

RE-RATING



John Keells Holdings PLC
Interim Condensed Financial Statements Three Months Ended 30 June 2023

CHAIRPERSON'S MESSAGE

Dear Stakeholder,

Summarised below are the key operational and financial highlights of our performance during the quarter under review:

- Group PBT at Rs.1.40 billion in the first quarter of the financial year 2023/24 is a decrease over the Rs.14.80 billion recorded in the previous financial year. The first quarter of the previous year included Rs.10.12 billion of net exchange gains recorded on its US Dollar denominated cash holdings at the Holding Company, resulting from the steep depreciation of the Sri Lankan Rupee against the US Dollar during the quarter, whereas the quarter under review recorded corresponding net exchange losses amounting to Rs.359 million. In addition, PBT was also impacted on account of the higher finance expenses due to the high interest rate regime and the interest charged on the convertible debentures issued to HWIC Asia Fund (HWIC) in August 2022.
- During the quarter under review, Sri Lanka continued to witness normal day-to-day activities with all key macro-economic indicators showing sustained improvement, with inflation and interest rates recording a decline and the Rupee appreciating on the back of improved foreign exchange inflows and confidence.
- Most of the Group's businesses, particularly in Transportation and Leisure, had a negative impact on the financial performance due to the translation impact on account of the appreciation of the Rupee by approximately 15% over the corresponding period of the previous year.
- Group EBITDA at Rs.9.23 billion in the first quarter of the financial year 2023/24 is a decrease of 31% over the EBITDA of Rs.13.33 billion recorded in the corresponding period of 2022/23, mainly due to the lower EBITDA at the Transportation and Leisure industry groups.
- The groundwork on the West Container Terminal (WCT-1) at the Port of Colombo is progressing well with the entirety of the dredging works for both phases completed in May 2023. The construction of the quay wall has been awarded and preliminary work has commenced.
- The Beverages business recorded a growth in EBITDA given the decline in input costs which are now translating to positive margin impacts on account of the stabilising raw material prices and the appreciation of the Rupee. The volume decline in both the Beverages and Frozen Confectionery businesses have shown encouraging recovery compared to the steep volume declines witnessed in the two previous quarters.
- The Supermarket business recorded a strong performance in revenue during the quarter, particularly in the seasonal month of April, with same store sales recording an encouraging growth of 23%, primarily driven by customer footfall growth of 15%. The increase in revenue, as witnessed during the quarter, is expected to drive an improvement in EBITDA together with the benefits accruing from various productivity and cost efficiency initiatives.

- The profitability of the Leisure businesses was adversely impacted by the Rupee appreciation during the quarter under review, particularly in the Maldivian Resorts segment and the Destination Management sector, and higher costs.
- The discussions with leading international gaming operators are progressing well, where the commercial structures and arrangements are being negotiated, with a final agreement expected shortly. A substantial amount of work has been carried out, including detailed site visits, evaluation of the business case and operating model, fit-out requirements, designs and timelines.
- The Property industry group recorded a growth in EBITDA driven by profit recognition from 'TRI-ZEN' and rental income from ten floors of 'The Offices at Cinnamon Life'.
- The Insurance business recorded encouraging double-digit growth in gross written premiums, driven by renewal premiums, and an increase in net investment income. Nations Trust Bank PLC recorded an increase in profitability driven by an increase in net interest margins through proactive asset liability management. Profitability in the quarter under review also benefited as it did not include impairment charges on Sri Lankan Government foreign securities given the higher provisioning adopted by NTB relative to its peers and the subsequent clarity on 'haircuts' as announced in the Domestic Debt Optimisation (DDO) programme.
- The Group's carbon footprint per million rupees of revenue increased by 12% to 0.42 MT while the water withdrawal per million rupees of revenue increased by 16% to 7.42 cubic meters, mainly due the decline in Group revenue in the first quarter compared to the corresponding quarter of the previous year.

EBITDA* (Rs.000)	Quarter ending 30 June		
	2023/24	2022/23	%
Transportation	2,418,658	4,551,449	(47)
Consumer Foods	719,706	1,233,225	(42)
Retail	1,987,337	2,318,952	(14)
Leisure	283,612	1,869,224	(85)
Property	186,997	(139,767)	234
Financial Services	1,692,931	877,094	93

* EBITDA includes interest income and the share of results of equity accounted investees which is based on the share of profit after tax but excludes all impacts from foreign currency exchange gains and losses (other than for equity accounted associates), to demonstrate the underlying cash operational performance of businesses.

CHAIRPERSON'S MESSAGE

During the quarter under review, Sri Lanka continued to witness normal day-to-day activities with all key macro-economic indicators showing sustained improvement, with inflation and interest rates recording a decline and the Rupee appreciating on the back of improved foreign exchange inflows and confidence.

The economy displayed signs of steady recovery on the back of decisive economic measures taken from mid-2022 onwards. The Central Bank of Sri Lanka (CBSL) expects the economy to resume growth after six quarters of contraction, with the pace of recovery being faster than anticipated.

As expected, headline inflation significantly decelerated to 12% in June 2023 on the back of numerous policy actions, from the peak levels of 70% in the previous year. The CBSL expects inflation to settle at single-digit levels by July 2023. The improving trade balance in the country and substantial increases in tourism receipts and foreign currency remittances resulted in strong net inflows into the country compared to the previous year. This resulted in the Rupee appreciating by approximately 15% while the CBSL continued to build its foreign currency reserves position which stands at approximately USD3.50 billion. Following the strengthening of the Rupee and positive outlook for the economy, import restrictions on certain items were further relaxed during the quarter with expectations that almost all other restrictions will be withdrawn by September 2023.

In July 2023, the CBSL announced and presented the much-awaited Domestic Debt Optimisation (DDO) plan, which was subsequently approved in Parliament, marking a significant step towards resolving uncertainties around the impact of the sovereign's debt restructuring programme. The focus of the DDO was to re-profile the maturity schedule and coupon payments of local currency Treasury bonds held by superannuation funds while converting the Treasury bill portfolio held only by the CBSL into long-term Treasury bonds. Both the banking and insurance sector holdings of bonds were excluded from the DDO on the basis of ensuring financial stability and minimising the impacts on deposit holders and domestic retail savings, also taking into consideration the impact already borne by such stakeholders due to inflation. Sri Lanka aims to restructure its sovereign domestic debt before the second International Monetary Fund (IMF) review in September 2023, with the release of the second tranche of the bailout package due in October 2023.

With clarity on the DDO, the risk premia attached to the uncertainty surrounding domestic debt diminished where the Monetary Board of the CBSL, decided to reduce the Standing Deposit Facility Rate (SDFR) and the Standing Lending Facility Rate (SLFR) of the CBSL by 200 basis points (bps) to 11% and 12% in July 2023, resulting in prime lending rates reducing to approximately 18% compared to the previous peak rates of 25%-28%.

The DDO announcement also unlocked pools of funding for Sri Lanka, where the World Bank approved USD 700 million in budgetary and welfare support and commenced disbursement under this scheme, the biggest funding tranche for the country since the IMF arrangement in March 2023.

Whilst the macroeconomic conditions and overall stability has witnessed sustained and marked improvement, there is a lagged effect in this translating to significantly improving consumer confidence levels, which are already showing signs of recovering gradually. The appreciation of the Rupee together with lower inflation and a reduction of global commodity prices has resulted in reductions in input costs across certain industries which is starting to translate to lower prices for consumers in certain product segments. While disposable incomes are still negatively impacted due to higher direct and indirect taxes, the reduction in interest rates, inflation and prices in certain commodities and goods will have a positive impact on disposable income and spending, signs of which are already being witnessed in the months of June and July.

GROUP PERFORMANCE

Group revenue at Rs.63.78 billion for the period under review is a decrease of 11% over the Rs.71.52 billion recorded in the previous financial year. The decline is mainly on account of the significantly higher revenue recorded in the Group's Bunkering business in the previous year due to the steep increase in oil prices. Group earnings before interest, tax, depreciation and amortisation (EBITDA) at Rs.9.23 billion in the first quarter of the financial year 2023/24 is a decrease of 31% over the EBITDA of Rs.13.33 billion recorded in the corresponding period of the previous financial year, mainly due to the lower EBITDA in the Transportation and Leisure industry groups. While the business specific factors impacting Transportation and Leisure are covered under the respective industry group sections, it should be noted that both these businesses had a negative impact on the financial performance due to the translation impact on account of the appreciation of the Rupee by approximately 15% over the corresponding period of the previous year.

