

JETWING SYMPHONY PLC

Company Registration Number -
PV/PB 13254 PQ

INTERIM REPORT

First Quarter

THREE MONTHS ENDED 30TH JUNE 2018

JETWING SYMPHONY PLC

CORPORATE INFORMATION

NAME OF COMPANY	Jetwing Symphony PLC Company Number PV/PB 13254 PQ
LEGAL FORM	Public quoted Company with Limited Liability incorporated in Sri Lanka in 2007 The ordinary shares of the Company were Listed in the Colombo Stock Exchange on 5th January 2018
BOARD OF DIRECTORS	N.J.H.M.Cooray - Chairman N.T.M.S.Cooray (Ms) K.K. Reddy (Ms) N.Wadugodapitiya Dr. V. Kannangara L.K Porter G. Rocchi Y. Fernando (Ms) S. D. Amalean
SECRETARIES	Corporate Services (Pvt) Ltd 216, De Saram Place Colombo 10. Phone : 4718200
AUDITORS	Messrs Ernst & Young Chartered Accountants 201, De Saram Place Colombo 10.
HOTEL OPERATION & MARKETING	Jetwing Hotels Ltd "Jetwing House" 46/26, Nawam Mawatha Colombo 2. Phone : 4709400 E-mail : reservations@jetwinghotels.com Web : www.jetwinghotels.com
REGISTERED OFFICE	"Jetwing House" 46/26, Nawam Mawatha Colombo 2.

JETWING SYMPHONY PLC

INVESTOR INFORMATION

Market Value of Shares *	30.06.2018 (Rs.)	31.03.2018 (Rs.)
Closing price on	13.40	13.50
Highest price recorded for the three months ending	15.00	16.00
Lowest price recorded for the three months ending	11.00	13.20
Market Capitalisation (Rs.Mn.)	6,729	6,780

Ratios

Net assets per share	10.41	10.70
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Share trading for the Three months ended*

Number of transactions	80	385
Number of shares traded	8,344	274,849
Value of shares traded (Rs.)	109,825	4,102,354

Twenty Largest Shareholders as at 30th June 2018

Name of Shareholder	No of Shares as at 30.06.2018	%
01. Jetwing Travels (Pvt) Ltd	93,767,471	18.67
02. R.O.K. International Holdings Ltd	90,909,091	18.10
03. Blue Oceanic Beach Hotel (Pvt) Ltd	66,214,150	13.19
04. Employees Provident Fund	35,454,545	7.06
05. N.J. Cooray Builders (Pvt) Ltd	29,088,096	5.79
06. MS. A.M.J. Cooray	27,374,055	5.45
07. Amaliya Private Limited	25,109,400	5.00
08. Sri Lanka Shipping Company Ltd	22,727,273	4.53
09. MR. N.J.H.M. Cooray	21,060,311	4.19
10. MS. N.T.M.S. Cooray	19,179,297	3.82
11. RMP Partners Ltd	11,505,676	2.29
12. Jetwing Hotels Management Services (Pvt) Ltd	5,562,059	1.11
13. St. Andrew's Hotel (Pvt) Ltd	5,100,000	1.02
14. Seylan Bank PLC. - A/C NO. 3	3,328,749	0.66
15. MR. N.H.V. Perera	3,176,609	0.63
16. Nilaveli Beach Hotels (Pvt) Limited	3,102,755	0.62
17. MR. N.J.D.M. Cooray	3,061,439	0.61
18. MR. N.J.H.Coaray	2,861,439	0.57
MR. N.A.H.Coaray	2,861,439	0.57
MR. G.R.Coaray Arasaratnam	2,861,439	0.57
TOTAL	474,305,293	94.45

There were no non voting shares as at 30 June 2018

18.48% of the issued capital of the company was held by the public, comprising of 522 shareholders and a float adjusted market capitalisation of LKR 1,243,579,572 as at 30th June 2018. In terms of Rule 7.13.1.(b) of the listing rules of the Colombo Stock Exchange, the company qualifies under option 1 of the minimum public holding requirement.

