

# **JOHN KEELLS HOTELS PLC**

## **Interim Report**

**Six months ended 30th September 2016**



John Keells Hotels PLC - Interim Financial Statements

CONSOLIDATED INCOME STATEMENT

	Quarter ended 30th September			Six months ended 30th September		
	2016	2015	% change	2016	2015	% change
Revenue	2,945,492	2,768,312	6	5,429,616	5,142,287	6
Cost of sales	(928,069)	(856,447)	8	(1,770,469)	(1,648,173)	7
<b>Gross profit</b>	<b>2,017,423</b>	1,911,865	6	<b>3,659,147</b>	3,494,114	5
Other operating income	4,167	123,997	(97)	14,024	164,899	(91)
Administrative expenses	(1,154,845)	(1,123,391)	3	(2,275,463)	(2,166,954)	5
Distribution expenses	(103,706)	(71,677)	45	(195,080)	(135,762)	44
Other operating expenses	(314,304)	(408,828)	(23)	(634,388)	(743,648)	(15)
Results from operating activities	448,735	431,966	4	568,240	612,649	(7)
Finance expenses	(53,617)	(45,546)	18	(103,782)	(93,709)	11
Finance income	57,298	30,941	85	98,677	59,525	66
Net finance income / (expenses)	3,681	(14,605)	(125)	(5,105)	(34,184)	(85)
Share of results of equity accounted investees	(134)	(110)	22	(280)	(218)	28
<b>Profit before tax</b>	<b>452,282</b>	417,251	8	<b>562,855</b>	578,247	(3)
Tax expense	(102,925)	(64,848)	59	(130,063)	(95,438)	36
<b>Profit for the period</b>	<b>349,357</b>	352,403	(1)	<b>432,792</b>	482,809	(10)
<b>Attributable to:</b>						
Equity holders of the parent	345,696	350,550	(1)	429,624	481,344	(11)
Non-controlling interests	3,661	1,853	98	3,168	1,465	116
	349,357	352,403	(1)	432,792	482,809	(10)
	Rs.	Rs.		Rs.	Rs.	
<b>Earnings per share</b>	<b>0.24</b>	0.24		<b>0.30</b>	0.33	
<b>Dividend per share</b>	<b>0.30</b>	0.30		<b>0.30</b>	0.30	

**Note:** All values are in Rupees thousands, unless otherwise stated.  
 Figures in brackets indicate deductions.  
 The above figures are not audited.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Quarter ended 30th September			Six months ended 30th September		
	2016	2015	% change	2016	2015	% change
<b>Profit for the period</b>	<b>349,357</b>	352,403	(1)	<b>432,792</b>	482,809	(10)
<b>Other comprehensive income</b>						
<b>Other comprehensive income to be reclassified to income statement in subsequent periods</b>						
Currency translation of foreign operations	<b>45,133</b>	549,745	(92)	<b>(70,194)</b>	575,204	(112)
Net loss on available for sale financial assets	-	-	-	-	-	-
<b>Other comprehensive income not to be reclassified to income statement in subsequent periods</b>						
Revaluation of land and buildings	-	-	-	-	-	-
Re-measurement gain/(loss) on defined benefit plans	-	-	-	-	-	-
Tax expenses on other comprehensive income	-	-	-	-	-	-
<b>Other comprehensive income for the period, net of tax</b>	<b>45,133</b>	549,745	92	<b>(70,194)</b>	575,204	(112)
<b>Total comprehensive income for the period, net of tax</b>	<b>394,490</b>	902,148	(56)	<b>362,598</b>	1,058,013	(66)
<b>Attributable to:</b>						
Equity holders of the parent	<b>390,829</b>	900,295	(57)	<b>359,430</b>	1,056,548	(66)
Non-controlling interests	<b>3,661</b>	1,853	98	<b>3,168</b>	1,465	116
	<b>394,490</b>	902,148	(56)	<b>362,598</b>	1,058,013	(66)