Group profit before tax (PBT) at Rs.1.40 billion in the first quarter of the financial year 2023/24 is a decrease over the Rs.14.80 billion recorded in the previous financial year. The first quarter of the previous year included Rs.10.12 billion of net exchange gains recorded on its US Dollar denominated cash holdings at the Holding Company, resulting from the steep depreciation of the Sri Lankan Rupee against the US Dollar during the quarter, whereas the quarter under review recorded corresponding net exchange losses amounting to Rs.359 million. In addition to the impact from the aforementioned decline in EBITDA and the net exchange gains recorded in the first quarter of 2022/23, PBT was also impacted on account of the higher finance expenses due to the high interest rate regime and the interest charged on the convertible debentures issued to HWIC Asia Fund (HWIC) in August 2022. The interest recorded on the debenture included a notional non-cash interest of approximately Rs.750 million, in line with the accounting treatment, due to a significant difference between the market interest rates and the 3% interest accrued on the instrument.

The profit attributable to equity holders is Rs.1.47 billion compared to Rs.11.28 billion in the corresponding period of the previous financial year mainly due to the exchange impact as explained above.

The Company PBT for the first quarter of 2023/24 at negative Rs.348 million is a decrease over the Rs.11.31 billion recorded in the corresponding period of 2022/23 due to the aforementioned foreign currency exchange gains and losses on its US Dollar denominated cash holdings at the Holding Company and the interest on the convertible debentures issued to HWIC, including the notional non-cash interest.

TRANSPORTATION

The Transportation industry group EBITDA of Rs.2.42 billion in the first quarter of 2023/24 is a decrease of 47% over the EBITDA for the first quarter of the previous financial year [2022/23 Q1: Rs.4.55 billion]. The decline in profitability is mainly attributable to the Group's Bunkering business, Lanka Marine Services (LMS), and to a lesser extent, the Group's Ports and Shipping business, South Asia Gateway Terminals (SAGT). Given the dollar denominated revenue streams of the businesses within the industry group, profitability was adversely impacted by the appreciation of the Sri Lankan Rupee (by approximately 15%) during the quarter under review, whereas both SAGT and LMS benefitted from gains on account of the steep depreciation of the Rupee during the first quarter of the previous year, both in terms of revenue and costs.

In the first quarter of the previous year, LMS recorded a substantial increase in profitability in its core ship bunkering operations driven by higher margins on account of the significant increase in global fuel oil prices as well as higher volumes. Whilst LMS recorded a decline in volumes during the quarter under review, it should be noted that the previous quarter included local fuel sales as licensed bunkering businesses were permitted, from May 2022, to import and supply fuel oil to local industries to ensure continuity of operations in light of the fuel shortages which were prevalent in the country at the time. The temporary approval granted by the Government of Sri Lanka ceased with effect from early June 2023.

Whilst SAGT recorded a marginal improvement in throughput, profitability was impacted by the volume mix due to a decline in domestic import volumes, while ancillary revenues declined from the peak levels witnessed last year. It should be noted that there was a reversal credit relating to a deferred tax amounting to Rs.784 million, arising from a change in the currency of calculation of deferred tax, from USD to LKR.

The groundwork on the West Container Terminal (WCT-1) at the Port of Colombo is progressing well with the entirety of the dredging works for both phases completed in May 2023. The construction of the quay wall has been awarded and preliminary work has commenced.

CONSUMER FOODS

The Consumer Foods industry group EBITDA of Rs. 720 million in the first quarter of 2023/24 is a decrease of 42% over the EBITDA for the first quarter of the previous financial year [2022/23 Q1: Rs.1.23 billion], primarily driven by a substantial decline stemming from the Convenience Foods business which usually does not contribute materially to profitability. This is largely on account of the higher discretionary nature of the portfolio in the context of tightening consumer spend. The Beverages business recorded a growth in EBITDA while the Frozen Confectionery business recorded a decline in EBITDA as explained below.

The volume decline in both the Beverages and Frozen Confectionery businesses have shown encouraging recovery compared to the steep volume declines witnessed in the two previous quarters. The Beverages business recorded a reduction in volumes by only 4% in the quarter under review compared to the volume decline of 40% recorded in the fourth quarter of 2022/23. Similarly, the Frozen Confectionery business has also rebounded recording a volume decline of 10% compared to the volume decline of 30% recorded in the fourth quarter of 2022/23. It should be noted that the corresponding quarter of the previous year was a strong quarter in terms of performance, with volumes exceeding pre-pandemic levels. It is encouraging to witness the continued volume recovery for both businesses in the month of June 2023.

While overall margins are also dependent on the level of volumes achieved, in line with expectations and the actions taken to improve product margins, the Beverages business recorded an improvement in the quarter under review as a result of the declines in input costs, which are now translating to positive margin impacts on account of the stabilising raw material prices and the appreciation of the Rupee. While similar actions have been undertaken, the Frozen Confectionery business was still utilising relatively higher cost materials which had a lag effect in translating to improved margins which have now begun to improve. The margins, therefore, are expected to display a similar trend in the ensuing quarters.

The Convenience Foods business recorded a significant volume decline during the quarter, driven by a decrease in retail sausage volumes as a result of a moderation in consumer spend on processed meats which is a more discretionary and a higher price point item as compared to the Beverages and Frozen Confectionery businesses.

RETAIL

The Retail industry group EBITDA of Rs.1.99 billion in the first quarter of 2023/24 is a decrease of 14% over the EBITDA for the first quarter of the previous financial year [2022/23 Q1: Rs.2.32 billion]. The decrease in EBITDA is on account of both the Supermarket business and the Office Automation business.

The Supermarket business EBITDA of Rs.1.74 billion in the first quarter of 2023/24 is a decrease of 6% over the EBITDA for the first quarter of the previous financial year [2022/23 Q1: Rs.1.86 billion]. The Supermarket business recorded a strong performance in revenue during the quarter, particularly in the seasonal month of April, with same store sales recording encouraging growth of 23%, primarily driven by customer footfall growth of 15%. The sustained increase in footfall is encouraging as it demonstrates the continued potential for higher penetration of certain customer segments.

However, margins were under pressure given the significant cost escalations in operations compared to the previous year, primarily due to the significant increase in electricity tariffs and, to a lesser extent, staff costs and other overheads. The imposition of the social security contribution levy (SSCL), which is a revenue-based tax similar to the nation building tax in force a few years ago, had a further significant impact on the margins of the business.

CHAIRPERSON'S MESSAGE

The increase in revenue, as witnessed during the quarter, is expected to drive an improvement in EBITDA together with the benefits accruing from various productivity and cost efficiency initiatives and supplier negotiations. The business will continue to place emphasis on cost optimisation and working capital management. The total outlet count as at 30 June 2023 remains at 131.

During the quarter under review, the Office Automation business witnessed an improvement in both mobile phones and office automation sales volumes.

LEISURE

The Leisure industry group EBITDA of Rs.284 million in the first quarter of 2023/24 is a decrease of 85% over the EBITDA for the first quarter of the previous financial year [2022/23 Q1: Rs.1.87 billion]. The profitability of the Leisure businesses were adversely impacted by the Rupee appreciation during the quarter under review, particularly in the Maldivian Resorts segment and the Destination Management sector, and higher costs. It should be noted that, given the classification of assets and liabilities of 'Cinnamon Life' under the Leisure industry group from October 2022 onwards, the EBITDA of the quarter under review includes marketing and promotional expenses and staff salaries incurred in preparation for the launch of the project. In addition, margins of the Leisure businesses were under pressure given the higher staff costs on account of global demand for hospitality resources and increased utility costs.

The Colombo Hotels segment recorded a strong performance in its restaurant and banqueting operations. Occupancies of the Sri Lankan Leisure businesses recorded an improvement on the back of a gradual recovery in tourist arrivals.

