

# Corporate*Craftsmanship*



John Keells Holdings PLC  
Interim Condensed Financial Statements  
Six months ended 30 September 2017



## Chairman's Review

Dear Stakeholder,

The cumulative profit before tax (PBT) for the first half of the financial year 2017/18 at Rs.9.04 billion is an increase of 3 per cent over the PBT of Rs.8.75 billion recorded in the same period of the previous financial year. The Group PBT in the second quarter of the financial year 2017/18 amounted to Rs.4.95 billion against the Rs.5.17 billion recorded in the corresponding period of the previous financial year, being a decrease of 4 per cent.

The profit attributable to equity holders in the first half at Rs.6.56 billion is an increase of 7 per cent over the corresponding period of the previous financial year while the Rs.3.73 billion recorded in the second quarter is a decrease of 1 per cent over the previous year.

The cumulative revenue for the first half of the financial year 2017/18 at Rs.56.45 billion is an increase of 16 per cent over the revenue of Rs.48.49 billion recorded in the corresponding period of the previous financial year. The revenue at Rs.29.62 billion for the quarter under review is a 15 per cent increase over the Rs.25.76

billion recorded in the previous financial year.

The Company PBT for the first half of the financial year 2017/18 at Rs.5.54 billion and at Rs.2.18 billion for the second quarter are 21 per cent and 26 per cent, respectively, above the corresponding periods of 2016/17.

### Transportation

The Transportation industry group PBT of Rs.1.07 billion in the second quarter of 2017/18 is an increase of 60 per cent over the second quarter of the previous financial year [2016/17 Q2: Rs.668 million]. The increase in profitability is mainly attributable to the Group's Bunkering, and Ports and Shipping businesses. During the quarter under review, the Port of Colombo witnessed a year-on-year growth of 8 per cent whilst South Asia Gateway Terminals (SAGT) recorded a growth in throughput of 16 per cent. The overall capacity utilisation of the Port of Colombo is now in excess of 75 per cent, demonstrating the strong potential for continued capacity led growth. Profitability of the Group's Bunkering businesses, Lanka Marine Services (LMS), increased as a result of double digit growth in volumes. During

the quarter under review, LMS commissioned "MT Mahaweli", a double hulled bunker barge and the first of its kind in Sri Lanka further enhancing LMS's overall storage capacity and delivery efficiency.

### Leisure

The Leisure industry group PBT of Rs.838 million in the second quarter of 2017/18 is a decrease of 39 per cent over the second quarter of the previous financial year [2016/17 Q2: Rs.1.36 billion]. As noted in my previous message, "Cinnamon Dhonveli Maldives" and "Ellaidhoo Maldives by Cinnamon" were partially closed for refurbishments and "Bentota Beach by Cinnamon" was closed for reconstruction during the quarter under review. These impacted the profitability in the Maldivian and Sri Lankan Resorts segments, whilst the City Hotel sector witnessed a decrease in occupancies and average room rates primarily as a result of the increase in room inventory within Colombo.

### Property

The Property industry group PBT of Rs.57 million in the second quarter of 2017/18 is an increase of 10 per cent over the second quarter of the previous financial year

## Chairman's Review

[2016/17 Q2: Rs.52 million]. The increase in profitability is mainly attributable to the higher rental income received from the property businesses. The construction of Cinnamon Life is progressing well. In keeping with the Group's strategy of creating a robust pipeline of new projects, work has commenced in identifying suitable lands with development potential. The first of these new projects, being a large residential development in a prime location in Central Colombo, will be launched in the fourth quarter of 2017/18.

### Consumer Foods and Retail

The Consumer Foods and Retail industry group PBT of Rs.1.12 billion in the second quarter of 2017/18 is a decrease of 30 per cent against the second quarter of the previous financial year [2016/17 Q2: Rs.1.60 billion]. The decline in profitability is mainly on account of the lower volumes in the Frozen Confectionery and Beverage businesses, where a continued tapering of demand was witnessed in the quarter as a result of subdued consumer discretionary spending. The Retail sector continued to record a steady growth in customer footfall. This contributed positively

towards a year-on-year growth in same store sales. Notable incremental contributions were seen from the newly opened outlets as well. However, overall profitability was impacted on account of a higher payroll cost arising from the "1,000 Jobs" campaign which was successfully carried out in August 2017 resulting in the hire of 1,100 new employees. The campaign was undertaken primarily to cater to the staffing requirements of the new outlets which are due to be opened in the ensuing two quarters in line with the expansion plans of the sector. During the quarter under review, six new outlets were opened, bringing the total store count to 70 stores as at 30 September 2017.

### Financial Services

The Financial Services industry group PBT of Rs.376 million in the second quarter of 2017/18 is an increase of 54 per cent over the second quarter of the previous financial year [2016/17 Q2: Rs.244 million]. The increase in profitability is mainly on account of Nations Trust Bank PLC (NTB) which recorded encouraging loan growth. Union Assurance PLC, aided by user-friendly paperless apps, recorded

double digit growth in gross written premiums.

In keeping with the enhanced capital requirements arising from the introduction of Basel III, NTB has announced a rights issue of 4 convertible non-voting shares per 23 ordinary voting shares held at Rs.80.00 per share. The shares will be convertible to ordinary voting shares on a quarterly basis as stipulated by the Bank. NTB expects to raise a total of Rs.3.21 billion, of which the JKH share of the rights issue would amount to Rs.959 million. Your Company will fully subscribe to its entitlement. The JKH Group currently holds 29.9 per cent in NTB.

The Director of Bank Supervision of the Central Bank of Sri Lanka (CBSL) has by letter dated 12 October 2017 informed NTB that the Monetary Board of the CBSL has permitted the John Keells Group to retain its current shareholdings in the Bank till 31 December 2020 and to reduce it to 15 per cent with effect from that date. The Monetary Board has also required NTB to limit the voting rights of the John Keells Group to 10 per cent with effect

from 31 March 2018. NTB will continue to be an associate company of the JKH Group. The Group's External Auditors have concurred with this position.

### Information Technology

The Information Technology industry group PBT of Rs.141 million in the second quarter of 2017/18 is a decrease of 13 per cent over the second quarter of the previous financial year [2016/17 Q2: Rs.162 million]. In September 2017, the Group divested its stake in its subsidiary, John Keells BPO Solutions India (Private) Limited.

### Other, Including Plantation Services

Other, comprising of the Holding Company and other investments, and the Plantation Services sector recorded a PBT of Rs.1.35 billion in the second quarter of 2017/18, being an increase of 25 per cent over the second quarter of the previous financial year [2016/17 Q2: Rs.1.08 billion]. The increase in PBT is mainly attributable to the increase in finance income due to higher interest rates. The Plantations Services sector recorded an improvement in profitability due to improved tea prices and operational efficiencies.

### Sustainability Initiatives

Demonstrating the ongoing efficiency initiatives implemented by the Group, the carbon footprint and water withdrawn per million rupees of revenue decreased by 10 per cent and 19 per cent respectively to 0.81 MT and 15.96 cubic meters. In absolute terms, the carbon footprint increased by 3 per cent to 24,703 MT mainly as a result of increased operational activities in the Retail sector and the inclusion of Cinnamon Air to the Group's sustainability reporting scope whilst water withdrawal decreased by 8 per cent to 484,284 cubic meters mainly due to decreased operational activities in the Consumer Foods sector and the closing down of "Bentota Beach by Cinnamon" for refurbishment. The performance, when assessed against the 2020 Group sustainability goals, indicates a 4 per cent increase in energy usage and a 7 per cent reduction in water usage during the quarter under review compared to the corresponding quarter of the baseline year 2015/16. The Group continuously monitors the progress towards the established goals and will strive to achieve the 2020 Goal. Group employees were

provided with approximately 16 hours of training per employee, whilst 32 occupational injuries were reported during the quarter under review.

### Corporate Social Responsibility

Following are some of the highlights of the activities of John Keells Foundation (JKF) during the quarter under review.