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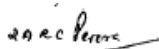
## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at	30.09.2016	30.09.2015	31.03.2016
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	14,118,185	13,705,698	14,272,874
Lease rentals paid in advance	8,173,769	8,005,786	8,537,247
Intangible assets	670,407	670,407	670,407
Equity accounted investments	66,935	59,078	67,215
Non-current financial assets	184,712	186,253	185,476
Deferred tax assets	72,002	68,369	71,888
Other non-current assets	415	625	489
	<b>23,286,425</b>	<b>22,696,216</b>	<b>23,805,596</b>
<b>Current assets</b>			
Inventories	193,942	192,031	183,071
Trade and other receivables	701,827	690,783	965,011
Other current assets	439,981	371,987	340,292
Amounts due from related parties	83,289	78,488	164,879
Short term investments	2,925,258	1,830,374	2,570,671
Cash in hand and at bank	531,972	697,741	870,080
	<b>4,876,269</b>	<b>3,861,404</b>	<b>5,094,004</b>
<b>Total assets</b>	<b>28,162,694</b>	<b>26,557,620</b>	<b>28,899,600</b>
<b>Equity and liabilities</b>			
<b>Equity attributable to equity holders of the parent</b>			
Stated capital	9,500,247	9,500,247	9,500,247
Revenue reserve	7,270,955	6,254,494	7,278,122
Other components of equity	6,041,690	5,197,703	6,106,444
	<b>22,812,892</b>	<b>20,952,444</b>	<b>22,884,813</b>
Non-controlling interests	126,912	116,889	132,952
<b>Total equity</b>	<b>22,939,804</b>	<b>21,069,333</b>	<b>23,017,765</b>
<b>Non-current liabilities</b>			
Interest bearing borrowings	1,631,149	2,448,701	1,852,851
Deferred tax liabilities	238,676	172,077	236,468
Employee benefit liability	166,522	150,814	156,077
Other deferred liabilities	101,163	81,324	84,401
Non-current financial liabilities	79,631	73,480	78,418
	<b>2,217,141</b>	<b>2,926,396</b>	<b>2,408,215</b>
<b>Current liabilities</b>			
Trade and other payables	673,543	577,449	666,688
Other current liabilities	476,319	422,324	519,418
Amounts due to related parties	112,929	99,776	159,970
Income tax liabilities	83,366	260,043	254,642
Current portion of interest bearing borrowings	1,047,661	1,073,703	1,150,925
Bank overdrafts	611,931	128,596	721,977
	<b>3,005,749</b>	<b>2,561,891</b>	<b>3,473,620</b>
<b>Total equity and liabilities</b>	<b>28,162,694</b>	<b>26,557,620</b>	<b>28,899,600</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
<b>Net assets per share</b>	<b>15.67</b>	<b>14.39</b>	<b>15.72</b>

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I certify that the financial statements comply with the requirements of the Companies Act No. 07 of 2007.

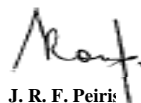


**D.A.R.C Perera**  
Chief Financial Officer

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



**A. D. Gunewardene**  
Director



**J. R. F. Peiris**  
Director

26-Oct-16

John Keells Hotels PLC - Interim Financial Statements

STATEMENT OF CHANGES IN EQUITY - GROUP

	Attributable to Equity Holders of the Parent						Non-controlling Interest	Total Equity	
	Stated Capital	Revaluation Reserve	Exchange Equalisation Reserve	Available For Sale Reserve	ESOP Reserve	Revenue Reserves			Total
<b>As at 1st April 2015</b>	<b>9,500,247</b>	<b>3,152,565</b>	<b>1,471,550</b>	<b>(1)</b>	<b>13,498</b>	<b>6,189,643</b>	<b>20,327,502</b>	<b>118,187</b>	<b>20,445,689</b>
Profit for the period	-	-	-	-	-	481,344	481,344	1,465	482,809
Other comprehensive income	-	-	575,204	-	-	-	575,204	-	575,204
Total comprehensive income	-	-	575,204	-	-	481,344	1,056,548	1,465	1,058,013
Share based payment	-	-	-	-	5,391	-	5,391	42	5,433
Realization of revaluation	-	(20,504)	-	-	-	20,504	-	-	-
Direct cost on issue of shares	-	-	-	-	-	(153)	(153)	-	(153)
Subsidiary dividend to noncontrolling interest	-	-	-	-	-	-	-	(2,805)	(2,805)
Interim dividend paid 2015/16	-	-	-	-	-	(436,844)	(436,844)	-	(436,844)
<b>As at 30th September 2015</b>	<b>9,500,247</b>	<b>3,132,061</b>	<b>2,046,754</b>	<b>(1)</b>	<b>18,889</b>	<b>6,254,494</b>	<b>20,952,444</b>	<b>116,889</b>	<b>21,069,333</b>
<b>As at 1st April 2016</b>	<b>9,500,247</b>	<b>3,544,144</b>	<b>2,539,286</b>	<b>(1)</b>	<b>23,015</b>	<b>7,278,122</b>	<b>22,884,813</b>	<b>132,952</b>	<b>23,017,765</b>
Profit for the period	-	-	-	-	-	429,624	429,624	3,168	432,792
Other comprehensive income	-	-	(70,194)	-	-	-	(70,194)	-	(70,194)
Total comprehensive income	-	-	(70,194)	-	-	429,624	359,430	3,168	362,598
Share based payment	-	-	-	-	5,440	-	5,440	54	5,494
Subsidiary dividend to noncontrolling interest	-	-	-	-	-	53	53	(9,262)	(9,209)
Interim dividend paid 2016/17	-	-	-	-	-	(436,844)	(436,844)	-	(436,844)
<b>As at 30th September 2016</b>	<b>9,500,247</b>	<b>3,544,144</b>	<b>2,469,092</b>	<b>(1)</b>	<b>28,455</b>	<b>7,270,955</b>	<b>22,812,892</b>	<b>126,912</b>	<b>22,939,804</b>