Sri Lanka recorded over 600,000 tourist arrivals for the first six months of 2023, with March 2023 recording the highest number of arrivals since the peak of the economic crisis. Although arrivals are still below pre-pandemic levels, it is encouraging to witness the pick-up in inquiries and forward bookings, particularly from India, where the average stay period in the city is longer. Whilst the April to June period is off-season, the Group is confident that the current recovery trend in arrivals will continue, particularly given the opening of the Chinese borders for international travel after a period of three years and the increase in frequencies of flights by several major airlines. While the current situation on the ground has reverted to normal, the negative perception and lack of awareness, especially in our key source markets, continues to be a challenge in accelerating the recovery momentum in tourist arrivals. In light of this, we continue to urge the tourism authorities to expedite the launch of Sri Lanka's much awaited global marketing campaign. Sri Lanka continues to remain attractive as a tourist destination given our diverse landscape and unique offerings, with the added competitive advantage from a pricing perspective due to the significant depreciation of the Rupee.

CINNAMON LIFE INTEGRATED RESORT

As detailed in the Annual Report 2022/23, given the near completion of construction works at 'Cinnamon Life' and the focus and transition on the pre-operational phase of the project with the impending commencement of operations in end 2024, the review and reporting of the hotel, retail and entertainment components of the project was transitioned to the Leisure industry group. The property development components of the project, namely, the two residential apartment towers and the commercial tower continue to be recorded under the Property industry group.

The construction work at 'Cinnamon Life' is progressing well, where the hotel, retail and entertainment components are in the final stages of construction. The fitouts and interior works of the hotel rooms and common areas are well underway with approximately 500 rooms already completed.

The discussions with leading international gaming operators are progressing well, where the commercial structures and arrangements are being negotiated, with a final agreement expected shortly. A substantial amount of work has been carried out, including detailed site visits, evaluation of the business case and operating model, fit-out requirements, designs and timelines. We are confident that the convergence of all elements in the launch of the integrated resort will unlock its full potential as a transformative development in South Asia and be a catalyst in creating tourism demand and foreign exchange earnings for Sri Lanka.

PROPERTY

The Property industry group EBITDA of Rs.187 million in the first quarter of 2023/24 is an increase over the EBITDA for the first quarter of the previous financial year [2022/23 Q1: negative Rs.140 million]. EBITDA for the quarter under review includes profit recognition from 'TRI-ZEN' and rental income from ten floors of 'The Offices at Cinnamon Life'. The construction activity at the 'TRI-ZEN' residential development project is continuing with encouraging momentum where the entire structure of all three towers is completed and the mechanical, electrical and plumbing work and fit-outs are completed in all apartments. The overall project is scheduled for completion in end-2023.

FINANCIAL SERVICES

The Financial Services industry group EBITDA of Rs.1.69 billion in the first quarter of 2023/24 is an increase of 93% over the EBITDA for the first quarter of the previous financial year [2022/23 Q1: Rs.877 million]. The strong growth in profitability was driven by both Union Assurance PLC (UA) and Nations Trust Bank PLC (NTB). As announced by the Government in June 2023, the proposed domestic debt optimization restructuring excludes both the insurance and banking sectors.

UA recorded encouraging double-digit growth in gross written premiums, driven by renewal premiums. Net investment income recorded growth as a result of the high interest rate environment which prevailed during the quarter compared to the corresponding period of the previous year.

Nations Trust Bank PLC (NTB) recorded a strong growth in profitability driven by an increase in net interest margins through proactive asset liability management. Profitability in the quarter under review also benefited from the absence of impairment charges on Sri Lankan Government foreign securities given the higher provisioning adopted by NTB relative to its peers and the subsequent clarity on 'haircuts' as announced in the DDO programme.

OTHER, INCLUDING INFORMATION TECHNOLOGY AND PLANTATION SERVICES

The Other, including Information Technology and Plantation Services industry group EBITDA of Rs.1.94 billion in the first quarter of 2023/24 is a decrease of 26% over the EBITDA for the first quarter of the previous financial year [2022/23 Q1: Rs.2.62 billion]. The decrease in EBITDA is mainly attributable to the lower interest income due to the decrease in cash holdings at the Holding Company as funds were utilised to meet the Group's investment commitments.

The PBT of the Holding Company in the first quarter of the previous year included Rs.10.12 billion of net exchange gains recorded on its US Dollar denominated cash holdings at the Holding Company resulting from the steep depreciation of the Sri Lankan Rupee against the US Dollar during the quarter, whereas the quarter under review recorded net exchange losses amounting to Rs.359 million. In addition, PBT was also impacted by the higher finance expenses due to the high interest rate regime and the interest charged on the convertible debentures issued to HWIC Asia Fund (HWIC), including a notional non-cash interest of approximately Rs.750 million.

The Plantation Services sector recorded a decrease in profitability as a result of a decline in global tea prices. The profitability of the Information Technology sector was impacted as a result of the appreciation of the Rupee during the quarter.

DIVERSITY, EQUITY AND INCLUSION INITIATIVE

During the quarter under review, The Group received recognition for our impactful long-term efforts in diversity, equity, and inclusion as the 'Organisation Promoting Equity/Equality and Diversity of the Year' at the 'Top50 Professional & Career Women Global Awards – Thirteenth Edition' in 2023, by Women in Management (WIM) in partnership with the International Finance Corporation (IFC) and the Government of Australia.

The Group successfully completed its commitments under the 'Together We Can+' programme, initiated by the IFC, which aims to create inclusive workplaces for Persons with Disabilities (PWD) and LGBTIQ+ individuals. These commitments included conducting a PWD needs assessment, creating and updating policies for PWD inclusivity and improving accessibility in our physical and digital spaces for customers and employees with disabilities.

The Group has been associated with the LGBTIQ+ community since 2015 and in furtherance of this we were a sponsor of Colombo PRIDE, for the second consecutive year in 2023.

SUSTAINABILITY INITIATIVES

During the quarter under review, the Group's carbon footprint per million rupees of revenue increased by 12% to 0.42 MT while the water withdrawal per million rupees of revenue increased by 16% to 7.42 cubic meters, mainly due to the decline in Group revenue in the first quarter compared to the corresponding quarter of the previous year. In absolute terms, the Group's carbon footprint and water withdrawal increased by 1% and 4% to 26,692 MT and 472,035 cubic meters respectively, due to higher levels of operational activities during the quarter compared to the corresponding quarter of the previous year, particularly in the Leisure and Supermarket businesses. On average, Group employees were provided with five hours of training per employee, whilst 63 occupational injuries were reported during the quarter.

PLASTICCICLE

During the quarter under review, 'Plasticcycle', the social entrepreneurship project of the Group, partnered with the 'Cleaner Seabeds for Sri Lanka' expedition, to remove underwater marine litter from sensitive marine ecosystems and reefs located around Sri Lanka. The contribution by the Group's 'Plasticcycle' project will support underwater clean-ups of the Sri Lankan coastal belt, which provides the opportunity for volunteer divers from our Group and across the globe to participate and help remove plastic waste from the seabed thereby preventing plastic waste from breaking down into microplastics and harming marine life.

On World Environment Day (WED) 2023, 'Plasticcycle' together with John Keells X, the Group's start-up accelerator programme, launched 'Start-Up-cycle' an initiative aimed at supporting innovative Sri Lankan entrepreneurs who aspire to provide sustainable long-term solutions on the reduction of single-use plastics and plastic waste.

CORPORATE SOCIAL RESPONSIBILITY

The Group's multi-pronged crisis response initiative continued to address the socio-economic crisis in Sri Lanka in identified locations and reported the following progress during the quarter:

- Over 275,629 school meals provided to-date.
- A collaboration with Scale Up Nutrition (SUN) for a pilot programme aimed at supplementing a sustainable school meal programme, promoting good nutrition practices and healthy eating habits was initiated.
- The sustainable farming programme, home gardening programme, pilot school gardening programme greenhouse initiative and model farms continued to provide nutrition and scalable livelihood support in communities around Group businesses.
- Under the English Language Scholarship Programme (ELSP) 803 students completed classes in 18 locations while participating in English Day events.
- 228 scholars continued to be supported through John Keells Foundation's (JKF) Higher Education Scholarship Scheme and Digital Learning Initiative.

CHAIRPERSON'S MESSAGE

In addition, JKF continued to support and empower vulnerable communities through skills and livelihood development, community health and wellbeing, environment sustainability as well as arts and culture through the following activities under its ongoing projects during the quarter.