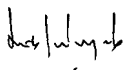
- Under the John Keells English Language Scholarship Programme, pre-intermediate and intermediate level classes of English for Teens Programme commenced. An Immersion English Camp was piloted at the School for the Blind in Ratmalana.
- Under the Neighbourhood Schools Development Project, the annual Career Guidance Programme was successfully conducted for 134 Ordinary level students from 6 schools.
- Four Science Day Programmes were conducted in Ampara, Monaragala, Anuradhapura and Vavuniya benefiting 502 students and 35 teachers.

## Chairman's Review

- The John Keells Vision Project completed another 246 surgeries resulting in a total of 972 cataract surgeries during the 6 months of this financial year. Meanwhile, 9,035 school children in the Colombo district underwent vision screening and 633 eye glasses were donated to students.
- Under "Project WAVE" (Working Against Violence through Education), 1,206 Group staff were sensitised on gender based violence and child abuse while awareness for supervisory staff focusing on preventing sexual harassment at the workplace was initiated. Under police-related initiatives implemented in partnership with The Asia Foundation in the Mullaitivu District, nine community outreach programs were conducted with the support of trained police officers, benefiting 583 community members in five police areas.
- JKF supported the Marine Environment Protection Authority in a series of beach cleaning programs to commemorate National Coastal and Marine Resources Conservation Week together with the Group's Plastic Cycle initiative. 100 John Keells volunteers participated in this initiative.
- Cinnamon Hotels and Resorts together with the European Union National Institute for Culture, organised the fifth edition of Cinnamon Colomboscope, a multi-disciplinary arts festival. The 6-day festival which focused on the theme of environmental sustainability attracted 68 local and foreign artists and an estimated 3,050 visitors. JKF sponsored the participation of 40 local artists and speakers. The event provided valuable exposure for Sri Lankan artists.

### Dividend

Your Board declared a first interim dividend of Rs.2.00 per share to be paid on 23 November 2017.



**Susantha Ratnayake**  
Chairman

2 November 2017

## Consolidated Income Statement

	Note	Quarter ended 30 September			Six months ended 30 September		
		2017	2016	Change %	2017	2016	Change %
<b>Continuing operations</b>							
Sale of goods		20,120,923	16,299,311	23	38,709,622	31,484,405	23
Rendering of services		9,503,308	9,456,539	0	17,736,624	17,003,434	4
<b>Revenue</b>		<b>29,624,231</b>	<b>25,755,850</b>	<b>15</b>	<b>56,446,246</b>	<b>48,487,839</b>	<b>16</b>
Cost of sales		(22,498,218)	(17,839,410)	26	(42,614,205)	(33,936,796)	26
<b>Gross profit</b>		<b>7,126,013</b>	<b>7,916,440</b>	<b>(10)</b>	<b>13,832,041</b>	<b>14,551,043</b>	<b>(5)</b>
Other operating income		547,658	451,581	21	1,030,618	729,727	41
Selling and distribution expenses		(992,523)	(943,794)	5	(1,997,042)	(1,902,499)	5
Administrative expenses		(3,188,091)	(2,865,226)	11	(6,447,580)	(5,606,912)	15
Other operating expenses		(778,851)	(881,015)	(12)	(1,559,051)	(1,675,327)	(7)
<b>Results from operating activities</b>		<b>2,714,206</b>	<b>3,677,986</b>	<b>(26)</b>	<b>4,858,986</b>	<b>6,096,032</b>	<b>(20)</b>
Finance cost		(116,409)	(36,647)	218	(260,773)	(307,865)	(15)
Finance income		2,524,579	2,535,637	0	5,994,359	4,642,734	29
Change in insurance contract liabilities	6	(1,410,403)	(1,783,401)	(21)	(3,627,451)	(3,195,908)	14
Share of results of equity accounted investees		1,237,550	777,387	59	2,072,260	1,519,891	36
<b>Profit before tax</b>		<b>4,949,523</b>	<b>5,170,962</b>	<b>(4)</b>	<b>9,037,381</b>	<b>8,754,884</b>	<b>3</b>
Tax expense	8	(941,413)	(977,860)	(4)	(2,013,436)	(1,914,347)	5
<b>Profit for the period</b>		<b>4,008,110</b>	<b>4,193,102</b>	<b>(4)</b>	<b>7,023,945</b>	<b>6,840,537</b>	<b>3</b>
<b>Attributable to:</b>							
Equity holders of the parent		3,730,049	3,768,965	(1)	6,562,805	6,140,016	7
Non-controlling interest		278,061	424,137	(34)	461,140	700,521	(34)
		4,008,110	4,193,102	(4)	7,023,945	6,840,537	3
		<b>LKR.</b>	<b>LKR.</b>		<b>LKR.</b>	<b>LKR.</b>	
<b>Earnings per share</b>							
Basic		2.69	2.77		4.73	4.52	
Diluted		2.69	2.77		4.73	4.51	
<b>Dividend per share</b>		-	-		2.00	1.50	

Note : All values are in LKR '000s, unless otherwise stated.  
 Figures in brackets indicate deductions.  
 The above figures are not audited.

## Consolidated Statement of Comprehensive Income

	Note	Quarter ended 30 September		Six months ended 30 September	
		2017	2016	2017	2016
Profit for the period		4,008,110	4,193,102	7,023,945	6,840,537
Other comprehensive income					
Other comprehensive income to be reclassified to income statement in subsequent periods					
Currency translation of foreign operations		(67,683)	151,455	324,176	(193,018)
Net (loss)/gain on cash flow hedges		4,281	84,162	(19,927)	(131,413)
Share of other comprehensive income of equity- accounted investees		142,635	89,188	201,477	82,384
Net gain/(loss) on available-for-sale financial assets		419,391	202,845	863,923	275,753
Net other comprehensive income to be reclassified to income statement in subsequent periods		498,624	527,650	1,369,649	33,706
Other comprehensive income not to be reclassified to income statement in subsequent periods					
Revaluation of land and buildings		67,000	-	67,000	-
Remeasurement gain / (loss) on defined benefit plans		-	-	(9,600)	-
Net other comprehensive income not to be reclassified to income statement in subsequent periods		67,000	-	57,400	-
Tax on other comprehensive income	8	(1,865)	-	(2,701)	(1,185)
Other comprehensive income for the period, net of tax		563,759	527,650	1,424,348	32,521
Total comprehensive income for the period, net of tax		4,571,869	4,720,752	8,448,293	6,873,058
Attributable to:					
Equity holders of the parent		4,244,545	4,268,449	7,877,030	6,196,563
Non-controlling interest		327,324	452,303	571,263	676,495
		4,571,869	4,720,752	8,448,293	6,873,058

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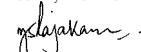
# Consolidated Statement of Financial Position

As at	30.09.2017	31.03.2017
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	66,570,328	64,396,373
Lease rentals paid in advance	13,039,426	13,206,058
Investment property	9,757,885	5,366,180
Intangible assets	1,974,909	2,118,160
Investments in equity accounted investees	21,446,426	17,718,887
Non current financial assets	32,053,951	27,666,621
Deferred tax assets	177,028	143,548
Other non current assets	45,414,659	41,692,316
	190,434,612	172,308,143
<b>Current assets</b>		
Inventories	5,694,928	5,605,712
Trade and other receivables	11,209,273	11,687,429
Amounts due from related parties	441,810	111,639
Other current assets	4,491,869	3,265,327
Short term investments	73,261,762	79,174,327
Cash in hand and at bank	5,481,727	5,119,185
	100,581,369	104,963,619
<b>Total assets</b>	<b>291,015,981</b>	<b>277,271,762</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Stated capital	62,795,866	62,790,080
Revenue reserves	81,384,484	77,193,184
Other components of equity	40,184,377	38,651,568
	184,364,727	178,634,832
<b>Non-controlling interest</b>	15,364,372	15,695,543
<b>Total equity</b>	<b>199,729,099</b>	<b>194,330,375</b>
<b>Non-current liabilities</b>		
Insurance contract liabilities	35,034,644	31,700,278
Interest bearing loans and borrowings	17,881,163	14,202,636
Deferred tax liabilities	2,432,976	2,336,241
Employee benefit liabilities	1,976,811	1,880,287
Other deferred liabilities	747,778	838,891
Other non-current liabilities	4,414,006	3,933,882
	62,487,378	54,892,215
<b>Current liabilities</b>		
Trade and other payables	13,358,280	14,136,040
Amounts due to related parties	19,596	10,434
Income tax liabilities	2,594,147	2,395,379
Short term borrowings	2,107,071	1,380,238
Interest bearing loans and borrowings	1,472,670	2,918,854
Other current liabilities	2,448,140	2,944,118
Bank overdrafts	6,799,600	4,264,109
	28,799,504	28,049,172
<b>Total equity and liabilities</b>	<b>291,015,981</b>	<b>277,271,762</b>
	<b>LKR.</b>	<b>LKR.</b>
Net assets per share	132.88	128.75

Note : All values are in LKR '000s, unless otherwise stated.