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**John Keells Hotels PLC - Interim Financial Statements**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

Six months ended 30th September

	2016	2015
<b>Cash flows from operating activities</b>		
Profit before tax	562,855	578,247
<i>Adjustments for</i>		
Depreciation of property, plant and equipment	476,977	466,808
Provision for employee benefit costs	17,263	15,403
Share based payment expense	5,494	5,433
Share of results of equity accounted investees	280	218
Amortisation of lease rentals paid in advance	310,171	351,130
Finance expenses	103,782	93,709
Amortisation of grant received	(389)	(162)
(Profit)/Loss on sale of lease right	-	(121,341)
(Profit)/Loss on disposal of property, plant and equipment	11,898	29,248
Finance income	(98,677)	(59,525)
Provision for deferred liabilities	15,054	3,560
Unrealised (gain) / loss on foreign exchange (net)	(4,669)	92,356
<b>Operating profit before working capital changes</b>	<b>1,400,039</b>	<b>1,455,084</b>
(Increase)/decrease in inventories	(10,871)	(18,359)
(Increase)/decrease in trade and other receivables	261,384	285,011
(Increase)/decrease in other current assets	(80,141)	(33,818)
(Increase)/decrease in amounts due from related parties	81,590	81,623
Increase/(decrease) in amounts due to related parties	(45,829)	(25,345)
Increase/(decrease) in other current liabilities	(33,085)	(102,135)
Increase/(decrease) in trade and other payables	6,855	67,507
<b>Cash generated from operations</b>	<b>1,579,942</b>	<b>1,709,568</b>
Finance expenses paid	(103,782)	(93,709)
Tax paid	(328,732)	(202,590)
Finance income received	98,677	59,525
Payment of employee benefit costs	(6,818)	(5,594)
<b>Net cash from/(used in) operating activities</b>	<b>1,239,287</b>	<b>1,467,200</b>
<b>Cash flows from/(used in) investing activities</b>		
Purchase and construction of property, plant and equipment	(355,901)	(544,132)
Proceeds from sale of property, plant and equipment	5,178	12,011
Purchase of lease rights	-	(83,641)
(Purchase) / disposal of non-current financial assets (net)	764	(2,098)
Grant received for investing activities	2,097	-
<b>Net cash flows from/(used in) investing activities</b>	<b>(347,862)</b>	<b>(617,860)</b>
<b>Cash flows from/(used in) financing activities</b>		
Direct cost on issue of shares	-	(153)
Proceeds from long term borrowings	293,500	-
Dividend paid to equity holders of parent	(436,844)	(436,844)
Repayment of long term borrowings	(612,347)	(786,146)
Dividend paid to shareholders with non-controlling interest	(9,209)	(2,805)
<b>Net cash flows from/(used in) financing activities</b>	<b>(764,900)</b>	<b>(1,225,948)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>126,525</b>	<b>(376,608)</b>
Cash and cash equivalents at the beginning of the period	2,718,774	2,776,127
<b>Cash and cash equivalents at the end of the period</b>	<b>2,845,299</b>	<b>2,399,519</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Short term investments	2,925,258	1,830,374
Cash in hand and at bank	531,972	697,741
Bank overdrafts	(611,931)	(128,596)
	<b>2,845,299</b>	<b>2,399,519</b>

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**John Keells Hotels PLC - Interim Financial Statements**