Key milestones included:

- Child Protection awareness for JKF's English scholars and Cinnamon Hotel staff through Project WAVE (Working Against Violence through Education).
- Substance Abuse Prevention awareness for children and parents and a social media awareness campaign to mark the International Day against Drug Abuse and Illicit Trafficking driven under the theme 'together against drugs'.
- Under the John Keells Praja Shakthi initiative aimed at building dignified livelihoods for our communities, a mushroom cultivation project was initiated in collaboration with the Ja-Ela divisional secretariat.
- The 'Cinnamon' Rainforest Restoration Project with Ruk Rakaganno recorded the planting of an additional 785 seedlings and the undertaking of eight volunteer programmes.
- Strategic sponsorships in the Arts & Culture reported the following activities:
 - The Museum of Modern and Contemporary Art, Sri Lanka opened its third exhibition 'The Foreigners' and recorded a total of 3,534 visitors during the quarter.
 - The Gratiaen Trust hosted the 30th edition of the Gratiaen Prize and the 10th edition of the H. A. I. Goonetilleke Prize for translations and launched the Gratiaen Young Writes Club. A master class and creative writing workshop were also conducted by Romesh Gunasekera and Monique Roffey, respectively.
 - Ena de Silva Foundation commenced Phase 2 of the archiving project of Ena de Silva's works.

RETIREMENT OF A DIRECTOR

Ms. P. Perera (Independent Non-Executive Director) retired from the JKH Board with effect from 1 July 2023, having completed nine consecutive years on the Board. I would like to place on record our deep appreciation of the invaluable contribution made by Ms. Perera during her tenure on the Board.



Krishan Balendra

Chairperson
25 July 2023

CONSOLIDATED INCOME STATEMENT

	Note	For the quarter ended 30 June		
		2023	2022	%
Continuing operations				
Revenue from contracts with customers		59,736,202	68,195,261	(12)
Revenue from insurance contracts		4,042,268	3,320,622	22
Total revenue		63,778,470	71,515,883	(11)
Cost of sales		(52,694,690)	(57,709,469)	(9)
Gross profit		11,083,780	13,806,414	(20)
Other operating income		1,164,352	686,729	70
Selling and distribution expenses		(2,450,779)	(2,006,979)	22
Administrative expenses		(6,163,116)	(5,540,716)	11
Other operating expenses		(2,005,830)	(3,993,266)	(50)
Results from operating activities		1,628,407	2,952,182	(45)
Finance cost	7	(5,345,199)	(3,243,684)	65
Finance income	7	5,133,244	14,523,195	(65)
Change in insurance contract liabilities	6	(3,133,395)	(1,689,890)	85
Share of results of equity accounted investees (net of tax)		3,113,145	2,259,647	38
Profit before tax		1,396,202	14,801,450	(91)
Tax expense	8	(154,520)	(3,375,556)	(95)
Profit for the period		1,241,682	11,425,894	(89)
Attributable to:				
Equity holders of the parent		1,466,547	11,277,062	(87)
Non-controlling interests		(224,865)	148,832	(251)
		1,241,682	11,425,894	(89)
		Rs.	Rs.	
Earnings per share				
Basic		1.06	8.14	
Diluted		1.06	8.14	
Dividend per share				
		0.50	0.50	

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	For the quarter ended 30 June	
		2023	2022
Profit for the period		1,241,682	11,425,894
Other comprehensive income			
Other comprehensive income to be reclassified to income statement in subsequent periods			
Currency translation of foreign operations		(16,519,371)	27,900,435
Net gain/(loss) on cash flow hedges		64,621	861,322
Net gain/(loss) on financial instruments at fair value through other comprehensive income		1,260,539	(764,700)
Share of other comprehensive income of equity-accounted investees (net of tax)		(816,020)	3,092,107
Net other comprehensive income to be reclassified to income statement in subsequent periods		(16,010,231)	31,089,164
Other comprehensive income not to be reclassified to income statement in subsequent periods			
Net gain/(loss) on equity instruments at fair value through other comprehensive income		18,666	58,282
Remeasurement gain / (loss) on defined benefit plans		616	-
Net other comprehensive income not to be reclassified to income statement in subsequent periods		19,282	58,282
Tax on other comprehensive income	8	273	11
Other comprehensive income for the period, net of tax		(15,990,676)	31,147,457
Total comprehensive income for the period, net of tax		(14,748,994)	42,573,351
Attributable to:			
Equity holders of the parent		(14,153,407)	41,450,587
Non-controlling interest		(595,587)	1,122,764
		(14,748,994)	42,573,351

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at	30.06.2023	31.03.2023
ASSETS		
Non-current assets		
Property, plant and equipment	350,177,839	362,096,999
Right-of-use assets	50,800,253	54,184,946
Investment property	31,939,282	33,029,385
Intangible assets	5,647,929	5,792,766
Investments in equity accounted investees	45,433,952	38,486,146
Non-current financial assets	65,674,046	63,957,051
Deferred tax assets	2,664,258	2,582,275
Other non-current assets	1,591,270	1,571,304
	553,928,829	561,700,872
Current assets		
Inventories	35,543,161	39,094,514
Trade and other receivables	19,965,288	21,508,078
Amounts due from related parties	522,175	317,700
Other current assets	15,909,325	14,570,452
Short term investments	79,704,977	82,221,822
Cash in hand and at bank	23,989,158	25,092,977
	175,634,084	182,805,543
Total assets	729,562,913	744,506,415
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Stated capital	73,187,861	73,187,861
Revenue reserves	122,548,829	121,743,376
Other components of equity	130,545,078	146,091,034
	326,281,768	341,022,271
Non-controlling interest	18,684,388	19,396,186
Total equity	344,966,156	360,418,457
Non-current liabilities		
Insurance contract liabilities	61,997,879	58,907,310
Interest-bearing loans and borrowings	147,360,458	159,778,892
Lease liabilities	30,533,004	32,052,489
Deferred tax liabilities	19,634,883	19,687,569
Employee benefit liabilities	2,609,276	2,559,632
Non-current financial liabilities	20,659,413	20,107,025
Other non-current liabilities	1,804,235	286,236
	284,599,148	293,379,153
Current liabilities		
Trade and other payables	31,045,325	29,866,282
Amounts due to related parties	92,942	3,615
Income tax liabilities	1,053,679	1,798,855
Short term borrowings	13,994,437	8,701,652
Interest-bearing loans and borrowings	13,538,179	12,839,426
Lease liabilities	2,186,121	2,258,653
Other current liabilities	4,345,235	5,191,579
Bank overdrafts	33,741,691	30,048,743
	99,997,609	90,708,805
Total equity and liabilities	729,562,913	744,506,415
	Rs.	Rs.
Net assets per share	235.60	246.24

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

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



K M Thanthirige
Group Financial Controller

The Board of Directors is responsible for these financial statements.



K N J Balendra
Chairperson



J G A Cooray
Deputy Chairperson/Group Finance Director

25 July 2023
Colombo

CONSOLIDATED STATEMENT OF CASH FLOWS

For the quarter ended 30 June	Note	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before working capital changes	A	1,648,110	1,742,094
(Increase) / Decrease in inventories		2,234,538	(1,231,593)
(Increase) / Decrease in trade and other receivables		455,808	7,271,424
(Increase) / Decrease in other current assets		(1,287,396)	(6,355,246)
Increase / (Decrease) in other non-current financial liabilities		(191,359)	-
Increase / (Decrease) in trade and other payables and other non-current liabilities		1,207,722	(846,749)
Increase / (Decrease) in other current liabilities and other current financial liabilities		(845,049)	905,761
Increase / (Decrease) in insurance contract liabilities		3,090,569	1,651,354
Cash generated from operations		6,312,943	3,137,045
Finance income received		4,387,111	13,470,134
Finance costs paid		(6,899,604)	(3,079,300)
Dividend received		833,037	-
Tax paid		(972,276)	(1,275,455)
Surcharge tax paid		-	(824,207)
Gratuity paid		(81,120)	(31,337)
Net cash flow from operating activities		3,580,091	11,396,880
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Purchase and construction of property, plant and equipment		(3,711,349)	(1,287,607)
Purchase of intangible assets		(88,357)	(97,019)
Addition to other non-current assets		(98,496)	(8,175,225)
Investments in equity accounted investees		(5,551,612)	-
Proceeds from sale of property, plant and equipment and intangible assets		14,972	13,586
Proceeds from sale of financial instruments - fair valued through profit or loss		769,490	446,718
Purchase of financial instruments - fair valued through profit or loss		(704,753)	(531,569)
(Purchase) / disposal of deposits and government securities (net)		(4,468,533)	(4,668,134)
(Purchase) / disposal of non current financial assets (net)		16,100	15,011
Net cash flow from / (used in) investing activities		(13,822,538)	(14,284,239)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Dividend paid to equity holders of parent		(692,458)	(692,458)
Dividend paid to shareholders with non-controlling interest		(85,140)	(59,838)
Proceeds from long term borrowings		306,240	96,227
Repayment of long term borrowings		(2,335,204)	(38,825,316)
Payment of principal portion of lease liability		(716,793)	(959,595)
Proceeds from/(repayment of) other financial liabilities (net)		5,293,330	(1,917,950)
Net cash flow from / (used in) financing activities		1,769,975	(42,358,930)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(8,472,472)	(45,246,289)
CASH AND CASH EQUIVALENTS AT THE BEGINNING		40,310,018	134,564,103
CASH AND CASH EQUIVALENTS AT THE END		31,837,546	89,317,814
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Favourable balances			
Short term investments (less than 3 months)		41,590,079	58,616,963
Cash in hand and at bank		23,989,158	57,552,455
Unfavourable balances			
Bank overdrafts		(33,741,691)	(26,851,604)
Total Cash and cash equivalents		31,837,546	89,317,814