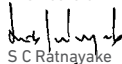
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I certify that the financial statements comply with the requirements of the Companies Act No.7 of 2007.



M J S Rajakariar  
Group Financial Controller

The Board of Directors is responsible for the preparation and presentation of these financial statements.



S C Ratnayake  
Chairman



J R F Peiris  
Group Finance Director

# Consolidated Statement of Cash Flows

For the six months ended 30 September	Note	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before working capital changes	A	3,566,296	5,155,051
(Increase) / Decrease in inventories		(89,216)	(433,393)
(Increase) / Decrease in trade and other receivables		267,336	1,405,368
(Increase) / Decrease in other current assets		(839,721)	(505,989)
(Increase) / Decrease in other non-current assets		(3,430,280)	(1,927,300)
Increase / (Decrease) in trade and other payables and other non-current liabilities		(348,172)	(859,338)
Increase / (Decrease) in other current liabilities		(494,129)	244,352
Increase / (Decrease) in insurance contract liabilities		3,334,366	3,079,044
<b>Cash generated from operations</b>		<b>1,966,480</b>	<b>6,157,795</b>
Finance income received		5,681,976	4,211,866
Finance costs paid		(260,773)	(211,927)
Dividend received		350,698	313,205
Tax paid		(2,152,217)	(2,428,789)
Gratuity paid		(92,466)	(98,176)
<b>Net cash flow from operating activities</b>		<b>5,493,698</b>	<b>7,943,974</b>
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>			
Purchase and construction of property, plant and equipment		(3,884,953)	(2,240,348)
Purchase of intangible assets		(23,080)	(51,267)
Purchase of lease rights		-	(176,472)
Addition to investment property		(4,391,705)	(98)
Acquisition of subsidiaries (net of cash acquired)	7.1	(78,584)	-
Investment in equity accounted investees	7.2	(1,804,500)	-
Proceeds from sale of property, plant and equipment and intangible assets		167,911	430,215
Proceeds from sales of non-current investments	7.4	130,827	-
Proceeds from sale of financial instruments - fair valued through profit or loss		506,451	313,722
Purchase of financial instruments - fair valued through profit or loss		(640,479)	(460,135)
(Purchase) / disposal of short term investments (net)		(22,833,407)	(21,141,148)
(Purchase) / disposal of non current financial assets (net)		(3,505,518)	(4,790,628)
Grants received for investing activities		24,606	59,431
<b>Net cash flow from / (used in) investing activities</b>		<b>(36,332,431)</b>	<b>(28,056,728)</b>
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		4,203	39,324
Changes in non controlling interest		10,598	65,660
Settlement of other deferred liability		-	(115,407)
Dividend paid to equity holders of parent		(2,774,934)	(1,784,105)
Dividend paid to shareholders with non-controlling interest		(538,002)	(518,595)
Proceeds from long term borrowings		4,258,495	295,931
Repayment of long term borrowings		(2,148,003)	(1,503,861)
Proceeds from/(repayment of) other financial liabilities (net)		726,833	311,722
<b>Net cash flow from / (used in) financing activities</b>		<b>(460,810)</b>	<b>(3,209,331)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(31,299,543)</b>	<b>(23,322,085)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING</b>		<b>47,643,605</b>	<b>48,398,696</b>
<b>CASH AND CASH EQUIVALENTS AT THE END</b>		<b>16,344,062</b>	<b>25,076,611</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>			
<b>Favorable balances</b>			
Short term investments		17,661,935	24,402,060
Cash in hand and at bank		5,481,727	3,929,986
<b>Unfavorable balances</b>			
Bank overdrafts		(6,799,600)	(3,255,435)
<b>Total cash and cash equivalents</b>		<b>16,344,062</b>	<b>25,076,611</b>

Note : All values are in LKR '000s, unless otherwise stated.  
 Figures in brackets indicate deductions.  
 The above figures are not audited.

For the six months ended 30 September	Note	2017	2016
<b>A. Profit before working capital changes</b>			
Profit before tax		9,037,381	8,754,884
<b>Adjustments for:</b>			
Finance income		(5,994,359)	(4,642,734)
Finance cost		260,773	307,865
Share-based payment expense		248,566	215,638
Share of results of equity accounted investees		(2,072,260)	(1,519,891)
Depreciation of property, plant and equipment		1,679,347	1,392,790
(Profit)/loss on sale of property, plant and equipment and intangible assets		(126,666)	6,418
Profit on sale of investment in subsidiaries	7.4	(28,575)	-
Amortisation of lease rentals paid in advance		218,028	327,063
Amortisation of intangible assets		166,331	165,246
Amortisation of other deferred liabilities		(11,528)	(8,914)
Gratuity provision and related costs		180,496	160,304
Goodwill Impairment	7.1	23,445	-
Accumulated unrecognised (gain)/ loss net		(31,392)	-
Unrealised (gain) / loss on foreign exchange (net)		16,709	(3,618)
		<b>3,566,296</b>	<b>5,155,051</b>

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## Consolidated Statement of Changes in Equity

Note	Attributable to equityholders of parent							Non-controlling interest	Total Equity
	Stated capital	Revaluation reserve	Foreign currency translation reserve	Cash flow hedge reserve	Other capital reserves	Available for sale reserve	Revenue reserves		
<b>As at 1 April 2016</b>	58,701,977	20,846,190	7,080,979	-	958,310	(170,217)	67,564,513	13,498,570	168,480,322
Profit for the period	-	-	-	-	-	-	6,140,016	700,521	6,840,537
Other comprehensive income	-	(1,185)	(196,694)	(123,410)	-	377,836	-	(24,026)	32,521
Total comprehensive income	-	(1,185)	(196,694)	(123,410)	-	377,836	6,140,016	676,495	6,873,058
Exercise of share options	39,324	-	-	-	-	-	-	39,324	-
Share based payments	-	-	-	-	215,638	-	-	-	215,638
Final dividend paid - 2015/16	-	-	-	-	-	-	(1,784,105)	-	(1,784,105)
Subsidiary dividend to non-controlling interest	-	-	-	-	-	-	383,159	(901,754)	(518,595)
Acquisition, disposal and changes in non-controlling interest	-	-	-	-	-	-	46,682	18,978	65,660
<b>As at 30 September 2016</b>	58,741,301	20,845,005	6,884,285	(123,410)	1,173,948	207,619	72,350,265	160,079,013	173,371,302
<b>As at 1 April 2017</b>	62,790,080	28,994,792	8,303,895	312,529	1,402,656	(362,304)	77,193,184	15,695,543	194,330,375
Profit for the period	-	-	-	-	-	-	6,562,805	461,140	7,023,945
Other comprehensive income	-	30,799	337,051	(18,787)	-	936,763	28,399	110,123	1,424,348
Total comprehensive income	-	30,799	337,051	(18,787)	-	936,763	6,591,204	571,263	8,448,293
Exercise of share options	4,203	-	-	-	-	-	-	4,203	-
Share based payments	1,583	-	-	-	246,983	-	248,566	-	248,566
Final dividend paid - 2016/17	-	-	-	-	-	-	(2,774,934)	-	(2,774,934)
Subsidiary dividend to non-controlling interest	-	-	-	-	-	-	364,437	(902,439)	(538,002)
Acquisition, disposal and changes in non-controlling interest	-	-	-	-	-	-	10,593	5	10,598
<b>As at 30 September 2017</b>	62,795,866	29,025,591	8,640,946	293,742	1,649,639	574,459	81,384,484	15,364,372	199,729,099

Note : All values are in LKR '000s, unless otherwise stated.