**COMPANY INCOME STATEMENT**

	Quarter ended 30th September			Six months ended 30th September		
	2016	2015	% Change	2016	2015	% Change
Revenue	-	-	-	-	-	-
Cost of sales	-	-	-	-	-	-
<b>Gross profit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Dividend income	<b>377,819</b>	160,844	135	<b>1,110,319</b>	962,744	15
Other operating income	<b>1,243</b>	1,768	(30)	<b>2,947</b>	3,632	(19)
Administrative expenses	<b>(3,891)</b>	(4,100)	(5)	<b>(12,239)</b>	(12,518)	(2)
Other operating expenses	<b>(34)</b>	(362)	(91)	<b>(425)</b>	(414)	3
Results from operating activities	<b>375,137</b>	158,150	137	<b>1,100,602</b>	953,444	15
Finance expenses	-	50	(100)	-	(353)	(100)
Finance income	<b>23,837</b>	10,619	124	<b>31,441</b>	12,556	150
Net finance income / (Expense)	<b>23,837</b>	10,669	123	<b>31,441</b>	12,203	158
<b>Profit before tax</b>	<b>398,974</b>	168,819	136	<b>1,132,043</b>	965,647	17
Tax expense	<b>(7,022)</b>	(3,989)	76	<b>(9,629)</b>	(4,532)	112
<b>Profit for the period</b>	<b>391,952</b>	164,830	138	<b>1,122,414</b>	961,115	17

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**John Keells Hotels PLC - Interim Financial Statements**

**COMPANY STATEMENT OF COMPREHENSIVE INCOME**

	Quarter ended 30th September			Six months ended 30th September		
	2016	2015	% change	2016	2015	% change
<b>Profit for the period</b>	<b>391,952</b>	164,830	138	<b>1,122,414</b>	961,115	17
<b>Other comprehensive income</b>						
Net loss on available for sale financials assets	-	-	-	-	-	-
Tax on other comprehensive income	-	-	-	-	-	-
<b>Other comprehensive income for the period, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period, net of tax</b>	<b>391,952</b>	<b>164,830</b>	<b>138</b>	<b>1,122,414</b>	<b>961,115</b>	<b>17</b>

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COMPANY STATEMENT OF FINANCIAL POSITION

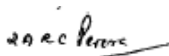
As at	30.09.2016	30.09.2015	31.03.2016
<b>Assets</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	10,623,739	10,552,744	10,623,739
Investments in equity accounted investees	63,599	58,288	63,599
Non-current financial assets	12	12	12
Other non-current assets	-	-	-
	<u>10,687,350</u>	<u>10,611,044</u>	<u>10,687,350</u>
<b>Current assets</b>			
Trade and other receivables	-	1,218	-
Other current assets	18,511	25,954	15,374
Amounts due from related parties	35,743	12,569	1,109
Short term investments	1,020,482	559,635	360,315
Cash in hand and at bank	2,514	256	6,799
	<u>1,077,250</u>	<u>599,632</u>	<u>383,597</u>
<b>Total assets</b>	<u>11,764,600</u>	<u>11,210,676</u>	<u>11,070,947</u>
<b>Equity and liabilities</b>			
<b>Equity attributable to equity holders of the parent</b>			
Stated capital	9,500,247	9,500,247	9,500,247
Revenue reserve	2,224,494	1,681,258	1,538,924
Other components of equity	(1)	(1)	(1)
<b>Total equity</b>	<u>11,724,740</u>	<u>11,181,504</u>	<u>11,039,170</u>
<b>Current liabilities</b>			
Trade and other payables	13,998	11,388	15,411
Amounts due to related parties	1,827	3,750	1,929
Income tax liabilities	24,028	13,613	14,399
Bank overdrafts	7	421	38
	<u>39,860</u>	<u>29,172</u>	<u>31,777</u>
<b>Total equity and liabilities</b>	<u>11,764,600</u>	<u>11,210,676</u>	<u>11,070,947</u>

	Rs.	Rs.	Rs.
<b>Net assets per share</b>	<b>8.05</b>	7.68	7.58

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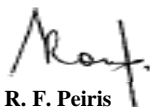