Directors' shareholding.

Directors

Directors' Direct Share holding as at 30th June 2018

Mr. N.J.H.M. Cooray	21,060,311
Ms. N.T.M.S. Cooray	19,179,297
Mr. N. Wadugodapitiya	25,000
Ms. K.K. Reddy	-
Dr. V.J. Kannangara	-
Mr. L.K. Porter	-
Mr. G. Rocchi	-
Ms. T.M.J.Y.P. Fernando	-
S. D. Amalean	-

There has been no change in the Directors' shareholding during the 3 months ended 30th June, 2018

Note * - The Ordinary shares of the Company were listed in the Colombo Stock Exchange on 05th January 2018

JETWING SYMPHONY PLC
STATEMENT OF FINANCIAL POSITION

<i>As at</i>	Group		Company	
	Unaudited 30.06.2018 Rs.'000	Audited 31.03.2018 Rs.'000	Unaudited 30.06.2018 Rs.'000	Audited 31.03.2018 Rs.'000
ASSETS				
Non - Current Assets				
Property, Plant and Equipment	8,783,930	8,846,778	-	-
Prepaid Lease Rent	48,520	49,010	-	-
Intangible Assets	583,333	583,576	-	-
Investment in Subsidiary	-	-	5,119,233	5,119,233
Other Investments	3,781	3,066	-	-
	9,419,564	9,482,430	5,119,233	5,119,233
Current Assets				
Inventories	48,317	50,935	-	-
Trade and Other Receivables	118,993	207,884	147	258
Income Tax Receivable	460	386	-	-
Other Current Financial Assets	354,240	352,973	350,310	344,083
Cash at Bank and in Hand	42,375	73,898	196	782
	564,385	686,076	350,653	345,123
Total Assets	9,983,949	10,168,506	5,469,886	5,464,356
EQUITY AND LIABILITIES				
Equity Attributable to equity holders of the Parent				
Stated Capital	5,509,276	5,509,276	5,509,276	5,509,276
Revaluation Reserve	709,822	709,822	-	-
Available for Sale Reserve	7,947	(495)	8,024	318
Retained Earnings/ (Losses)	(1,000,401)	(845,143)	(49,123)	(47,494)
	5,226,644	5,373,460	5,468,177	5,462,100
Non Controlling Interest	19,085	22,543	-	-
Total Equity	5,245,729	5,396,003	5,468,177	5,462,100
Non-Current Liabilities				
Interest-bearing Loans & Borrowings	2,661,121	2,793,047	-	-
Post-Employment Benefit Liability	24,745	23,880	-	-
Deferred Tax liability	210,867	210,867	-	-
	2,896,733	3,027,794	-	-
Current Liabilities				
Current portion of Interest-bearing Loans & Borrowings	1,607,499	1,467,934	267	-
Trade and Other Payables	233,988	276,567	1,442	2,047
Income Tax Payable	-	208	-	209
	1,841,487	1,744,709	1,709	2,256
Total Liabilities	4,738,220	4,772,503	1,709	2,256
Total Equity and Liabilities	9,983,949	10,168,506	5,469,886	5,464,356

The Statement of Financial Position as at 30th June 2018, the Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the Three months ended are drawn up from the unaudited financial statements of the Group/Company and they provide the information required by the Colombo Stock Exchange.

It is certified that the financial statements have been prepared in compliance with the requirements of the Companies Act No.7 of 2007.

C.S.R.S. Anthony
Director- Jetwing Hotels Ltd, Managing Agents

The Board of Directors is responsible for the preparation and presentation of these financial statements. Signed for and on behalf of the Board by.

