries		-	-	2,063,373,960	2,063,373,960
Available-for-Sale (AFS) Financial Assets		12,000,000	12,000,000	12,000,000	12,000,000
Total Non-Current Assets		5,146,038,701	5,212,722,218	4,025,649,786	4,069,227,386
Current Assets					
Inventories		38,279,159	40,009,006	21,488,186	22,537,818
Financial Assets at Fair Value through Profit or Loss (FVTPL)		386,666	2,873,038	-	2,486,373
Trade and Other Receivables		84,463,312	29,344,892	55,115,249	25,049,332
Amounts Due from Related Parties		74,592,552	100,822,307	487,881,505	490,528,041
Other Non-Financial Assets		3,468,635	7,183,982	3,299,386	4,627,639
Cash and Cash Equivalents		62,154,450	4,527,040	59,063,316	2,473,152
Total Current Assets		263,344,774	184,760,265	626,847,641	547,702,355
Total Assets		5,409,383,475	5,397,482,482	4,652,497,427	4,616,929,741
EQUITY AND LIABILITIES					
Equity					
Stated Capital		3,863,261,648	3,863,261,648	3,863,261,648	3,863,261,648
Revaluation Reserve		790,374,525	790,374,525	231,490,273	231,490,273
Retained Earnings (at debit)		(1,502,367,451)	(1,409,729,858)	(1,014,844,998)	(956,768,467)
Attributable to Equityholders of the Parent		3,151,268,721	3,243,906,315	3,079,906,923	3,137,983,454
Non - Controlling Interest		(590)	(592)	-	-
Total Equity		3,151,268,131	3,243,905,722	3,079,906,923	3,137,983,454
Non - Current Liabilities					
Borrowings - (Non-Current Portion)		1,259,686,356	1,171,027,548	688,250,000	689,500,000
Retirement Benefits Obligation		3,717,010	3,418,885	2,623,036	2,699,911
Total Non - Current Liabilities		1,263,403,366	1,174,446,433	690,873,036	692,199,911
Current Liabilities					
Trade and Other Payables		253,911,779	287,397,503	216,496,311	223,655,131
Borrowings - (Current Portion)		453,505,799	514,964,011	431,877,522	407,315,699
Amounts Due to Related Parties		35,228,223	13,028,223	28,314,830	13,814,830
Other Non-Financial Liabilities		93,587,745	49,373,831	58,175,250	31,281,910
Bank Overdrafts		158,478,432	114,366,759	146,853,556	110,678,806
Total Current Liabilities		994,711,977	979,130,327	881,717,468	786,746,375
Total Equity and Liabilities		5,409,383,475	5,397,482,482	4,652,497,427	4,616,929,740
Net Asset Value Per Share (Rs.)		6.39	6.58	6.24	6.36

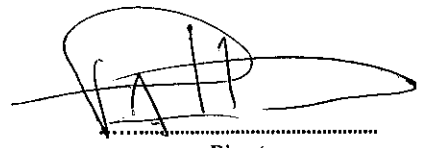
I Certify that these Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.


 Accountant

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.


 Director

Approved and signed for and on behalf of the Board,


 Director

Date: 10 November 2016
 Colombo.

Figures in brackets indicate deductions

Notes to the Financial Statements on Pages 5 to 6 form an integral part of these Financial Statements.

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2016 - (UNAUDITED)

Group	Stated Capital	Revaluation Reserve	Retained Earnings (at debit)	Non Controlling Interest	Total
Balance as at 01 April 2016	3,863,261,648	790,374,525	(1,409,729,858)	(592)	3,243,905,723
Total Comprehensive Income / (Expense) for the Period	-	-	(92,637,593)	2	(92,637,591)
Balance as at 30 September 2016	3,863,261,648	790,374,525	(1,502,367,451)	(590)	3,151,268,132
Balance as at 01 April 2015	3,863,261,648	717,115,313	(1,167,285,515)	(1,091)	3,413,090,355
Total Comprehensive Income / (Expense) for the Period	-	-	(103,837,540)	12	(103,837,528)
Balance as at 30 September 2015	3,863,261,648	717,115,313	(1,271,123,055)	(1,079)	3,309,252,827

Company	Stated Capital	Revaluation	Retained Earnings (at debit)	Total
Balance as at 01 April 2016	3,863,261,648	231,490,273	(956,768,467)	3,137,983,454
Total Comprehensive Income / (Expense) for the Period	-	-	(58,076,531)	(58,076,531)
Balance as at 30 September 2016	3,863,261,648	231,490,273	(1,014,844,998)	3,079,906,923
Balance as at 01 April 2015	3,863,261,648	231,490,273	(766,784,030)	3,327,967,891
Total Comprehensive Income / (Expense) for the Period	-	-	(65,038,251)	(65,038,251)
Balance as at 30 September 2015	3,863,261,648	231,490,273	(831,822,281)	3,262,929,640

Figures in brackets indicate deductions

Notes to the Financial Statements on Pages 5 to 6 form an integral part of these Financial Statements.