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

Figures in brackets indicate deductions.

The above figures are not audited.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the quarter ended 30 June	Note	2023	2022
A. Profit before working capital changes			
Profit before tax		1,396,202	14,801,450
Adjustments for:			
Finance income	7	(5,133,244)	(14,523,195)
Finance cost	7	5,345,199	3,243,684
Share-based payment expense		74,291	51,184
Share of results of equity accounted investees		(3,113,145)	(2,259,647)
Depreciation of property, plant and equipment		1,591,353	1,501,330
(Profit)/loss on sale of property, plant and equipment and intangible assets		(8,523)	(6,016)
Amortisation of right-of-use assets		950,666	999,734
Amortisation of intangible assets		233,192	210,314
Employee benefit provision and related costs		129,262	165,011
Unrealised (gain) / loss on foreign exchange (net)		182,857	(2,441,755)
		1,648,110	1,742,094

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

GROUP	Note	Attributable to equity holders of the parent										Total equity
		Stated capital	Restricted regulatory reserve	Revaluation reserve	Foreign currency translation reserve	Cash flow hedge reserve	Other capital reserve	Fair value reserve of financial assets at FVOCI*	Revenue reserve	Total	Non-controlling interests	
As at 1 April 2022		73,187,861	3,626,604	41,012,553	79,185,589	2,928,815	3,060,095	(802,243)	106,133,124	308,332,398	18,734,311	327,066,709
Profit for the period		-	-	-	-	-	-	-	11,277,062	11,277,062	148,832	11,425,894
Other comprehensive income		-	-	-	29,488,674	861,322	-	(176,482)	11	30,173,525	973,932	31,147,457
Total comprehensive income		-	-	-	29,488,674	861,322	-	(176,482)	11,277,073	41,450,587	1,122,764	42,573,351
Share based payments		-	-	-	-	-	51,184	-	-	51,184	-	51,184
Final dividend paid - 2021/22	11	-	-	-	-	-	-	-	(692,458)	(692,458)	-	(692,458)
Subsidiary dividend to non-controlling interest		-	-	-	-	-	-	-	31,863	31,863	(91,701)	(59,838)
As at 30 June 2022		73,187,861	3,626,604	41,012,553	108,674,263	3,790,137	3,111,279	(978,725)	116,749,602	349,173,574	19,765,374	368,938,948
As at 1 April 2023		73,187,861	3,626,604	41,136,975	84,594,202	4,215,838	13,840,507	(1,323,092)	121,743,376	341,022,271	19,396,186	360,418,457
Profit for the period		-	-	-	-	-	-	-	1,466,547	1,466,547	(224,865)	1,241,682
Other comprehensive income		-	-	-	(17,194,974)	64,621	-	1,510,106	293	(15,619,954)	(370,722)	(15,990,676)
Total comprehensive income		-	-	-	(17,194,974)	64,621	-	1,510,106	1,466,840	(14,153,407)	(595,587)	(14,748,994)
Share based payments		-	-	-	-	-	74,291	-	-	74,291	-	74,291
Final dividend paid - 2022/23	11	-	-	-	-	-	-	-	(692,458)	(692,458)	-	(692,458)
Subsidiary dividend to non-controlling interest		-	-	-	-	-	-	-	31,071	31,071	(116,211)	(85,140)
As at 30 June 2023		73,187,861	3,626,604	41,136,975	67,399,228	4,280,459	13,914,798	187,014	122,548,829	326,281,768	18,684,388	344,966,156

* FVOCI - Fair value through other comprehensive income

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

COMPANY INCOME STATEMENT

	Note	For the quarter ended 30 June		
		2023	2022	%
Continuing operations				
Services transferred over time		562,973	474,726	19
Revenue from contracts with customers		562,973	474,726	19
Cost of sales		(317,395)	(202,133)	57
Gross profit		245,578	272,593	(10)
Dividend income		1,189,175	232,065	412
Other operating income		44,172	3,905	1,031
Administrative expenses		(557,304)	(464,184)	20
Other operating expenses		(20,336)	(2,849)	614
Results from operating activities		901,285	41,530	2,070
Finance cost	7	(3,035,694)	(1,305,383)	133
Finance income	7	1,786,422	12,571,334	(86)
Profit before tax		(347,987)	11,307,481	(103)
Tax expense	8	(1,407)	(2,583,573)	(100)
Profit for the period		(349,394)	8,723,908	(104)
		Rs.	Rs.	
Dividend per share		0.50	0.50	

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

COMPANY STATEMENT OF COMPREHENSIVE INCOME

	Note	For the quarter ended 30 June	
		2023	2022
Profit for the period		(349,394)	8,723,908
Other comprehensive income			
Other comprehensive income to be reclassified to income statement in subsequent periods			
Net gain on cash flow hedge		64,621	861,322
Net other comprehensive income to be reclassified to income statement in subsequent periods		64,621	861,322
Other comprehensive income not to be reclassified to income statement in subsequent periods			
Re-measurement gain/(loss) on defined benefit plans		(800)	-
Net gain on equity instruments at fair value through other comprehensive income		18,735	58,338
Net other comprehensive income not to be reclassified to income statement in subsequent periods		17,935	58,338
Tax on other comprehensive income	8	-	-
Other comprehensive income for the period, net of tax		82,556	919,660
Total comprehensive income for the period, net of tax		(266,838)	9,643,568

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

COMPANY STATEMENT OF FINANCIAL POSITION

As at	30.06.2023	31.03.2023
ASSETS		
Non-current assets		
Property, plant and equipment	140,950	140,420
Intangible assets	55,349	62,812
Investments in subsidiaries	202,024,960	198,074,611
Investments in equity accounted investees	21,387,110	16,217,500
Non current financial assets	4,506,576	4,404,983
Other non-current assets	115,980	125,931
	228,230,925	219,026,257
Current assets		
Trade and other receivables	291,183	207,733
Amounts due from related parties	1,075,695	1,177,616
Other current assets	2,197,698	1,695,635
Short term investments	55,613,334	57,473,253
Cash in hand and at bank	7,483,147	8,232,006
	66,661,057	68,786,243
Total assets	294,891,982	287,812,500
EQUITY AND LIABILITIES		
Stated capital	73,187,861	73,187,861
Revenue reserves	100,764,333	101,806,985
Other components of equity	18,212,652	18,055,005
Total equity	192,164,846	193,049,851
Non-current liabilities		
Interest-bearing loans and borrowings	62,626,050	66,907,718
Employee benefit liabilities	221,688	219,756
Non current financial liabilities	19,123,915	18,380,148
Deferred tax liabilities	2,841,984	2,841,984
	84,813,637	88,349,606
Current liabilities		
Trade and other payables	876,547	631,405
Amounts due to related parties	35,003	58,244
Income tax liabilities	258,213	888,214
Short term borrowings	6,503,397	1,300,000
Interest bearing loans and borrowings	2,355,568	3,344,997
Other current Liabilities	12,283	17,811
Bank overdrafts	7,872,488	172,372
	17,913,499	6,413,043
Total equity and liabilities	294,891,982	287,812,500
	Rs.	Rs.
Net assets per share	138.76	139.39

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

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

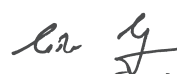


K M Thanthirige
Group Financial Controller

The Board of Directors is responsible for these financial statements.