N.J.H.M. Cooray
Chairman

N.Wadugodapitiya
Director

Colombo
09th August 2018

JETWING SYMPHONY PLC
STATEMENT OF PROFIT OR LOSS - GROUP

Year Ended Audited 31.03.2018 Rs.'000	03 months ended	Unaudited 30.06.2018 Rs.'000	Unaudited 30.06.2017 Rs.'000	Variance Favourable/ (Unfavourable)
1,515,032 Revenue		298,652	266,599	12%
(275,005) Cost of Sales		(57,032)	(56,050)	(2%)
1,240,027 Gross Profit		241,620	210,549	
12,885 Other Income & Gains		1,621	433	274%
(66,926) Marketing & Promotional Expenses		(13,710)	(14,505)	5%
(771,549) Administrative Expenses		(183,121)	(173,709)	(5%)
414,437 Profit from Operations		46,410	22,768	104%
(305,679) Depreciation		(81,486)	(76,733)	(6%)
(427,076) Finance Expenses		(105,999)	(101,299)	(5%)
1,092 Finance Income		39	199	(80%)
(29,774) Exchange Gain/(Loss) from Conversion of Foreign Currency Loan		(17,727)	(8,534)	(108%)
(347,000) Profit/(Loss) Before Tax		(158,763)	(163,599)	3%
(1,618) Income Tax Expenses		47	(391)	112%
(348,618) Profit/(Loss) for the Period		(158,716)	(163,990)	3%
Attributable to:				
(341,860) Equity holders of the Parent		(155,258)	(160,121)	
(6,758) Non-controlling Interest		(3,458)	(3,869)	
(348,618)		(158,716)	(163,990)	
Earnings per share for the (0.74) period (Basic)-Rs.		(0.31)	(0.35)	

Notes

1. Stated Capital
Issued and fully paid
5,509,276 502,188,559 Ordinary Shares **5,509,276** 4,755,994
2. Figures in brackets indicate deductions

JETWING SYMPHONY PLC

STATEMENT OF PROFIT OR LOSS - COMPANY

Year Ended Audited 31.03.2018 Rs.'000	03 months ended		Variance Favourable/ (Unfavourable)
	Unaudited 30.06.2018 Rs.'000	Unaudited 30.06.2017 Rs.'000	
- Revenue	-	-	
- Cost of Sales	-	-	
- Gross Profit	-	-	
10,841 Other Income & Gains	21	41	(49%)
- Marketing & Promotional Expenses	-	-	
(10,770) Administrative Expenses	(1,643)	(1,386)	(18%)
71 Profit from Operations	(1,622)	(1,345)	(21%)
(18) Finance Cost	(7)	(11)	32%
4,904 Finance Income	0	1,398	(100%)
4,957 Profit/(Loss) Before Tax	(1,629)	42	(3957%)
(1,395) Income Tax Expenses	-	(392)	100%
3,562 Profit/(Loss) for the Period	(1,629)	(350)	(365%)

Notes

1. Stated Capital	
Issued and fully paid	
5,509,276	502,188,559 Ordinary Shares
5,509,276	4,755,994

2. Figures in brackets indicate deductions

JETWING SYMPHONY PLC

STATEMENT OF OTHER COMPREHENSIVE INCOME -GROUP

Year Ended Audited		03 months ended Unaudited	Unaudited
31.03.2018 Rs.'000		30.06.2018 Rs.'000	30.06.2017 Rs.'000
(348,618)	Net Profit/(Loss) for the period	(158,716)	(163,990)
	Other Comprehensive Income		
	<i>Other Comprehensive Income to be reclassified to Statement of Profit or Loss in subsequent periods :</i>		
12,006	Gain/(Loss) on Available for Sale-Financial Instruments	8,547	219
(11,446)	Reclassification adjustments for Gains included in the Income Statement	(105)	(45)
	<i>Other Comprehensive Income not to be reclassified to Statement of Profit or Loss in subsequent periods :</i>		
(619)	Actuarial Losses on Post-Employment Benefit Liabilities	-	-
179,350	Revaluation Surplus of Freehold Land	-	-
(210,867)	Deferred Tax on Revaluation Surplus	-	-
(31,576)	Other Comprehensive Income/(Loss) for the Period	8,442	174
(380,194)	Total Comprehensive Income/(Loss) for the Period	(150,274)	(163,816)
	Attributable to:		
(373,433)	Equity holders of the Parent Company	(146,816)	(159,947)
(6,761)	Non-controlling Interest	(3,458)	(3,869)
(380,194)		(150,274)	(163,816)