Figures in brackets indicate deductions.

The above figures are not audited.

## Company Income Statement

	Note	Quarter ended 30 September			Six months ended 30 September		
		2017	2016	Change %	2017	2016	Change %
<b>Continuing operations</b>							
Rendering of services		331,754	271,769	22	654,287	525,900	24
<b>Revenue</b>		331,754	271,769	22	654,287	525,900	24
Cost of sales		(172,977)	(149,546)	16	(345,728)	(295,536)	17
<b>Gross profit</b>		158,777	122,223	30	308,559	230,364	34
Dividend income		816,052	643,604	27	2,567,853	2,761,034	(7)
Other operating income		3,559	1,793	98	7,273	8,557	(15)
Administrative expenses		(303,383)	(258,960)	17	(619,730)	(526,447)	18
Other operating expenses		(7,238)	(8,313)	(13)	(15,852)	(20,739)	(24)
<b>Results from operating activities</b>		667,767	500,347	33	2,248,103	2,452,769	(8)
Finance cost		(9,384)	40,560	(123)	(36,989)	(147,382)	(75)
Finance income		1,522,957	1,195,361	27	3,328,842	2,284,257	46
<b>Profit before tax</b>		2,181,340	1,736,268	26	5,539,956	4,589,644	21
Tax expense	8	(367,652)	(257,545)	43	(719,969)	(489,660)	47
<b>Profit for the period</b>		1,813,688	1,478,723	23	4,819,987	4,099,984	18
		<b>LKR.</b>	<b>LKR.</b>		<b>LKR.</b>	<b>LKR.</b>	
<b>Dividend per share</b>		-	-		2.00	1.50	

Note : All values are in LKR '000s, unless otherwise stated.

Figures in brackets indicate deductions.

The above figures are not audited.

## Company Statement of Comprehensive Income

	Note	Quarter ended 30 September		Six months ended 30 September	
		2017	2016	2017	2016
Profit for the period		1,813,688	1,478,723	4,819,987	4,099,984
Other comprehensive income					
Other comprehensive income to be reclassified to income statement in subsequent periods					
Net gain/(loss) on available-for-sale financial assets		4,240	7,513	9,859	12,528
Net other comprehensive income to be reclassified to income statement in subsequent periods		4,240	7,513	9,859	12,528
Tax on other comprehensive income	8	-	-	-	-
Other comprehensive income for the period, net of tax		4,240	7,513	9,859	12,528
Total comprehensive income for the period, net of tax		1,817,928	1,486,236	4,829,846	4,112,512

Note : All values are in LKR '000s, unless otherwise stated.  
 Figures in brackets indicate deductions.  
 The above figures are not audited.

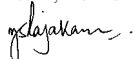
# Company Statement of Financial Position

As at	30.09.2017	31.03.2017
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	101,506	93,913
Intangible assets	31,302	30,801
Investments in subsidiaries	51,206,121	42,987,395
Investments in equity accounted investees	8,910,801	8,910,800
Non current financial assets	2,889,523	2,789,980
Other non current assets	19,695	16,254
	63,158,948	54,829,143
<b>Current assets</b>		
Trade and other receivables	108,025	118,076
Amounts due from related parties	503,356	286,735
Other current assets	93,374	99,442
Short term investments	55,409,895	60,243,280
Cash in hand and at bank	1,418,956	304,265
	57,533,606	61,051,798
<b>Total assets</b>	<b>120,692,554</b>	<b>115,880,941</b>
<b>EQUITY AND LIABILITIES</b>		
Stated capital	62,795,866	62,790,080
Revenue reserves	52,033,548	49,988,495
Other components of equity	1,761,718	1,504,876
<b>Total equity</b>	<b>116,591,132</b>	<b>114,283,451</b>
<b>Non-current liabilities</b>		
Employee benefit liabilities	256,797	217,910
Other deferred liabilities	-	103,218
	256,797	321,128
<b>Current liabilities</b>		
Trade and other payables	408,712	330,078
Amounts due to related parties	5,176	210,029
Income tax liabilities	363,456	635,532
Other current liabilities	11,626	16,441
Bank overdrafts	3,055,655	84,282
	3,844,625	1,276,362
<b>Total equity and liabilities</b>	<b>120,692,554</b>	<b>115,880,941</b>
	LKR.	LKR.
Net assets per share	84.03	82.37

Note : All values are in LKR '000s, unless otherwise stated.

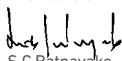
The above figures are not audited.

I certify that the financial statements comply with the requirements of the Companies Act No.7 of 2007.

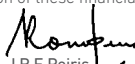


M J S Rajakariar  
Group Financial Controller

The Board of Directors is responsible for the preparation and presentation of these financial statements.



S C Ratnayake  
Chairman



J R F Peiris  
Group Finance Director

# Company Statement of Cash Flows

For the six months ended 30 September	Note	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		5,539,956	4,589,644
<b>Adjustments for:</b>			
Finance income		(3,328,842)	(2,284,257)
Dividend income		(2,567,853)	(2,761,034)
Finance cost		36,989	147,382
Profit / Loss on sale of non-current investments		-	1,649
Depreciation of property, plant and equipment		14,131	18,181
Profit/ (loss) on sale of property, plant and equipment and intangible assets		(349)	(17)
Amortisation of intangible assets		9,623	10,429
Share based payment expenses		76,462	61,196
Gratuity provision and related costs		18,936	14,110
<b>Profit before working capital changes</b>		<b>(200,947)</b>	<b>(202,717)</b>
(Increase) / Decrease in trade and other receivables		6,555	8,761
(Increase) / Decrease in other current assets		6,068	47,798
(Increase) / Decrease in other non-current assets		(3,441)	1,190
Increase / (Decrease) in trade and other payables		(231,270)	47,772
Increase / (Decrease) in other current liabilities		(4,815)	20,163
<b>Cash generated from operations</b>		<b>(427,850)</b>	<b>(77,033)</b>
Finance income received		3,526,503	1,932,318
Finance costs paid		(35,157)	(147,997)
Dividend received		2,378,825	3,138,808
Tax paid		(992,045)	(519,963)
Gratuity paid		(4,148)	(6,389)
<b>Net cash flow from operating activities</b>		<b>4,446,128</b>	<b>4,319,744</b>
<b>CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES</b>			
Purchase and construction of property, plant and equipment		(21,878)	(2,191)
Purchase of intangible assets		(10,124)	-
Investment in subsidiaries		(6,177,680)	-
Increase in interest in subsidiaries		(1,868,940)	(2,584,043)
Proceeds from sale of property, plant and equipment		502	20
Proceeds from sale of non-current investments		-	36,357
(Purchase) / disposal of short term investments (net)		(23,796,091)	(20,723,625)
(Purchase) / disposal of non current financial assets (net)		(17,697)	16,453
<b>Net cash flow from/(used in) investing activities</b>		<b>(31,891,908)</b>	<b>(23,257,029)</b>
<b>CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		4,203	39,324
Settlement of other deferred liabilities		-	(199,893)
Dividend paid		(2,774,934)	(1,784,105)
Repayment of long term borrowings		-	(725,295)
<b>Net cash flow from / (used in) financing activities</b>		<b>(2,770,731)</b>	<b>(2,669,969)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(30,216,511)</b>	<b>(21,607,254)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING</b>		<b>39,989,190</b>	<b>37,135,335</b>
<b>CASH AND CASH EQUIVALENTS AT THE END</b>		<b>9,772,679</b>	<b>15,528,081</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>			
<b>Favorable balances</b>			
Short term investments		11,409,378	15,524,083
Cash in hand and at bank		1,418,956	45,427
<b>Unfavorable balances</b>			
Bank overdrafts		(3,055,655)	(41,429)
<b>Total cash and cash equivalents</b>		<b>9,772,679</b>	<b>15,528,081</b>

Note : All values are in LKR '000s, unless otherwise stated.

Figures in brackets indicate deductions.

The above figures are not audited.