K N J Balendra
Chairperson



J G A Cooray
Deputy Chairperson/Group Finance Director

25 July 2023
Colombo

COMPANY STATEMENT OF CASH FLOWS

For the quarter ended 30 June	Note	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		(347,987)	11,307,481
Adjustments for:			
Finance income	7	(1,786,422)	(12,571,334)
Dividend income		(1,189,175)	(232,065)
Finance cost	7	3,035,694	1,305,383
Depreciation of property, plant and equipment		11,211	8,766
Amortisation of intangible assets		7,463	8,439
Share based payment expenses		21,311	15,057
Employee benefit provision and related costs		4,129	14,341
Profit before working capital changes		(243,776)	(143,932)
(Increase) / Decrease in trade and other receivables		41,928	(391,267)
(Increase) / Decrease in other current assets		(502,063)	(128,163)
Increase / (Decrease) in trade and other payables		221,901	191,767
Increase / (Decrease) in other current liabilities		(5,528)	-
Cash generated from operations		(487,538)	(471,595)
Finance income received		1,046,163	11,361,747
Finance costs paid		(3,235,306)	(1,975,907)
Dividend received		1,189,175	232,065
Tax paid		(670,671)	(624,040)
Surcharge tax paid		-	(262,897)
Gratuity paid		(2,997)	(662)
Net cash flow from operating activities		(2,161,174)	8,258,711
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES			
Purchase and construction of property, plant and equipment		(11,985)	(10,308)
Increase in interest in subsidiaries		(3,897,366)	(42,692,159)
Increase in interest in equity accounted investees		(5,169,612)	-
(Purchase) / disposal of deposits and government securities (net)		(4,156,166)	510,067
(Purchase) / disposal of other non current financial assets (net)		-	27,894
Net cash flow from/(used in) investing activities		(13,235,129)	(42,164,506)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES			
Dividend paid		(692,458)	(692,458)
Proceeds from issue of convertible debentures		-	(412,500)
Repayment of long term borrowings		(525,000)	-
Proceeds from / (repayment of) short term borrowings (net)		5,081,602	3,000,000
Net cash flow from / (used in) financing activities		3,864,144	1,895,042
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(11,532,159)	(32,010,753)
CASH AND CASH EQUIVALENTS AT THE BEGINNING		38,007,046	107,885,292
CASH AND CASH EQUIVALENTS AT THE END		26,474,887	75,874,539
ANALYSIS OF CASH & CASH EQUIVALENTS			
Favourable balances			
Short term investments (less than 3 months)		26,864,228	46,307,486
Cash in hand and at bank		7,483,147	29,602,946
Unfavourable balances			
Bank overdrafts		(7,872,488)	(35,893)
Total cash and cash equivalents		26,474,887	75,874,539

Note: All values are in Rs. '000s, unless otherwise stated.
Figures in brackets indicate deductions.

COMPANY STATEMENT OF CHANGES IN EQUITY

	Note	Stated capital	Other capital reserve	Cash flow hedge reserve	Fair value reserve of financial assets at FVOCI*	Revenue reserve	Total equity
As at 1 April 2022		73,187,861	3,060,095	2,928,815	21,171	89,916,647	169,114,589
Profit for the period		-	-	-	-	8,723,908	8,723,908
Other comprehensive income		-	-	861,322	58,338	-	919,660
Total comprehensive income		-	-	861,322	58,338	8,723,908	9,643,568
Share based payments		-	51,184	-	-	-	51,184
Final dividend paid - 2021/22	11	-	-	-	-	(692,458)	(692,458)
As at 30 June 2022		73,187,861	3,111,279	3,790,137	79,509	97,948,097	178,116,883
As at 1 April 2023		73,187,861	13,840,507	4,215,838	(1,340)	101,806,985	193,049,851
Profit for the period		-	-	-	-	(349,394)	(349,394)
Other comprehensive income		-	-	64,621	18,735	(800)	82,556
Total comprehensive income		-	-	64,621	18,735	(350,194)	(266,838)
Share based payments		-	74,291	-	-	-	74,291
Final dividend paid - 2022/23	11	-	-	-	-	(692,458)	(692,458)
As at 30 June 2023		73,187,861	13,914,798	4,280,459	17,395	100,764,333	192,164,846

* FVOCI - Fair value through other comprehensive income

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

Figures in brackets indicate deductions.

The above figures are not audited.

NOTES TO THE FINANCIAL STATEMENTS

OPERATING SEGMENT INFORMATION

Business segments

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

For the quarter ended 30 June	Transportation		Consumer Foods		Retail	
	2023	2022	2023	2022	2023	2022
Goods transferred at a point in time	10,769,441	23,252,946	8,630,301	8,238,529	30,039,088	25,164,942
Services transferred over time	685,759	788,282	-	-	36,995	510,612
Total segment revenue	11,455,200	24,041,228	8,630,301	8,238,529	30,076,083	25,675,554
Eliminations of inter segment revenue						
External revenue						
Segment result	234,809	2,769,576	361,484	909,257	1,370,086	212,418
Finance cost	(190,257)	(114,847)	(248,825)	(90,985)	(970,545)	(652,776)
Finance income	100,297	20,010	17,164	11,919	16,188	76,917
Share of results of equity accounted investees (net of tax)	1,887,071	1,771,265	-	-	-	-
Eliminations / adjustments	-	-	21,998	(18,372)	(3,034)	1,555
Profit / (loss) before tax	2,031,920	4,446,004	151,821	811,819	412,695	(361,886)
Tax expense	5,213	(358,591)	(42,685)	(188,193)	(79,049)	(130,639)
Profit / (loss) for the period	2,037,133	4,087,413	109,136	623,626	333,646	(492,525)
Purchase and construction of PPE*	14,545	19,578	114,416	126,694	404,788	706,051
Addition to IA*	-	-	3,766	-	74,358	112,604
Depreciation of PPE*	42,871	46,166	269,665	245,243	433,715	392,091
Amortisation / impairment of IA*	2,094	2,107	27,117	13,078	98,957	84,200
Amortisation of ROU* assets	25,468	13,416	2,079	1,975	288,177	267,277
Employee benefit provision and related costs	(9,700)	6,314	34,057	31,198	25,582	23,931

Note: All values are in Rs. '000s, unless otherwise stated.
Figures in brackets indicate deductions.

*PPE (Property, plant and equipment), IA (Intangible assets), ROU (Right of use)

	Leisure		Property		Financial Services		Others		Group Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	-	-	-	233,940	-	-	679,363	922,173	50,118,193	57,812,530
	8,664,148	8,632,846	424,413	429,065	4,085,652	3,356,482	1,356,842	1,469,315	15,253,809	15,186,602
	8,664,148	8,632,846	424,413	663,005	4,085,652	3,356,482	2,036,205	2,391,488	65,372,002	72,999,132
									(1,593,532)	(1,483,249)
									63,778,470	71,515,883
	(863,740)	501,794	174,060	(2,087,387)	497,766	469,677	(363,479)	141,037	1,410,986	2,916,372
	(843,013)	(614,659)	(31,251)	(174,754)	(4)	(276,844)	(3,061,304)	(1,318,819)	(5,345,199)	(3,243,684)
	62,299	42,113	107,077	30,598	48,773	77,120	1,857,879	12,637,265	2,209,677	12,895,942
	(9,760)	(1,332)	90,322	(100,764)	1,145,512	590,478	-	-	3,113,145	2,259,647
	(881)	(881)	(10,490)	(9,129)	-	-	-	-	7,593	(26,827)
	(1,655,095)	(72,965)	329,718	(2,341,436)	1,692,047	860,431	(1,566,904)	11,459,483	1,396,202	14,801,450
	283,169	25,544	(6,983)	(4,332)	(161,164)	(70,986)	(153,021)	(2,648,359)	(154,520)	(3,375,556)
	(1,371,926)	(47,421)	322,735	(2,345,768)	1,530,883	789,445	(1,719,925)	8,811,124	1,241,682	11,425,894
	3,088,698	340,784	20,240	2,194	2,062	22,517	66,600	69,789	3,711,349	1,287,607
	-	672	-	-	3,106	-	7,127	8,677	88,357	121,953
	751,684	738,824	15,674	16,039	30,682	27,846	47,062	35,121	1,591,353	1,501,330
	17,870	18,814	1,650	1,650	71,624	77,177	13,880	13,288	233,192	210,314
	597,377	682,104	5,114	5,126	32,157	29,541	294	295	950,666	999,734
	49,398	49,734	770	5,569	11,752	18,993	17,403	29,272	129,262	165,011