STATEMENT OF OTHER COMPREHENSIVE INCOME -COMPANY

Year Ended Audited		03 months ended Unaudited	Unaudited
31.03.2018 Rs.'000		30.06.2018 Rs.'000	30.06.2017 Rs.'000
3,562	Net Profit/(Loss) for the period	(1,629)	(350)
	Other Comprehensive Income		
	<i>Other Comprehensive Income to be reclassified to Statement of Profit or Loss in subsequent periods :</i>		
11,151	Gain/(Loss) on Available for Sale-Financial Instruments	7,727	59
(10,841)	Reclassification adjustments for Gains included in the Income Statement	(21)	(41)
310	Other Comprehensive Income/(Loss) for the Period	7,706	18
3,872	Total Comprehensive Income/(Loss) for the Period	6,077	(332)

JETWING SYMPHONY PLC

STATEMENT OF CHANGES IN EQUITY

GROUP

	Attributable to Equity Holders of parent.....						
	Stated Capital	Available for sale Reserve	Revaluation Reserve	Retained Earnings	Total	Non Controlling Interest	Total Equity
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 01st April 2017	4,755,994	(1,055)	741,339	(485,822)	5,010,456	29,305	5,039,761
Profit / (Loss) for the period	-	-	-	(160,121)	(160,121)	(3,869)	(163,990)
Other Comprehensive Income/(Loss)	-	174	-	-	174	-	174
Total Comprehensive Income/(Loss)	-	174	-	(160,121)	(159,947)	(3,869)	(163,816)
Balance as at 30th June 2017	<u>4,755,994</u>	<u>(881)</u>	<u>741,339</u>	<u>(645,943)</u>	<u>4,850,509</u>	<u>25,436</u>	<u>4,875,945</u>
Balance as at 01st April 2018	5,509,276	(495)	709,822	(845,143)	5,373,460	22,543	5,396,003
Profit / (Loss) for the Period	-	-	-	(155,258)	(155,258)	(3,458)	(158,716)
Other Comprehensive Income	-	8,442	-	-	8,442	-	8,442
Total Comprehensive Income	-	8,442	-	(155,258)	(146,816)	(3,458)	(150,274)
Balance as at 30th June 2018	<u>5,509,276</u>	<u>7,947</u>	<u>709,822</u>	<u>(1,000,401)</u>	<u>5,226,644</u>	<u>19,085</u>	<u>5,245,729</u>

JETWING SYMPHONY PLC

STATEMENT OF CHANGES IN EQUITY

COMPANY

	Stated Capital Rs.'000	Available For sale Reserve Rs.'000	Retained Earnings Rs.'000	Total Rs.'000
Balance as at 01st April 2017	4,755,994	8	(34,210)	4,721,792
Profit/ (Loss) for the Period	-	-	(350)	(350)
Other Comprehensive Income	-	18	-	18
Total Comprehensive Income	-	18	(350)	(332)
Issue of shares	-	-	-	-
Balance as at 30th June 2017	<u>4,755,994</u>	<u>26</u>	<u>(34,560)</u>	<u>4,721,460</u>
Balance as at 01st April 2018	5,509,276	318	(47,494)	5,462,100
Profit / (Loss) for the Period	-	-	(1,629)	(1,629)
Other Comprehensive Income	-	7,706	-	7,706
Total Comprehensive Income	-	7,706	(1,629)	6,077
Balance as at 30th June 2018	<u>5,509,276</u>	<u>8,024</u>	<u>(49,123)</u>	<u>5,468,177</u>