ANILANA HOTELS AND PROPERTIES PLC

(Expressed in Sri Lankan Rupees)

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER (UNAUDITED)	Group		Company	
	2016	2015	2016	2015
Cash Flows from Operating Activities				
Loss Before Taxation	(92,637,591)	(103,837,528)	(58,076,531)	(65,038,251)
Adjustments for;				
Depreciation	79,031,006	76,236,000	41,250,000	39,300,000
Amortization of Intangible Assets	693,810	346,905	693,810	346,905
Amortization of Leasehold land	555,000	666,000	-	-
Gratuity Charge for the Year	1,125,000	1,350,000	750,000	900,000
Net Gain from Financial Assets at Fair Value through Profit or Loss	-	(426,137)	-	424,272
Profit on Disposal of Shares	(1,077,069)	-	(1,077,069)	-
Profit on Disposal of Motor Vehicles	(1,815,625)	-	(1,815,625)	-
Interest Expenses	95,482,895	72,629,768	68,760,500	51,827,355
Interest Income	-	(14,840)	-	(8,778)
Operating Loss Before Working Capital Changes	81,357,427	46,950,170	50,485,086	27,751,503
Changes in Working Capital				
Inventories	1,729,847	(1,596,274)	1,049,632	821,410
Trade and Other Receivables	(55,118,420)	(31,732,782)	(30,065,917)	(15,660,720)
Amounts Due from Related Parties	26,229,755	(185,211)	2,646,535	(20,727,658)
Other Non-Financial Assets	3,715,347	(1,651,581)	1,328,254	(2,177,737)
Trade and Other Payables	(33,485,725)	31,566,524	(7,158,820)	20,637,398
Amounts Due to Related Parties	22,200,001	32,962,936	14,500,000	34,738,278
Other Non-Financial Liabilities	44,213,914	18,156,929	26,893,340	10,160,891
Cash Generated from Operations	90,842,146	94,470,711	59,678,110	55,543,365
Gratuity Paid	(826,875)	-	(826,875)	-
Interest Paid	(95,482,895)	(72,629,768)	(68,760,500)	(51,827,355)
Net Cash Flow from Operating Activities	(5,467,624)	21,840,943	(9,909,265)	3,716,010
Cash Flows from Investing Activities				
Acquisition of Property, Plant and Equipment / WIP	(13,596,300)	(48,238,923)	1,633,790	(40,046,409)
Investment in Shares	-	1,901,355	-	1,049,081
Proceeds from Disposal of Motor Vehicles	1,815,625	-	1,815,625	-
Proceeds from Disposal of Shares	3,563,441	-	3,563,442	-
Interest Received	-	14,840	-	8,778
Net Cash used in Investing Activities	(8,217,234)	(46,322,728)	7,012,857	(38,988,550)
Cash Flows from Financing Activities				
Net Proceeds from Loans	27,200,596	(25,202,940)	23,311,822	(8,908,952)
Net Cash used in Financing Activities	27,200,596	(25,202,940)	23,311,822	(8,908,952)
Net Changes in Cash and Cash Equivalents During the Period	13,515,738	(49,684,725)	20,415,413	(44,181,492)
Cash and Cash Equivalents at Beginning of the Period	(109,839,719)	(91,981,449)	(108,205,654)	(94,681,896)
Cash and Cash Equivalents at End of the Period	(96,323,982)	(141,666,174)	(87,790,241)	(138,863,388)

Figures in brackets indicate deductions

Notes to the Financial Statements on Pages 5 to 6 form an integral part of these Financial Statements.

ANILANA HOTELS AND PROPERTIES PLC
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2016

1. Reporting Entity

Anilana Hotels & Properties PLC is a Company incorporated and domiciled in Sri Lanka. The Registered office of the Company was located at 14, Reid Avenue, Colombo 07.

The consolidated financial statements of the company for the period ended 30 September 2016 comprise the Company and its Subsidiaries. The group has eight (8) subsidiaries including sub-subsidiaries.

2. Nature of Operations and Principal Business Activities

The Company's Principal Activities are Developing and Managing Hotels.