**D.A.R.C Perera**  
Chief Financial Officer

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



**A. D. Gunewardene**  
Director



**J. R. F. Peiris**  
Director

**John Keells Hotels PLC - Interim Financial Statements**

**STATEMENT OF CHANGES IN EQUITY - COMPANY**

	Stated Capital	Available For Sale Reserve	Revenue Reserves	Total Equity
<b>As at 1st April 2015</b>	<b>9,500,247</b>	<b>(1)</b>	<b>1,156,987</b>	<b>10,657,233</b>
Profit for the year	-	-	961,115	961,115
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	961,115	961,115
Interim dividend paid 2015/16	-	-	(436,844)	(436,844)
<b>As at 30th September 2015</b>	<b><u>9,500,247</u></b>	<b><u>(1)</u></b>	<b><u>1,681,258</u></b>	<b><u>11,181,504</u></b>
<b>As at 1st April 2016</b>	<b>9,500,247</b>	<b>(1)</b>	<b>1,538,924</b>	<b>11,039,170</b>
Profit for the year	-	-	1,122,414	1,122,414
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	1,122,414	1,122,414
Interim dividend paid 2016/17	-	-	(436,844)	(436,844)
<b>As at 30th September 2016</b>	<b><u>9,500,247</u></b>	<b><u>(1)</u></b>	<b><u>2,224,494</u></b>	<b><u>11,724,740</u></b>

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**John Keells Hotels PLC - Interim Financial Statements**

**COMPANY STATEMENT OF CASH FLOWS**

**Six months ended 30th September**

**Cash flows from operating activities**

Profit before tax

*Adjustments for*

Finance expense

Dividend received

Finance income

**Operating loss before working capital changes**

(Increase)/decrease in trade and other receivables

(Increase)/decrease in other current assets

(Increase)/decrease in amounts due from related parties

(Increase)/decrease in amounts due to related parties

(Increase)/decrease in trade and other payables

**Cash generated from/(used in) operations**

Finance expenses paid

Tax paid

Finance income received

Dividend received

**Net cash from/(used in) operating activities**

**Cash flows from/(used in) investing activities**

Purchase of other non current assets

**Net cash flows from/(used in) investing activities**

**Cash flows from/(used in) financing activities**

Repayments of long term borrowings

Dividend paid to equity holders of parent

**Net cash flows from/(used in) financing activities**

**Net increase/(decrease) in cash and cash equivalents**

Cash and cash equivalents at the beginning of the period

**Cash and cash equivalents at the end of the period**

**ANALYSIS OF CASH & CASH EQUIVALENTS**

Short term investments

Cash in hand and at bank

Bank overdrafts

	2016	2015
<b>Cash flows from operating activities</b>		
Profit before tax	1,132,043	965,647
<i>Adjustments for</i>		
Finance expense	-	353
Dividend received	(1,110,319)	(962,744)
Finance income	(31,441)	(12,556)
<b>Operating loss before working capital changes</b>	<b>(9,717)</b>	<b>(9,300)</b>
(Increase)/decrease in trade and other receivables	-	(1,218)
(Increase)/decrease in other current assets	(3,137)	(13,353)
(Increase)/decrease in amounts due from related parties	(34,634)	(11,921)
(Increase)/decrease in amounts due to related parties	(102)	(2,988)
(Increase)/decrease in trade and other payables	(1,413)	(1,607)
<b>Cash generated from/(used in) operations</b>	<b>(49,003)</b>	<b>(40,387)</b>
Finance expenses paid	-	(353)
Tax paid	-	-
Finance income received	31,441	12,556
Dividend received	1,110,319	962,744
<b>Net cash from/(used in) operating activities</b>	<b>1,092,757</b>	<b>934,560</b>
<b>Cash flows from/(used in) investing activities</b>		
Purchase of other non current assets	-	-
<b>Net cash flows from/(used in) investing activities</b>	<b>-</b>	<b>-</b>
<b>Cash flows from/(used in) financing activities</b>		
Repayments of long term borrowings	-	(33,441)
Dividend paid to equity holders of parent	(436,844)	(436,844)
<b>Net cash flows from/(used in) financing activities</b>	<b>(436,844)</b>	<b>(470,285)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>655,913</b>	<b>464,275</b>
Cash and cash equivalents at the beginning of the period	367,076	95,195
<b>Cash and cash equivalents at the end of the period</b>	<b>1,022,989</b>	<b>559,470</b>
<b>ANALYSIS OF CASH &amp; CASH EQUIVALENTS</b>		
Short term investments	1,020,482	559,635
Cash in hand and at bank	2,514	256
Bank overdrafts	(7)	(421)
	<b>1,022,989</b>	<b>559,470</b>

Note: All values are in Rupees thousands, unless stated otherwise.

Figures in brackets indicate deductions.

The above figures are not audited.