JETWING SYMPHONY PLC

STATEMENT OF CASH FLOWS

	GROUP		COMPANY	
	Unaudited 03 months ended 30.06.2018 Rs.'000	Unaudited 03 months ended 30.06.2017 Rs.'000	Unaudited 03 months ended 30.06.2018 Rs.'000	Unaudited 03 months ended 30.06.2017 Rs.'000
Cash Flows from Operating Activities				
Profit/(Loss) before Tax	(158,763)	(163,599)	(1,629)	42
Adjustments for				
Interest Received	(39)	(199)	(0)	(1,398)
Depreciation & Amortization	82,220	77,328	-	-
Finance Costs	105,999	101,299	7	11
(Profit)/Loss on Disposal of Fixed Assets	(637)	-	-	-
Capital Gain on Sale of Investments	(105)	(45)	(21)	(41)
Exchange (Gain)/Loss on Foreign Currency Loan Conversion	17,727	8,534	-	-
Provision for Retirement Benefit Obligation	1,632	1,621	-	-
Operating Profit/(Loss) before Working Capital Changes	48,034	24,940	(1,643)	(1,385)
(Increase)/Decrease in Inventories	2,618	(5,851)	-	-
(Increase)/Decrease in Trade and Other Receivables	88,941	50,769	111	(6,336)
Increase/(Decrease) in Trade and Other Payables	(42,521)	(108,192)	(546)	42
Cash Generated from/(Used in) Operations	97,074	(38,334)	(2,078)	(7,679)
Income Tax Paid	(236)	(1)	(209)	-
Finance Cost Paid	(105,999)	(101,299)	(7)	(11)
Defined Benefit Plan Costs Paid net of transfers	(767)	(149)	-	-
Net Cash from/(Used in) Operating Activities	(9,929)	(139,784)	(2,294)	(7,690)
Cash Flows from/(Used in) Investing Activities				
Acquisition of Property, Plant and Equipment and Intangible assets	(22,938)	(74,394)	-	-
Proceeds from Sale of Property, Plant and Equipment	4,687	-	-	-
Net Investment in Unit Trust	6,600	6,700	1,500	6,500
Interest Received	39	199	0	1,398
Investment in Subsidiaries net of cash acquired	-	-	-	(50)
Net Cash Flows from/(Used in) Investing Activities	(11,612)	(67,496)	1,500	7,848
Cash Flows from/(Used in) Financing Activities				
Repayment of Finance Lease	(213)	(219)	-	-
Net Proceeds/(Repayment) of Bank Loan	(80,492)	82,152	-	-
Cost of Issue of Shares	(59)	-	(59)	-
Proceeds received from Grants	200	-	-	-
Net Cash Flows From (Used in) Financing Activities	(80,564)	81,933	(59)	-
Net Increase/(Decrease) in Cash & Cash Equivalents	(102,104)	(125,346)	(853)	157
Cash and Cash Equivalents at the beginning of the period	(722,832)	(574,550)	782	811
Cash and Cash Equivalents at the end of the period	(824,936)	(699,896)	(71)	968
Cash and Bank Balance	42,375	37,217	149	968
Short Term Deposit	2,815	-	47	-
Bank Overdraft	(870,126)	(737,113)	(267)	-
	(824,936)	(699,896)	(71)	968

1. Principal Activities and Nature of Operations

Jetwing Symphony Ltd is the holding company that owns, directly and indirectly, investments in number of companies that are involved in business of hoteliering.

2. Basis of Preparation

The interim financial statements have been prepared in accordance with the Sri Lanka Accounting Standard (LKAS) 34- Interim financial reporting.

3. Changes in Accounting Policies

These interim financial statements have been prepared in accordance with the accounting policies set out in the Annual Report for the year ended 31.03.2018 except for the new standards adopted.

SLFRS 09-Financial instruments

Sri Lanka Accounting standard SLFRS 9- "Financial instruments" is effective for annual reporting periods beginning on or after 01st January 2018. Accordingly In reporting interim results companies are required to comply with the SLFRS 09.

However according to "statement of alternative treatment (SoAT) on the figures in the interim financial statements " issued by the Institute of Chartered Accountants of sri lanka companies are granted an option to prepare interim financial statements with LKAS 39.

Accordingly we have prepared the Interim financial statements for the quarter ended 30 th June 2018 based on LKAS 39.