3. Basis of Preparation

The condensed interim financial statements of the Company and the Group have been prepared in accordance with Sri Lanka Accounting Standard - LKAS 34 Interim Financial Reporting. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the period ended 31 March 2016.

4. Estimates and Policies

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

There were no changes in estimates of amounts reported in prior financial years that may have a material effect in the current quarter and financial period to date.

In preparing the interim financial statements, the significant judgments made by the management in applying the Group's accounting policies and the sources of estimates uncertainty were consistent as those applied in the 2015/2016 (Latest) Audited Financial Statements.

5. Capital

There was no issuance of shares during the quarter ended 30 September 2016.

No of Ordinary Shares as at end of the period were 493,308,514

Market Price Movement

for the Period Ended 30 th September	2016/2017-2 nd Quarter		2015/2016-2 nd Quarter	
	Date	Price(Rs)	Date	Price(Rs)
Highest	08/08/2016	2.50	02/07/2015	5.70
Lowest	30/09/2016	1.80	30/09/2015	4.40
Closing		1.80		4.40

6. Significant Transactions

There were no unusual items affecting assets, liabilities, equity, net income or cash flows due to their nature, size or incidence for the financial period ended 30 September 2016.

ANILANA HOTELS AND PROPERTIES PLC
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2016

Shareholding

Twenty largest shareholders of the company as at 30th September 2016

	Name of the Shareholders	No. of Shares	% Holding
1	Mr.A.C.Senevirathne 73,042,265 First Capital Markets Ltd/Mr. A.C. Seneviratne 19,203,342 People's Leasing & Finance PLC/Mr. A.C. Seneviratne 36,081,857	128,327,464	26.014
2	HSBC Intl Nominees Ltd - BBH Gmoemerging Markets Fund	103,983,101	21.079
3	Investor Access Equities (Pvt) Ltd 22,199,863 Seylan Bank PLC/Investor Access Equities (Pvt) Ltd 10,810,000 Nation Lanka Capital Ltd/Investor Access Equities (Pvt) Ltd 200,000	33,209,863	6.732
4	First Capital Markets Ltd/Asia Fort Assets Management (Pvt) Ltd 16,494,100 Asia Fort Asset Management (Pvt) Ltd 17,971,085	34,465,185	6.987
5	Ms. M.C. Amerasinghe	20,000,001	4.054
6	Nation Lanka Finance PLC	13,907,348	2.819
7	Pan Asia Banking Corporation PLC/Mr. Hiyare Hewage	10,352,006	2.098
8	Mr. O.E.H. Kalvo	9,857,109	1.998
9	Seylan Bank PLC/Janashakthi LTD	9,278,007	1.881
10	First Capital Markets Ltd/Anilana Collection (Pvt) Ltd	8,877,877	1.800
11	Nation Lanka Capital Ltd/Jerome Radley Jude Ephraim	8,369,784	1.697
12	Sandwave Ltd	7,894,196	1.600
13	HINL-BBH-GMO Funds PLC	7,259,665	1.472
14	Janashakthi Limited Account No. 01	6,000,000	1.216
15	HSBC Intl Nom Ltd-SSBT-MDPIM Emerging Markets Equity Pool	4,200,000	0.851
16	Pan Asia Banking Corporation PLC/Mr. Mohottalage Nihal Ranasinghe	4,000,000	0.811
17	Mr. A I Lovell	3,637,000	0.737
18	Ceyquartz MBI (Pvt) Ltd	3,333,400	0.676
19	Ms. S.M. Senevirathne	2,900,000	0.588
20	Gravity Resort Group Kathiraveli Ltd	2,722,142	0.552
	Major Shareholder Total	422,574,148	85.661
	Balance	70,734,366	14.339
	Total	493,308,514	100.00

The public shareholding as at 30 September 2016 being 32.27% comprising of 1510 shareholders.

Directors' Shareholding

Number of shares held by directors as at 30 September 2016.

Name of the Shareholders	No. of Shares	% Holding
Mr. P.L. Amerasinghe	966,667	0.196
Mr. A.C. Senevirathne	128,327,464	26.014
Mrs. M.C. Senevirathne	20,000,001	4.054
Mr. A.G. Punchihewa	40,000	0.008

Dividends

No dividends have been declared during the period.

7. Events after the Reporting Period

There are no material events after the reporting date that require adjustments to or disclosure in financial statements.

8. Capital Commitment and Contingencies

There were no material Capital Commitment and Contingent Liabilities as at 30 September 2016.