## Company Statement of Changes in Equity

	Note	Stated capital	Other capital reserves	Available for sale reserve	Revenue reserves	Total Equity
<b>As at 1 April 2016</b>		58,701,977	958,310	126,307	41,121,860	100,908,454
Profit for the period		-	-	-	4,099,984	4,099,984
Other comprehensive income		-	-	12,528	-	12,528
Total comprehensive income		-	-	12,528	4,099,984	4,112,512
Exercise of share options		39,324	-	-	-	39,324
Share based payments		-	215,638	-	-	215,638
Final dividend paid - 2015/16	11	-	-	-	(1,784,105)	(1,784,105)
<b>As at 30 September 2016</b>		58,741,301	1,173,948	138,835	43,437,739	103,491,823
<b>As at 1 April 2017</b>		62,790,080	1,402,656	102,220	49,988,495	114,283,451
Profit for the period		-	-	-	4,819,987	4,819,987
Other comprehensive income		-	-	9,859	-	9,859
Total comprehensive income		-	-	9,859	4,819,987	4,829,846
Exercise of share options		4,203	-	-	-	4,203
Share based payments		1,583	246,983	-	-	248,566
Final dividend paid - 2016/17	11	-	-	-	(2,774,934)	(2,774,934)
<b>As at 30 September 2017</b>		62,795,866	1,649,639	112,079	52,033,548	116,591,132

Note : All values are in LKR '000s, unless otherwise stated.  
 Figures in brackets indicate deductions.  
 The above figures are not audited.

# Notes to the Interim Condensed Financial Statements

## Operating segment information

### Business segments

The following tables present revenue, profit information and other disclosures regarding Group's business segments.

	Transportation		Leisure		Property	
For the Quarter ended 30 September	2017	2016	2017	2016	2017	2016
External revenue	3,984,253	2,247,846	5,797,683	6,419,304	166,087	230,428
Inter segment revenue	113,076	88,786	13,086	7,006	53,538	51,775
<b>Total segment revenue</b>	<b>4,097,329</b>	<b>2,336,632</b>	<b>5,810,769</b>	<b>6,426,310</b>	<b>219,625</b>	<b>282,203</b>
Eliminations of inter segment revenue						
<b>Net revenue</b>						
<b>Segment results</b>	<b>131,839</b>	<b>187,691</b>	<b>746,503</b>	<b>1,300,527</b>	<b>44,588</b>	<b>40,540</b>
Finance cost	(13,166)	(5,813)	(54,276)	(47,443)	(7,165)	(11,330)
Finance income	36,401	30,489	131,591	95,962	25,033	30,498
Share of results of equity accounted investees	844,183	495,505	18,353	18,739	2,574	-
Eliminations / adjustments	66,220	(40,276)	(3,967)	(4,206)	(7,971)	(7,719)
<b>Profit / (loss) before tax</b>	<b>1,065,477</b>	<b>667,596</b>	<b>838,204</b>	<b>1,363,579</b>	<b>57,059</b>	<b>51,989</b>
Tax expense	(25,114)	(16,314)	(118,738)	(155,521)	(12,428)	(12,314)
<b>Profit / (loss) for the period</b>	<b>1,040,363</b>	<b>651,282</b>	<b>719,466</b>	<b>1,208,058</b>	<b>44,631</b>	<b>39,675</b>
Purchase and construction of PPE*	347,930	27,440	1,134,776	683,577	6,957	148
Addition to IA*	-	-	-	-	-	-
Depreciation of PPE*	29,506	24,753	375,619	390,507	4,776	7,340
Amortisation / impairment of IA*	768	420	16,773	16,773	193	333
Amortisation of LRPA*	-	-	103,222	157,916	5,077	5,761
Gratuity provision and related costs	4,816	3,379	35,989	29,434	808	807

Note : All values are in LKR '000s, unless otherwise stated.

Figures in brackets indicate deductions.

The above figures are not audited.

\*PPE (Property, plant and equipment), IA (Intangible assets), LRPA (Lease rentals paid in advance)

Consumer Foods & Retail		Financial Services		Information Technology		Others		Group Total	
2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
13,045,388	11,497,731	2,539,331	2,067,438	3,197,235	2,563,859	894,254	729,244	29,624,231	25,755,850
172,684	84,381	69	106	75,867	46,657	235,819	183,171	664,139	461,882
13,218,072	11,582,112	2,539,400	2,067,544	3,273,102	2,610,516	1,130,073	912,415	30,288,370	26,217,732
								(664,139)	(461,882)
								29,624,231	25,755,850
1,092,114	1,544,964	(28,283)	(40,864)	363,560	154,462	(131,781)	(233,960)	2,218,540	2,953,360
(3,736)	(4,896)	(130)	(5)	(8,677)	(1,218)	(29,259)	34,058	(116,409)	(36,647)
34,506	66,379	31,857	21,644	9,701	8,447	1,528,165	1,278,640	1,797,254	1,532,059
-	-	372,440	263,143	-	-	-	-	1,237,550	777,387
(3,000)	(3,000)	-	-	(223,861)	4	(14,833)	-	(187,412)	(55,197)
1,119,884	1,603,447	375,884	243,918	140,723	161,695	1,352,292	1,078,738	4,949,523	5,170,962
(330,457)	(461,047)	(1,279)	1,216	(44,323)	(28,619)	(409,074)	(305,261)	(941,413)	(977,860)
789,427	1,142,400	374,605	245,134	96,400	133,076	943,218	773,477	4,008,110	4,193,102
949,022	742,233	4,001	16,467	65,460	26,181	23,135	6,398	2,531,281	1,502,444
386	-	2,749	22,409	1,746	2,727	1	-	4,882	25,136
246,661	200,268	17,828	20,610	41,346	31,493	29,225	33,654	744,961	708,625
3,298	2,986	55,400	55,221	1,874	2,789	5,065	5,085	83,371	83,607
756	-	-	-	-	-	293	293	109,348	163,970
22,555	26,882	6,524	5,569	4,763	5,031	12,837	10,968	88,292	82,070

# Notes to the Interim Condensed Financial Statements

## Operating segment information

### Business segments

The following tables present revenue, profit information and other disclosures regarding Group's business segments.

	Transportation		Leisure		Property	
For the six months ended 30 September	2017	2016	2017	2016	2017	2016
External revenue	7,536,965	4,485,794	10,696,006	11,248,175	335,875	461,866
Inter segment revenue	224,951	172,634	14,148	12,290	107,567	102,138
<b>Total Segment revenue</b>	<b>7,761,916</b>	<b>4,658,428</b>	<b>10,710,154</b>	<b>11,260,465</b>	<b>443,442</b>	<b>564,004</b>
Eliminations of inter segment revenue						
<b>Net revenue</b>						
<b>Segment result</b>	<b>321,285</b>	<b>339,664</b>	<b>859,238</b>	<b>1,837,329</b>	<b>96,849</b>	<b>94,951</b>
Finance cost	(25,042)	(9,789)	(118,456)	(88,870)	(14,610)	(21,664)
Finance income	63,621	56,721	257,046	166,795	49,750	51,560
Share of results of equity accounted investees	1,438,925	1,032,590	27,599	14,241	2,574	-
Eliminations / adjustments	73,273	(41,035)	(8,225)	(8,412)	(15,858)	(15,438)
<b>Profit / (loss) before tax</b>	<b>1,872,062</b>	<b>1,378,151</b>	<b>1,017,202</b>	<b>1,921,083</b>	<b>118,705</b>	<b>109,409</b>
Tax expense	(58,615)	(32,410)	(191,671)	(237,952)	(24,698)	(20,864)
<b>Profit / (loss) for the period</b>	<b>1,813,447</b>	<b>1,345,741</b>	<b>825,531</b>	<b>1,683,131</b>	<b>94,007</b>	<b>88,545</b>
Purchase and construction of PPE*	395,370	39,188	1,532,068	939,826	7,083	11,518
Addition to IA*	-	-	-	-	-	-
Depreciation of PPE*	54,258	49,183	958,121	772,498	10,771	10,814
Amortisation / impairment of IA*	1,537	840	33,546	33,546	386	333
Amortisation of LRPA*	-	-	206,119	316,323	10,153	10,153
Gratuity provision and related costs	8,867	6,789	67,576	55,943	1,678	1,342

Note : All values are in LKR '000s, unless otherwise stated.