Based on the assessments done, the impact on application of SLFRS 09 for the comprehensive income & net assets of the Group is expected to be immaterial for the period ended 30th June 2018.

SLFRS 15 -Revenue from Contracts with Customers

SLFRS 15 supersedes LKAS 11 Construction Contracts, LKAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. Under SLFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

According to SLFRS 15 it is required to identify the terms of the contract, all facts & circumstances related to the contracts with the customers. Further Standard has established a 5 step model to recognize the revenue from the contracts with the customers. Accordingly Standard requires to identify the performance obligations of the contracts & recognition of revenue should be done based on the completion of the performance obligations.

Based on the initial assessment performed the Group noted that SLFRS 15 does not have a material impact on Group's consolidated financial statements for the period ended 30th June 2018.

4. There are no significant contingent liabilities as at 30th June 2018, other than the following,

A local authority has claimed a fee amounting to 1% of turnover for the issuance of trade license for the year 2017 & 2018 from a Group company. The company does not agree with such claim. The estimated contingent liability as at 30/06/2018 is Rs 9.5 Mn.

JETWING SYMPHONY PLC

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 30 JUNE 2018

5. Information for the Three months to 30th June, 2017 has been reclassified to conform with the current presentation where applicable.
6. There are no distinguishable components to be identified as segments for the Company.
7. No circumstances have arisen since the reporting date, which would require adjustments to or disclosure in the Financial Statements other than following:

- a. The Master Plan of Jetwing Kandy was to construct 26 rooms in two stages. The initial plan was to complete 17 rooms at an estimated cost Rs 500 million and the rest to be developed at a later date.

Due to the delay in final approvals, the board of Jetwing Symphony PLC has now decided to construct the 26 rooms in one stage as per the Master Plan at an estimated cost of Rs 753 million. This leaves the total cost per room unchanged at c. Rs 29 million, in line with prospectus.

The equity contribution has been increased to Rs 380 million (In addition to Revaluation reserve) using the IPO allocation of Rs 300 million, the saving on IPO expenses of Rs 14 million and interest income on IPO proceeds. The remaining Rs 350 million will be funded via debt.

8. Two months of the period under review relates to the off-season of the tourism industry in Sri Lanka.

JETWING SYMPHONY PLC

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 30 JUNE 2018

9. The Company has collected IPO funds LKR 753,282,840/- for the said objectives of the prospectus. Current status of the utilization of the said objectives are listed below:

Objective number	Objective as per Prospectus	Amount allocated as per Prospectus in (LKR Mn)	Proposed date of utilization as per Prospectus	Amount allocated in LKR Mn (A)	% of total proceeds	Amount utilized in LKR Mn (B)	% of utilized against allocation (B/A)	Clarification if not fully utilized including where the funds are invested (eg: whether lent to related party/s etc)
1	Investment in The Riverbank (Private) Limited for project completion	300	January 2018 - July 2019	300	39.8%	-	-	Unutilized funds have been temporarily invested with Capital Alliance Investments Ltd.
2	Investment in Pottuvil Point (Private) Limited for project completion	50	4th quarter FY18	50	6.6%	50	100%	
3	Investment in Cultural Heritage (Private Limited) for the settlement of debt	200	4th quarter FY18	200	26.6%	200	100%	
4	Investment in Jetwing Kaduruketha (Private Limited) for the settlement of debt	150	4th quarter FY18	150	19.9%	150	100%	
5	Financing future investments and working capital requirements	15	January 2018 – March 2019	15	2.0%	-	-	Unutilized funds have been temporarily invested with Capital Alliance Investments Ltd
6	Settlement of IPO costs	38	January 2018 – March 2018	38	5.1%	24	63%	The Company has saved c. LKR 14 Mn from the initial estimate for IPO costs. The remaining funds would be utilized for further investment in Jetwing Kandy Gallery or other future projects if required. The unutilized funds have been temporarily invested with Capital Alliance Investments Ltd.
	Total	753		753		424	56%	