## John Keells Hotels PLC - Interim Financial Statements

### OPERATING SEGMENTS

The following tables present revenue, profit information, assets and liabilities based on the Group's operating segments.

Quarter ended 30th September	Sri Lanka		Maldives		Group Total	
	2016	2015	2016	2015	2016	2015
Total Revenue	<b>1,549,601</b>	1,351,573	<b>1,423,356</b>	1,441,031	<b>2,972,957</b>	2,792,604
Less: inter segment revenue	<b>(2,803)</b>	(1,323)	<b>(24,662)</b>	(22,969)	<b>(27,465)</b>	(24,292)
<b>Segment revenue</b>	<b>1,546,798</b>	1,350,250	<b>1,398,694</b>	1,418,062	<b>2,945,492</b>	2,768,312
Segment operating profit	<b>280,258</b>	100,172	<b>164,310</b>	207,797	<b>444,434</b>	307,969
Other operating income	<b>320</b>	125,646	<b>3,847</b>	(1,649)	<b>4,167</b>	123,997
Finance expenses	<b>(46,800)</b>	(42,122)	<b>(6,817)</b>	(3,424)	<b>(53,617)</b>	(45,546)
Finance income	<b>48,076</b>	29,182	<b>9,222</b>	1,759	<b>57,298</b>	30,941
Share of results of equity accounted investees	<b>(134)</b>	(110)	-	-	<b>(134)</b>	(110)
<b>Profit before taxation</b>	<b>281,720</b>	212,768	<b>170,562</b>	204,483	<b>452,282</b>	417,251
Tax expenses	<b>(76,382)</b>	(31,110)	<b>(26,543)</b>	(33,738)	<b>(102,925)</b>	(64,848)
<b>Profit for the period</b>	<b>205,338</b>	181,658	<b>144,019</b>	170,745	<b>349,357</b>	352,403
<b>Other Information</b>						
Purchase and construction of property, plant and equipment	<b>81,439</b>	81,855	<b>106,916</b>	228,152	<b>188,355</b>	310,007
Depreciation of property, plant and equipment	<b>149,828</b>	146,982	<b>92,359</b>	90,887	<b>242,187</b>	237,869
Amortisation of lease rentals paid in advance	<b>774</b>	876	<b>154,070</b>	175,781	<b>154,844</b>	176,657
Provision for employee benefit costs	<b>8,428</b>	7,693	-	-	<b>8,428</b>	7,693

**Note:** All values are in Rupees thousands, unless otherwise stated.

Figures in brackets indicate deductions.

The figures relating to the fourth quarter are not audited.

In addition to Segment revenue/segment result, other segment data is disclosed for better presentation

## John Keells Hotels PLC - Interim Financial Statements

### OPERATING SEGMENTS

The following tables present revenue, profit, assets and liabilities based on the Group's operating segments.

Six months ended 30th September	Sri Lanka		Maldives		Group Total	
	2016	2015	2016	2015	2016	2015
Total Revenue	2,613,418	2,336,661	2,868,386	2,860,284	5,481,804	5,196,945
Less: inter segment revenue	(2,803)	(9,016)	(49,385)	(45,642)	(52,188)	(54,658)
<b>Segment revenue</b>	<b>2,610,615</b>	<b>2,327,645</b>	<b>2,819,001</b>	<b>2,814,642</b>	<b>5,429,616</b>	<b>5,142,287</b>
Segment operating profit	233,030	51,542	321,186	396,208	554,216	447,750
Other operating income	9,938	123,171	4,086	41,728	14,024	164,899
Finance expenses	(90,809)	(85,605)	(12,973)	(8,104)	(103,782)	(93,709)
Finance income	79,051	51,922	19,626	7,603	98,677	59,525
Share of results of equity accounted investees	(280)	(218)	-	-	(280)	(218)
<b>Profit before taxation</b>	<b>230,930</b>	<b>140,812</b>	<b>331,925</b>	<b>437,435</b>	<b>562,855</b>	<b>578,247</b>
Tax expenses	(78,037)	(31,722)	(52,026)	(63,716)	(130,063)	(95,438)
<b>Profit for the period</b>	<b>152,893</b>	<b>109,090</b>	<b>279,899</b>	<b>373,719</b>	<b>432,792</b>	<b>482,809</b>
<b>Assets</b>						
Segment assets	14,848,086	14,116,573	12,644,201	11,770,640	27,492,287	25,887,213
Goodwill					670,407	670,407
<b>Total assets</b>					<b>28,162,694</b>	<b>26,557,620</b>
<b>Liabilities</b>						
Segment liabilities	3,566,046	4,307,100	1,656,844	1,181,187	5,222,890	5,488,287
<b>Total liabilities</b>					<b>5,222,890</b>	<b>5,488,287</b>
<b>Other Information</b>						
Purchase and construction of property, plant and equipment	166,306	145,129	189,595	399,003	355,901	544,132
Depreciation of property, plant and equipment	299,515	292,414	177,462	174,394	476,977	466,808
Amortisation of lease rentals paid in advance	1,547	1,753	308,624	349,377	310,171	351,130
Provision for employee benefit costs	17,263	15,403	-	-	17,263	15,403