Figures in brackets indicate deductions.

The above figures are not audited.

\*PPE (Property, plant and equipment), IA (Intangible assets), LRPA (Lease rentals paid in advance)

Consumer Foods & Retail		Financial Services		Information Technology		Others		Group Total	
2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
25,917,353	22,335,461	4,783,125	3,928,445	5,450,069	4,674,333	1,726,853	1,353,765	56,446,246	48,487,839
194,392	176,863	69	110	139,277	96,071	453,722	365,742	1,134,126	925,848
26,111,745	22,512,324	4,783,194	3,928,555	5,589,346	4,770,404	2,180,575	1,719,507	57,580,372	49,413,687
								(1,134,126)	(925,848)
								56,446,246	48,487,839
2,129,371	2,791,685	(54,946)	(95,069)	430,376	176,657	(228,420)	(212,193)	3,556,327	4,933,024
(8,385)	(10,358)	(309)	(5)	(13,856)	(6,596)	(80,115)	(170,583)	(260,773)	(307,865)
71,667	129,967	66,582	62,030	18,850	16,686	3,340,125	2,196,960	3,867,641	2,680,719
-	-	603,162	473,060	-	-	-	-	2,072,260	1,519,891
(6,000)	(6,000)	-	-	(223,857)	-	(14,833)	-	(195,500)	(70,885)
2,186,653	2,905,294	614,489	440,016	211,513	186,747	3,016,757	1,814,184	9,037,381	8,754,884
(641,387)	(838,123)	(4,529)	719	(63,430)	(55,823)	(1,029,106)	(729,894)	(2,013,436)	(1,914,347)
1,545,266	2,067,171	609,960	440,735	148,083	130,924	1,987,651	1,084,290	7,023,945	6,840,537
1,732,489	1,156,603	13,384	26,684	142,550	54,666	62,009	11,863	3,884,953	2,240,348
386	-	8,287	45,925	4,281	5,342	10,126	-	23,080	51,267
483,732	384,813	36,209	41,078	75,368	66,860	60,888	67,544	1,679,347	1,392,790
6,614	5,986	110,864	109,057	3,761	5,056	9,623	10,428	166,331	165,246
1,169	-	-	-	-	-	587	587	218,028	327,063
54,318	53,587	12,518	11,072	9,839	9,661	25,700	21,910	180,496	160,304

## Notes to the Interim Condensed Financial Statements

### Operating segment information

#### Business segments

The following table presents segment assets and liabilities of the Group's business segments.

	Transportation		Leisure		Property	
As at	30.09.2017	31.03.2017	30.09.2017	31.03.2017	30.09.2017	31.03.2017
Property, plant and equipment	841,953	500,463	43,805,058	43,251,774	2,325,875	2,318,107
Lease rentals paid in advance	-	-	11,366,217	11,495,184	243,932	245,301
Investment property	554,000	487,000	2,148,400	2,148,400	9,623,337	5,230,949
Intangible assets	12,535	14,072	340,645	374,191	2,578	2,963
Non-current financial assets	104,305	74,073	5,596,783	5,710,380	359,967	432,679
Other non-current assets	14,947	11,163	31,286	25,343	44,956,976	41,379,103
<b>Segment non-current assets</b>	<b>1,527,740</b>	<b>1,086,771</b>	<b>63,288,389</b>	<b>63,005,272</b>	<b>57,512,665</b>	<b>49,609,102</b>
Investments in equity accounted investees	12,282,262	11,118,544	505,109	512,143	1,807,074	-
Deferred tax assets						
Goodwill						
Eliminations / adjustments						
<b>Total non-current assets</b>						
Inventories	584,963	522,461	330,146	337,494	15,670	15,255
Trade and other receivables	1,958,538	1,685,506	2,302,827	3,474,959	411,300	941,864
Short term investments	1,839,450	2,053,279	5,238,511	8,188,744	825,359	987,176
Cash in hand and at bank	593,832	290,699	1,275,521	2,198,542	561,255	973,122
<b>Segment current assets</b>	<b>4,976,783</b>	<b>4,551,945</b>	<b>9,147,005</b>	<b>14,199,739</b>	<b>1,813,584</b>	<b>2,917,417</b>
Other current assets						
Eliminations / adjustments						
<b>Total current assets</b>						
<b>Total assets</b>						
Insurance contract liabilities	-	-	-	-	-	-
Interest bearing loans and borrowings	-	-	8,451,606	6,650,926	13,393,130	12,548,001
Employee benefit liabilities	74,569	84,859	645,409	638,131	42,805	29,435
Other deferred liabilities	1,080	1,640	136,296	120,007	561,643	558,435
Other non-current liabilities	10,986	10,267	-	-	4,215,044	3,730,151
<b>Segment non-current liabilities</b>	<b>86,635</b>	<b>96,766</b>	<b>9,233,311</b>	<b>7,409,064</b>	<b>18,212,622</b>	<b>16,866,022</b>
Deferred tax liabilities						
Eliminations / adjustments						
<b>Total non-current liabilities</b>						
Trade and other payables	1,229,644	847,988	1,503,621	2,074,128	569,278	1,382,676
Short term borrowings	2,116,476	1,389,643	981,154	3,487,404	-	-
Interest bearing loans and borrowings	-	-	1,168,439	2,662,075	190,898	181,645
Bank overdrafts	224,136	374,011	1,010,017	1,847,574	777,807	709,561
<b>Segment current liabilities</b>	<b>3,570,256</b>	<b>2,611,642</b>	<b>4,663,231</b>	<b>10,071,181</b>	<b>1,537,983</b>	<b>2,273,882</b>
Income tax liabilities						
Other current liabilities						
Eliminations / adjustments						
<b>Total current liabilities</b>						
<b>Total liabilities</b>						
Total segment assets	6,504,523	5,638,716	72,435,394	77,205,011	59,326,249	52,526,519
Total segment liabilities	3,656,891	2,708,408	13,896,542	17,480,245	19,750,605	19,139,904

Note : All values are in LKR '000s, unless otherwise stated.

Figures in brackets indicate deductions.

The above figures are not audited.

Consumer Foods & Retail		Financial Services		Information Technology		Others		Group Total	
30.09.2017	31.03.2017	30.09.2017	31.03.2017	30.09.2017	31.03.2017	30.09.2017	31.03.2017	30.09.2017	31.03.2017
10,531,463	9,290,844	1,475,730	1,498,964	324,795	260,153	1,283,138	1,287,795	60,588,012	58,408,100
147,776	174,701	-	-	-	-	40,092	40,679	11,798,017	11,955,865
207,042	207,042	-	-	-	-	3,434,063	3,434,063	15,966,842	11,507,454
31,459	37,685	788,969	891,546	28,826	28,305	31,303	30,802	1,236,315	1,379,564
258,867	226,097	27,889,575	23,645,619	62,088	57,131	2,949,001	2,827,038	37,220,586	32,973,017
655,138	553,357	76,898	51,378	14,042	15,994	30,997	21,603	45,780,284	42,057,941
11,831,745	10,489,726	30,231,172	26,087,507	429,751	361,583	7,768,594	7,641,980	172,590,056	158,281,941
-	-	6,851,981	6,088,200	-	-	-	-	21,446,246	17,718,887
								177,028	143,548
								-	738,596
								(3,778,898)	(4,574,829)
								190,434,612	172,308,143
3,726,343	3,840,380	15,213	14,966	723,929	676,063	323,054	217,483	5,719,318	5,624,102
3,106,681	2,720,088	797,181	1,415,290	2,120,383	1,938,636	411,562	1,084,448	11,108,472	13,260,791
1,156,856	553,219	8,925,562	9,318,833	703,131	994,577	55,619,836	60,565,974	74,308,705	82,661,802
540,429	232,360	573,106	336,648	840,604	580,119	1,519,294	456,679	5,904,041	5,068,169
8,530,309	7,346,047	10,311,062	11,085,737	4,388,047	4,189,395	57,873,746	62,324,584	97,040,536	106,614,864
								4,491,869	3,265,327
								(951,037)	(4,916,572)
								100,581,369	104,963,619
								291,015,981	277,271,762
-	-	35,034,644	31,700,278	-	-	-	-	35,034,644	31,700,278
1,142,451	289,896	-	-	36,299	-	12,000	12,000	23,035,486	19,500,823
591,465	549,079	145,082	138,656	110,620	106,889	375,624	333,238	1,985,574	1,880,287
48,744	55,490	-	-	-	-	686	103,991	748,449	839,563
187,977	193,464	-	-	-	-	-	-	4,414,007	3,933,882
1,970,637	1,087,929	35,179,726	31,838,934	146,919	106,889	388,310	449,229	65,218,160	57,854,833
								2,432,976	2,336,241
								(5,163,758)	(5,298,859)
								62,487,378	54,892,215
5,707,806	5,293,347	1,457,680	1,955,235	1,969,250	1,994,141	647,229	768,391	13,084,508	14,315,906
-	-	-	-	-	-	12,074	12,074	3,109,704	4,889,121
113,333	65,000	-	-	-	10,134	-	-	1,472,670	2,918,854
1,380,604	766,477	270,605	137,849	134,879	338,122	3,073,552	90,515	6,871,600	4,264,109
7,201,743	6,124,824	1,728,285	2,093,084	2,104,129	2,342,397	7,372,855	870,980	24,538,482	26,387,990
								2,594,147	2,395,379
								2,448,140	2,944,118
								(781,262)	(3,678,315)
								28,799,507	28,049,172
								91,286,885	82,941,387
20,362,054	17,835,773	40,542,234	37,173,244	4,817,798	4,550,978	65,642,340	69,966,564	269,630,592	264,896,805
9,172,380	7,212,753	36,908,011	33,932,018	2,251,048	2,449,286	4,121,165	1,320,209	89,756,642	84,242,823