NOTES TO THE FINANCIAL STATEMENTS

Operating segment information

Business segments

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

As at	Transportation		Consumer Foods		Retail	
	30.06.2023	31.03.2023	30.06.2023	31.03.2023	30.06.2023	31.03.2023
Property, plant and equipment	1,015,368	1,065,820	10,666,874	10,822,124	18,264,672	18,294,522
Right-of-use-assets	685,883	549,380	265,222	267,301	9,256,219	9,539,807
Investment property	-	-	341,398	341,398	304,474	304,474
Intangible assets	62,906	65,000	1,159,150	1,182,500	2,532,467	2,557,066
Non-current financial assets	125,712	125,974	305,822	273,966	216,741	218,490
Other non-current assets	52,416	51,972	87,245	128,962	1,057,214	993,260
Segment non-current assets	1,942,285	1,858,146	12,825,711	13,016,251	31,631,787	31,907,619
Investments in equity accounted investees	22,752,910	17,769,439	-	-	-	-
Deferred tax assets						
Goodwill						
Eliminations / adjustments						
Total non-current assets						
Inventories	795,150	462,430	4,575,714	5,541,602	9,643,044	11,173,246
Trade and other receivables	3,808,100	2,799,055	4,269,520	4,660,106	3,319,168	2,639,958
Short term investments	5,834,369	6,665,675	660	-	1,24,329	243,742
Cash in hand and at bank	840,982	3,012,674	650,339	547,979	1,285,221	1,335,771
Segment current assets	11,278,601	12,939,834	9,496,233	10,749,687	14,371,762	15,392,717
Other current assets						
Eliminations / adjustments						
Total current assets						
Total assets						
Insurance contract liabilities	-	-	-	-	-	-
Interest bearing loans and borrowings	256,000	199,760	202,452	227,802	6,082,609	6,622,609
Lease liabilities	725,175	573,466	154,778	160,906	9,708,735	9,840,263
Employee benefit liabilities	102,900	118,217	541,720	523,330	424,910	410,492
Non-current financial liabilities	-	-	-	-	-	-
Other non-current liabilities	-	-	105,615	104,036	-	-
Segment non-current liabilities	1,084,075	891,443	1,004,565	1,016,074	16,216,254	16,873,364
Deferred tax liabilities						
Eliminations / adjustments						
Total non-current liabilities						
Trade and other payables	3,112,661	2,970,264	3,432,039	3,716,255	14,417,825	13,838,670
Short term borrowings	5,423,575	5,943,802	353,317	262,177	1,462,553	1,205,078
Interest bearing loans and borrowings	-	2,000	416,400	391,775	2,214,348	2,068,696
Lease liabilities	-	-	1,904	1,829	640,379	652,273
Bank overdrafts	1,028,990	2,545,939	4,593,027	5,653,860	8,681,861	10,625,490
Segment current liabilities	9,565,226	11,462,005	8,796,687	10,025,896	27,416,966	28,390,207
Income tax liabilities						
Other current liabilities						
Eliminations / adjustments						
Total current liabilities						
Total liabilities						
Total segment assets	13,220,886	14,797,980	22,321,944	23,765,938	46,003,549	47,300,336
Total segment liabilities	10,649,301	12,353,448	9,801,252	11,041,970	43,633,220	45,263,571

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

	Leisure		Property		Financial Services		Others		Group Total	
	30.06.2023	31.03.2023	30.06.2023	31.03.2023	30.06.2023	31.03.2023	30.06.2023	31.03.2023	30.06.2023	31.03.2023
	286,076,207	297,722,918	5,108,054	5,126,480	2,708,404	2,737,024	1,952,199	1,935,074	325,791,778	337,703,962
	38,911,871	42,150,699	209,570	210,292	417,438	425,118	33,328	33,622	49,779,531	53,176,219
	5,117,334	5,117,334	48,834,981	49,925,083	-	-	2,596,897	2,596,897	57,195,084	58,285,186
	112,060	129,931	459	500	1,182,767	1,251,283	171,892	180,255	5,221,701	5,366,535
	10,169,024	10,869,131	26,646	27,692	59,977,561	58,388,861	4,885,696	4,775,231	75,707,202	74,679,345
	90,196	77,072	-	-	92,855	86,193	211,344	233,844	1,591,270	1,571,303
	340,476,692	356,067,085	54,179,710	55,290,047	64,379,025	62,888,479	9,851,356	9,754,923	515,286,566	530,782,550
	1,744,458	1,372,911	1,769,875	1,679,553	19,166,709	17,664,243	-	-	45,433,952	38,486,146
									2,664,258	2,582,275
									730,901	730,901
									(10,186,848)	(10,881,000)
									553,928,829	561,700,872
	922,476	1,017,150	19,174,600	20,491,493	13,603	-	485,328	497,343	35,609,915	39,183,264
	3,770,415	7,153,088	2,607,668	2,796,959	1,888,730	1,537,315	3,106,930	3,312,418	22,770,531	24,898,899
	3,230,022	3,649,725	2,625,795	4,361,202	14,678,530	12,098,950	56,073,557	58,036,307	82,567,262	85,055,601
	5,533,423	2,923,886	3,286,891	4,243,625	861,522	1,060,260	10,875,453	11,769,967	23,333,831	24,894,162
	13,456,336	14,743,849	27,694,954	31,893,279	17,442,385	14,696,525	70,541,268	73,616,035	164,281,539	174,031,926
									15,909,325	14,570,452
									(4,556,780)	(5,796,835)
									175,634,084	182,805,543
									729,562,913	744,506,415
	-	-	-	-	61,997,879	58,907,310	-	-	61,997,879	58,907,310
	87,947,047	96,201,931	242,833	304,742	-	-	62,638,050	66,919,718	157,368,991	170,476,562
	19,615,710	21,125,638	410	410	282,538	306,148	-	-	30,487,346	32,006,831
	836,769	823,169	9,344	8,699	192,466	184,892	501,167	490,833	2,609,276	2,559,632
	64,260	-	1,471,238	1,726,877	-	-	19,123,915	18,380,148	20,659,413	20,107,025
	86,610	182,444	1,612,258	-	-	-	422	427	1,804,905	286,907
	108,550,396	118,333,182	3,336,083	2,040,728	62,472,883	59,398,350	82,263,554	85,791,126	274,927,810	284,344,267
									19,634,883	19,687,569
									(9,963,545)	(10,652,683)
									284,599,148	293,379,153
	4,558,174	5,056,161	1,229,833	888,337	3,985,350	4,155,248	2,536,774	2,491,243	33,272,656	33,116,178
	3,122,204	2,833,700	-	-	-	-	6,515,471	1,312,074	16,877,120	11,556,831
	8,375,863	6,843,958	176,000	188,000	-	-	2,355,568	3,344,997	13,538,179	12,839,426
	1,583,606	1,682,243	-	-	130,810	112,308	-	-	2,356,699	2,448,653
	10,799,381	10,079,148	268,878	647,726	126,373	140,551	8,315,178	428,023	33,813,688	30,120,737
	28,439,228	26,495,210	1,674,711	1,724,063	4,242,533	4,408,107	19,722,991	7,576,337	99,858,342	90,081,825
									1,053,679	1,798,855
									4,345,235	5,191,579
									(5,259,647)	(6,363,454)
									99,997,609	90,708,805
									384,596,757	384,087,958
	353,933,028	370,810,934	81,874,664	87,183,326	81,821,410	77,585,004	80,392,624	83,370,958	679,568,105	704,814,476
	136,989,624	144,828,392	5,010,794	3,764,791	66,715,416	63,806,457	101,986,545	93,367,463	374,786,152	374,426,092

NOTES TO THE 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 June 2023, 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 three months ended 30 June 2023 were authorised for issue by the Board of Directors on 25 July 2023.