Note: All values are in Rupees thousands, unless stated otherwise.

Figures in brackets indicate deductions.

The above figures are not audited.

In addition to Segment revenue/segment result, other segment data is disclosed for better presentation

## John Keells Hotels PLC - Interim Financial Statements

### NOTES TO THE FINANCIAL STATEMENTS

#### For the Six months ended 30th September 2016

##### 1 Corporate Information

John Keells Hotels PLC, is a public limited company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The registered office and the principal place of business of the Company is located at 117, Sir Chittampalam A. Gardiner Mawatha, Colombo 02.

##### 2 Interim Condensed Financial Statements

The financial statements for the period ended 30th September 2016, includes “the Company” referring to John Keells Hotels 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 30th September 2016 were authorised for issue by the Board of Directors on 26th October 2016.

##### 4 Basis of Preparation

The interim condensed financial statements have been prepared in compliance with Sri Lanka Accounting Standard (SLAS) 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 2016.

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

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

##### 5 Operating Segment

The Group's internal organisation and management is structured based on the Group's geographical spread of operations. Sri Lanka and Maldives are the two reportable operating segments for the Group.

##### 6 RELATED PARTY TRANSACTIONS

For the Six months ended 30th September In Rs. '000	Group		Company	
	2016	2015	2016	2015
<b>Ultimate parent</b>				
Rendering /(receiving) of services	(36,879)	(46,605)	(1,943)	(1,343)
Directors fees (paid)/ received	(7,200)	(7,200)	(1,800)	(1,800)
<b>Companies Under Common Control</b>				
(Purchase)/sale of goods	(38,532)	(32,031)	-	-
(Receiving)/rendering of services	(192,187)	(126,373)	(992)	(2,014)
Guarantee fess paid/(received)	-	-	(2,947)	(3,628)
(Purchase)/sale of lease rights	-	161,357	-	-
<b>Equity accounted investees</b>				
Joint ventures				
(Receiving) / Rendering of services	-	-	-	-
<b>Key management personnel (KMP)</b>				
(Purchase)/sale of goods	-	-	-	-
<b>Close family members of KMP</b>				
(Purchase)/sale of goods	-	-	-	-
<b>Post employment benefit plan</b>				
Contributions to the provident fund	1,920	1,676	-	-

## NOTES TO THE FINANCIAL STATEMENTS

For the Six months ended 30th September 2016

## 7 Share Information

## 7.1 Public share holdings

The percentage of the shares held by the public as at 30th September 2016 was 19.64% (30th June 2016 - 19.64%).

The number of public shareholders as at 30th September 2016 was 6,538 (30th June 2016 - 6,551).

## 7.2 Directors share holdings

The number of shares held by the Board of Directors are as follows:

	30.09.2016	30.06.2016
S. C. Ratnayake - Chairman	550,311	550,311
A. D. Gunewardene	74,806	74,806
J. R. F. Peiris	Nil	Nil
J. E. P. Kehelpannala	Nil	Nil
N. B. Weerasekera	Nil	Nil
B. J. S. M. Senanayake	Nil	Nil
T.L.F.W.Jayasekara	Nil	Nil
K.N.J Balendra	Nil	Nil
A.K. Moonesinghe	Nil	-