## Notes to the Interim Condensed Financial Statements

### 1 CORPORATE INFORMATION

John Keells Holdings PLC. is a public limited company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. Ordinary shares of the company are listed on the Colombo Stock Exchange and Global Depository Receipts (GDRs) are listed on the Luxembourg Stock Exchange.

### 2 INTERIM CONDENSED FINANCIAL STATEMENTS

The financial statements for the period ended 30 September 2017, includes "the Company" referring to John Keells Holdings PLC., as the holding company and "the Group" referring to the companies whose accounts have been consolidated therein.

### 3 APPROVAL OF FINANCIAL STATEMENTS

The interim condensed financial statements of the Group and the Company for the 6 months ended 30 September 2017 were authorised for issue by the Board of Directors on 2 November 2017.

### 4 BASIS OF PREPARATION

The interim condensed financial statements have been prepared in compliance with Sri Lanka Accounting Standard LKAS 34 - Interim Financial Reporting. These interim condensed financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2017.

The presentation and classification of the financial statements of the previous period have been amended, where relevant, for better presentation and to be comparable with those of the current period.

The interim condensed financial statements are presented in Sri Lankan Rupees (LKR) and all values are rounded to the nearest thousand except when otherwise indicated.

### 5 OPERATING SEGMENTS

For management purposes, the Group is organised into business units based on their products and services and has seven reportable operating segments as follows:

- Transportation
- Leisure
- Property
- Consumer Foods & Retail
- Financial Services
- Information Technology
- Others

### 6 CHANGE IN INSURANCE CONTRACT LIABILITIES

The results of Union Assurance PLC are consolidated line by line into the Group's consolidated income statement. The change in insurance contract liabilities represents the transfer to the Life Fund, the difference between all income and expenditure attributable to life policy holders during the period.

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## 7 BUSINESS COMBINATIONS AND ACQUISITIONS OF NON-CONTROLLING INTERESTS

### 7.1 Obtaining control of subsidiaries

In June 2017, Mack International Freight (Pvt) Ltd (formerly known as NDO Lanka (Pvt) Ltd), became a fully owned subsidiary of the Group, arising from the buyout of 40% stake from the other venture partner, for a nominal value by John Keells Holdings PLC.

The fair value of assets acquired and liabilities assumed were as follows:

In LKR '000s	Mack International Freight (Pvt) Ltd
<b>ASSETS</b>	
Cash	3,211
Inventories	-
Trade and other receivables	125,200
Other current assets	26,425
Non-current financial assets	23,335
Non-current assets	524
Property, plant and equipment	1,445
<b>LIABILITIES</b>	
Bank overdrafts	(153,795)
Income tax liabilities	(12,040)
Other current liabilities	(795)
Trade and other payables	(64,588)
Employee benefit liabilities	(7,535)
Total identifiable net assets at fair value	(58,613)
Share of net assets acquired	(23,445)
Goodwill/(gain on bargain purchase)	23,445
Purchase consideration	-
Bank overdraft directly settled by other venture partner	72,000
Cash and cash equivalent acquired	(150,584)
Net cash on acquisition of the subsidiary	(78,584)

### 7.2 Investment in equity accounted investee

In September 2017, the Group acquired 50% stake with a total investment of LKR 1,804 mn in Baybrook Residential Properties (Pvt) Ltd. (formally known as Indra Holdings (Pvt) Ltd.).

### 7.3 Increase in interest in subsidiaries

John Keells Holdings PLC. (JKH) further invested LKR 1,868.94 Mn in Waterfront Properties (Pvt) Ltd. A subsidiary of JKH involving the developing, owning , managing, operating, selling, leasing and renting of a luxury multi/mixed use Integrated Resort.

## Notes to the Interim Condensed Financial Statements

## 7 BUSINESS COMBINATIONS AND ACQUISITIONS OF NON-CONTROLLING INTERESTS (Contd.)

## 7.4 Disposal of a subsidiary

In September 2017, the Group disposed of its 100% interest in John Keells BPO Solutions India (Pvt) Ltd for a sales consideration of LKR 633Mn.

The fair value of assets and liabilities disposed were as follows:

In LKR '000s	John Keells BPO Solutions India (Pvt) Ltd
<b>ASSETS</b>	
Cash	277,276
Short term investments	65,789
Trade and other receivables	287,142
Other current assets	81,657
Property, plant and equipment	48,741
<b>LIABILITIES</b>	
Bank overdrafts	(3,828)
Income tax liabilities	(27,756)
Other current liabilities	(5,121)
Trade and other payables	(109,937)
Employee benefit liabilities	(8,763)
Total identifiable net assets at fair value	605,200
Gain on disposal	28,575
Sales consideration	633,775
Deferred sales consideration	(229,500)
Cash and cash equivalent disposed	(273,448)
Net cash inflow on disposal of non current investments	130,827

## 8 TAX EXPENSE

	Group		Company	
For the six months ended 30 September	2017	2016	2017	2016
In LKR '000s				
<b>Income statement</b>				
Current income tax	1,980,137	1,885,474	719,969	489,660
Deferred tax charge/(reversal)	33,299	28,873	-	-
	2,013,436	1,914,347	719,969	489,660
<b>Other comprehensive Income</b>				
Deferred tax charge/(reversal)	(2,701)	(1,185)	-	-
	(2,701)	(1,185)	-	-

## 9 RELATED PARTY TRANSACTIONS

	Group		Company	
For the six months ended 30 September	2017	2016	2017	2016
In LKR '000s				
<b>Transactions with related parties</b>				
<b>Subsidiaries</b>				
Sale of goods	-	-	-	-
Purchase of goods	-	-	7,473	2,268
Rendering of services	-	-	414,352	329,108
Receiving of services	-	-	26,335	31,713
Rent paid	-	-	19,223	17,812
<b>Equity accounted investees</b>				
Sale of goods	13,318	27,669	-	-
Purchase of goods	18,747	11,147	-	-
Rendering of services	320,616	331,779	160,817	136,069
Receiving of services	291,529	325,414	73,378	83,280
Interest received	171,140	101,724	92,035	66,414
Interest paid	348	1,036	-	-
<b>Key management personnel (KMP)</b>				
Sale of goods	-	-	-	-
<b>Close family members of KMP</b>				
Sale of goods	-	-	-	-
<b>Companies controlled/jointly controlled/ significantly influenced by KMP and their close family members of KMP</b>				
Sale of goods	-	-	-	-
<b>Post employment benefit plan</b>				
Contributions to the provident fund	134,516	128,837	34,203	27,869

## Notes to the Interim Condensed Financial Statements

### 10 SHARE INFORMATION

#### 10.1 Stated capital

Stated capital is represented by number of shares in issue as given below:

As at	30-09-2017	30-06-2017
Ordinary shares	1,386,174,855	1,386,146,195
Global depository receipts	1,320,942	1,320,942

#### 10.2 Net assets per share

Net assets per share have been calculated, for all periods, based on the number of shares in issue as at 30 September 2017.