## 7.3 Twenty largest shareholders of the Company are as follows.

As at	30.09.2016		30.06.2016	
	No. of Shares	%	No. of Shares	%
1 John Keells Holdings PLC	1,169,598,478	80.32%	1,169,598,478	80.32%
2 Employees Provident Fund	78,474,454	5.39%	78,474,454	5.39%
3 Sri Lanka Insurance Corporation Ltd. - Life Fund	71,622,800	4.92%	71,622,800	4.92%
4 Mercantile Investments PLC	13,000,000	0.89%	13,000,000	0.89%
5 Mr. D. J. M. Blackler	6,514,760	0.45%	6,514,760	0.45%
6 National Savings Bank	5,541,205	0.38%	5,541,205	0.38%
7 Mercantile Fortunes (Private) Ltd	3,800,000	0.26%	3,800,000	0.26%
8 Seylan Bank PLC - A/C No. 3	3,326,811	0.23%	3,666,962	0.25%
9 Mr. D.G. Wijemanna	3,000,000	0.21%	3,000,000	0.21%
10 Phoenix Ventures Ltd.	2,801,000	0.19%	2,801,000	0.19%
11 Bank of Ceylon - No. 2 A/C	2,725,266	0.19%	2,725,266	0.19%
12 Mr. R. T. Jinasena	2,516,765	0.17%	2,516,765	0.17%
13 Mr. T. R. Jinasena	2,351,568	0.16%	2,351,568	0.16%
14 Mr. U. G. Madanayake	2,000,000	0.14%	2,000,000	0.14%
15 Merrill J Fernando & Sons (Pvt) Ltd	1,911,573	0.13%	1,911,573	0.13%
16 E. W. Balasuriya & Co. (Pvt) Ltd	1,851,626	0.13%	1,851,626	0.13%
17 Mrs N. Weerasinghe	1,556,706	0.11%	1,556,706	0.11%
18 People's Leasing & Finance PLC - L.P. Hapangama	1,533,879	0.11%	1,533,879	0.11%
19 Mr. A.A.V. Amarasinghe	1,287,800	0.09%	1,287,800	0.09%
20 Mr. C.N.H. Liyanage	1,250,000	0.09%	1,250,000	0.09%

## 7.4 Stated capital

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

As at	30.09.2016	30.06.2016
Ordinary shares	1,456,146,780	1,456,146,780

## 7.5 Net assets per share

Net assets per share has been calculated, for all periods, based on the number of shares in issue as at 30th September 2016.

## 7.6 Market price per share

For the quarter ended 30th September	2016 Rs.	2015 Rs.
Highest (for the period)	12.90	17.40
Lowest (for the period)	11.50	15.00
Last traded price (for the period)	12.00	15.20

## 8 Dividends paid

A interim dividend of Rs. 0.30 per share for the financial year ending 31 March 2017 was paid on 5th August 2016.

## 9 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 2016.

## 10 Events after the reporting period

There has been no event subsequent to the reporting date, which require disclosure in the interim condensed financial statements.

**INTERIM FINANCIAL STATEMENTS  
CORPORATE INFORMATION**

**Name of Company**

John Keells Hotels PLC

**Legal Form**

Public Limited Liability Company  
Incorporated in Sri Lanka on 1 Oct 1979

**Stock Exchange Listing**

The issued Shares of John Keells Hotels PLC are listed on the Colombo Stock Exchange

**Company Registration No.**

PQ 8

**Directors**

S C Ratnayake – Chairman  
A D Gunewardene  
J R F Peiris  
J E P Kehelpannala  
N B Weerasekera  
B J S M Senanayake  
T.L.F.W.Jayasekara  
K.N.J Balendra  
A.K. Moonesinghe (appointed w.e.f 1st July 2016)

**Secretaries and Registrars**

Keells Consultants (Pvt) Ltd  
117, Sir Chittampalam A. Gardiner Mawatha  
Colombo 2

**Auditors**

Ernst & Young  
Chartered Accountants  
P.O. Box 101  
Colombo

**Bankers**

Bank of Ceylon  
CitiBank N.A  
Deutsche Bank A.G  
Hongkong and Shanghai Banking Corporation  
Nations Trust Bank  
Hatton National Bank  
Habib Bank

**Head Office & Registered Office of the Company**

117, Sir Chittampalam A. Gardiner Mawatha  
Colombo 2  
Telephone: (94-11) 2421101-15,  
(94-11) 2306000  
Facsimile : (94-11) 2439046  
E-mail : htlres@keells.com  
Web : www.johnkeellshotels.com

**Hotel Reservations**

Cinnamon Hotel Management Ltd  
117, Sir Chittampalam A. Gardiner Mawatha  
Colombo 2  
Telephone: (94-11) 2306600,  
(94-11) 2439049-51,  
Facsimile : (94-11) 2320862  
E-mail : htlres@keells.com  
Web : www.cinnamonhotels.com  
www.chaayahotels.com