#### 10.3 Market price per share

For the quarter ended 30 September	2017 LKR.	2016 LKR.
Highest	179.00	159.00
Lowest	157.90	135.00
Last traded	162.50	154.00

#### 10.4 Public share holdings

The percentage of shares held by the public as at 30 September 2017 was 97.53% (30 June 2017 - 97.53%). The number of public shareholders as at 30 September 2017 was 10,992 (30 June 2017 - 11,000).

#### 10.5 Directors' share holdings

The number of shares held by the Board of Directors (including their spouses) are as follows:

As at	30-09-2017	30-06-2017
S C Ratnayake – Chairman/CEO	9,241,144	9,241,144
A D Gunewardene – Deputy Chairman	10,989,350	10,989,350
J R F Peiris	2,966,800	2,966,800
K N J Balendra	10,914,400	10,914,400
J G A Cooray	207,105	207,105
D A Cabraal	137	137
A N Fonseka	Nil	Nil
M A Omar	Nil	Nil
M P Perera	Nil	Nil
S S H Wijayasuriya	Nil	Nil

## 10.6 Twenty largest shareholders of the company are as follows:

As at	30-09-2017		30-06-2017	
	Number of shares	%	Number of shares	%
1 Broga Hill Investment Ltd	141,854,717	10.2%	141,854,717	10.2%
2 Mr S E Captain	136,862,939	9.9%	138,806,417	10.0%
3 Paints & General Industries Ltd	89,935,774	6.5%	89,935,774	6.5%
4 Schroder International Selection Fund	77,661,278	5.6%	61,086,128	4.4%
5 Melstacorp PLC	49,453,712	3.6%	49,667,842	3.6%
6 HWIC Asia Fund	34,164,753	2.5%	34,164,753	2.5%
7 Aberdeen Global Asia Pacific Equity Fund	31,257,908	2.3%	31,257,908	2.3%
8 Aberdeen Global-Asian Smaller Companies Fund	30,213,338	2.2%	30,213,338	2.2%
9 Aberdeen Institutional Commingled Funds LLC	27,473,813	2.0%	28,621,813	2.1%
10 Aberdeen Global - Emerging Markets Smaller Companies Fund	23,463,481	1.7%	23,463,481	1.7%
11 Employees Trust Fund	21,259,711	1.5%	22,143,650	1.6%
12 Northern Trust Co S/A Edgbaston Asian Equity Trust	19,798,026	1.4%	13,971,919	1.0%
13 Mr K Balendra	19,606,476	1.4%	19,606,476	1.4%
14 BBH Luxfidelity Fund-Pacific	18,911,322	1.4%	14,959,227	1.1%
15 Deutsche Bank AG-London	15,512,571	1.1%	11,914,924	0.9%
16 First State Investments ICVC	15,486,461	1.1%	15,486,461	1.1%
17 London- Edinburgh Dragon Trust PLC	15,447,390	1.1%	17,947,390	1.3%
18 London - Aberdeen Asia Pacific Equity Fund	14,891,083	1.1%	14,891,083	1.1%
19 Mrs S A J De Fonseka	12,935,666	0.9%	12,935,666	0.9%
20 Mr C S De Fonseka	12,896,423	0.9%	12,896,423	0.9%

## 11 Dividends paid

For the six months ended 30 September In LKR '000s	Company	
	2017	2016
Final dividend for 2016/17 LKR 2.00 (2015/16 LKR 1.50 )	2,774,934	1,784,105

## Notes to the Interim Condensed Financial Statements

### 12 Contingencies, capital and other commitments

There has been no significant change in the nature of the contingencies and other commitments, which were disclosed in the annual report for the year ended 31 March 2017.

### 13 Events after the reporting period

#### Nations Trust Bank PLC (NTB)

The Director of Bank Supervision of the Central Bank of Sri Lanka (CBSL) has by letter dated 12 October 2017 informed NTB that the Monetary Board of the CBSL has permitted the John Keells Group to retain its current shareholdings in the Bank till 31 December 2020 and to reduce it to 15 per cent with effect from that date.

The Monetary Board has also required NTB to limit the voting rights of the John Keells Group to 10 per cent with effect from 31 March 2018. NTB will continue to be an associate company of the JKH Group. The Group's External Auditors have concurred with this position.

#### Interim Dividend

The Board of Directors of the Company declared an interim dividend of LKR 2.00 per share for the financial year 2017/18. As required by section 56 (2) of the Companies Act No. 07 of 2007, the Board of Directors had confirmed that the company satisfied the solvency test in accordance with section 57 of the Companies Act No. 07 of 2007, and obtained a certificate from auditors, prior to declaring the dividend, which is to be paid on 23 November 2017.

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# Corporate Information

## **Name of Company**

John Keells Holdings PLC

## **Legal Form**

Public Limited Liability Company  
Incorporated in Sri Lanka in 1979  
Ordinary Shares listed on the  
Colombo Stock Exchange  
GDRs listed on the  
Luxembourg Stock Exchange

## **Company Registration No.**

PQ 14

## **Directors**

S C Ratnayake - Chairman  
A D Gunewardene - Deputy  
Chairman  
J R F Peiris  
K N J Balendra  
J G A Cooray  
D A Cabraal  
A N Fonseka  
M A Omar  
M P Perera  
S S H Wijayasuriya

## **Senior Independent Director**

A N Fonseka

## **Audit Committee**

A N Fonseka - Chairman  
D A Cabraal  
M P Perera

## **Human Resources and Compensation Committee**

D A Cabraal - Chairman  
M A Omar  
S S H Wijayasuriya

## **Nominations Committee**

M A Omar - Chairman  
M P Perera  
S C Ratnayake  
S S H Wijayasuriya

## **Related Party Transaction**

### **Review Committee**

M P Perera - Chairperson  
D A Cabraal  
A N Fonseka  
S C Ratnayake

### **Registered Office of the Company**

117 Sir Chittampalam A.  
Gardiner Mawatha,  
Colombo 2, Sri Lanka  
Telephone : +94 11 230 6000  
Internet : [www.keells.com](http://www.keells.com)  
Email : [jkh@keells.com](mailto:jkh@keells.com)

### **Secretaries**

Keells Consultants (Private)  
Limited  
117 Sir Chittampalam A.  
Gardiner Mawatha,  
Colombo 2, Sri Lanka  
Telephone : +94 11 230 6245  
Facsimile : +94 11 243 9037

### **Investor Relations**

John Keells Holdings PLC  
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### **Sustainability, Enterprise Risk Management and Group Initiatives**

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Facsimile : +94 11 230 6249  
Email : [sustainability@keells.com](mailto:sustainability@keells.com)

## **Contact for Media**

### **Corporate Communications Division**

John Keells Holdings PLC  
117 Sir Chittampalam A.  
Gardiner Mawatha,  
Colombo 2, Sri Lanka  
Telephone : +94 11 230 6191  
Email : [jkh@keells.com](mailto:jkh@keells.com)

### **Auditors**

Ernst & Young  
Chartered Accountants  
P.O. Box 101  
Colombo, Sri Lanka

### **Bankers for the Company**

Bank of Ceylon  
Citibank N.A.  
Commercial Bank of Ceylon  
Deutsche Bank A.G.  
DFCC Bank  
Habib Bank  
Hatton National Bank  
Hongkong and Shanghai Banking  
Corporation  
MCB Bank  
National Savings Bank  
Nations Trust Bank  
NDB Bank  
Pan Asia Banking Corporation  
People's Bank  
Sampath Bank  
Seylan Bank  
Standard Chartered Bank

### **Depository for GDRs**

Citibank N.A. New York



[www.keells.com](http://www.keells.com)