4 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

4.1 Basis of Preparation

The interim condensed consolidated financial statements for the three months ended 30 June 2023 have been prepared in accordance with LKAS 34 Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 March 2023.

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 (Rs.) and all values are rounded to the nearest thousand except when otherwise indicated.

4.2 Fair value measurement and related fair value disclosures

The fair values of all the financial assets and financial liabilities recognised during the quarter were not materially different from the transaction prices at the date of initial recognition. There were no transfers between Level 1 and Level 2 and no transfers into or out of Level 3 categories as per the fair value hierarchy, during the quarter. The fair value changes on financial instruments in Level 3 category was properly recorded in the statement of other comprehensive income and there were no purchases and/or disposals during the period.

Fair valuation was done as of 30 June 2023 for all unquoted equity shares classified as Level 3 within the fair value hierarchy according to fair valuation methodology. Fair value would not significantly vary if one or more of the inputs were changed.

5 OPERATING SEGMENTS

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

- Transportation
- Consumer Foods
- Retail
- Leisure
- Property
- Financial Services
- 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.

7 NET FINANCE INCOME

For the quarter ended 30 June	GROUP		COMPANY	
	2023	2022	2023	2022
Finance income				
Interest income	4,862,902	4,354,603	1,786,422	2,452,031
Dividend income on				
Financial assets at fair value through profit or loss	34,042	64,342	-	-
Realised gains on financial assets at fair value through profit or loss	61,769	-	-	-
Unrealised gains on financial assets at fair value through profit or loss	205,252	-	-	-
Investment related direct expenses	(30,721)	(15,053)	-	-
Exchange gains	-	10,119,303	-	10,119,303
Total finance income	5,133,244	14,523,195	1,786,422	12,571,334
Finance cost				
Interest expense on borrowings	(3,593,493)	(2,531,053)	(1,735,341)	(1,305,383)
Finance charge on lease liabilities	(451,353)	(435,787)	-	-
Finance charge on convertible debentures	(941,684)	-	(941,684)	-
Realised loss on financial assets at fair value through profit or loss	-	(202,311)	-	-
Unrealised loss on financial assets at fair value through profit or loss	-	(74,533)	-	-
Exchange loss	(358,669)	-	(358,669)	-
Total finance cost	(5,345,199)	(3,243,684)	(3,035,694)	(1,305,383)
Net finance income/(expense)	(211,955)	11,279,511	(1,249,272)	11,265,951

8 TAX EXPENSE

For the quarter ended 30 June	GROUP		COMPANY	
	2023	2022	2023	2022
Income statement				
Current income tax	340,546	3,316,521	1,407	2,583,573
Deferred tax charge/(reversal)	(186,026)	59,035	-	-
	154,520	3,375,556	1,407	2,583,573
Other comprehensive Income				
Deferred tax charge/(reversal)	273	11	-	-
	273	11	-	-

NOTES TO THE FINANCIAL STATEMENTS

9 RELATED PARTY TRANSACTIONS

For the quarter ended 30 June	GROUP		COMPANY	
	2023	2022	2023	2022
Transactions with related parties				
Subsidiaries				
Purchases of goods	-	-	6,278	10,802
Rendering of services	-	-	412,559	288,868
Receiving of services	-	-	122,600	117,550
Rent paid	-	-	9,220	9,329
Dividend received	-	-	356,138	222,065
Equity accounted investees				
Sales of goods	5,414	1,749	-	-
Rendering of services	63,529	160,536	150,559	184,678
Receiving of services	124,725	49,830	37	-
Interest received	320,504	199,474	319,309	99,591
Interest paid	29,846	24,611	1	-
Dividend received	-	-	833,037	-
Key management personnel (KMP)				
Sales of goods	-	-	-	-
Close family members of KMP				
Sales of goods	-	-	-	-
Companies controlled/jointly controlled/significantly influenced by KMP and their close family members of KMP				
Rendering of services	379	-	-	-
Receiving of services	6,738	4,968	-	-
Post employment benefit plan				
Contributions to the provident fund	90,955	74,577	25,542	17,252

10 SHARE INFORMATION

10.1 Stated capital

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

As at	30-06-2023	31-03-2023
Ordinary shares *	1,384,916,632	1,384,916,632

* Includes global depository receipts of 1,320,942 (31 March 2023 - 1,320,942).

10.2 Public share holdings

Percentage of shares held by the public and the number of public shareholders is as given below:

As at	30-06-2023	31-03-2023
Public shareholding (%)	98.86	98.51
Number of public shareholders	14,977	15,099
Compliant under option 1 - Float adjusted market capitalization (LKR Bn)	205.37	191.00

10.3 Net assets per share

Net assets per share have been calculated, for all periods, based on the number of shares in issue as of 30 June 2023.

10.4 Market price per share

The Company's highest, lowest and last traded market price is as given below:

For the quarter ended 30 June	2023 Rs.	2022 Rs.
Highest	150.75	170.00
Lowest	134.75	116.25
Last traded	150.00	122.00

10.5 Directors' share holdings

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

As at	30-06-2023	31-03-2023
K N J Balendra - Chairperson/CEO	10,914,400	10,914,400
J G A Cooray - Deputy Chairperson /Group Finance Director	208,587	208,587
D A Cabraal	250,137	250,137
S A Coorey	Nil	Nil
A N Fonseka	Nil	Nil
M P Perera (retired w.e.f 1 July 2023)	Nil	Nil
S S H Wijayasuriya	Nil	Nil

10.6 Twenty largest shareholders

Twenty largest shareholders of the Company are as given below:

As at	30-06-2023		31-03-2023	
	Number of shares	%	Number of shares	%
1 Mr S E Captain	133,683,592	9.7	134,044,705	9.7
2 Melstacorp PLC	128,917,111	9.3	128,917,111	9.3
3 HWIC Asia Fund	119,200,760	8.6	119,200,760	8.6
4 Paints & General Industries Limited	94,599,690	6.8	100,717,931	7.3
5 Asian Development Bank	65,042,006	4.7	65,042,006	4.7
6 Citigroup Global Markets Limited Agency Trading Prop Securities A/C	61,904,939	4.5	61,904,939	4.5
7 CIC Holdings PLC	53,140,113	3.8	35,338,032	2.6
8 Schroder International Selection Fund	44,418,290	3.2	44,418,290	3.2
9 Aberdeen Standard Asia Focus PLC	36,748,572	2.7	33,398,572	2.4
10 Norges Bank Account 2	31,901,605	2.3	31,901,605	2.3
11 Mr Kandiah Balendra	19,511,476	1.4	19,511,476	1.4
12 Employees Trust Fund Board	18,499,897	1.3	18,499,897	1.3
13 Mrs C S De Fonseka	17,606,991	1.3	17,606,991	1.3
14 Edgbaston Asian Equity Trust	17,404,835	1.3	17,520,023	1.3
15 Polypak Secco Ltd	15,962,533	1.2	14,937,924	1.1
16 Mrs S A J De Fonseka	15,204,230	1.1	15,204,230	1.1
17 Chemanex PLC	14,003,780	1.0	13,105,475	0.9
18 Sunsuper Superannuation Fund	12,052,903	0.9	11,587,196	0.8
19 Fidelity Funds-Pacific	11,892,537	0.9	15,244,082	1.1
20 Mr K N J Balendra	10,907,628	0.8	10,907,628	0.8

NOTES TO THE FINANCIAL STATEMENTS

11 DIVIDENDS PAID

For the quarter ended 30 June	2023	2022
Equity dividend on ordinary shares declared and paid during the period		
Final dividend 2022/23-Rs. 0.50 (2021/22-Rs. 0.50)	692,458	692,458
Total dividend	692,458	692,458

12 CONTINGENCIES, CAPITAL AND OTHER COMMITMENTS

There has been no significant increase in the nature of the contingencies and other commitments, which were disclosed in the annual report for the year ended 31 March 2023.

13 EVENTS AFTER THE REPORTING PERIOD

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

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

KN J Balendra - Chairperson/CEO

J G A Cooray - Deputy Chairperson/Group Finance Director

D A Cabraal

S A Coorey

A N Fonseka

S S H Wijayasuriya

Senior Independent Director

A N Fonseka

Audit Committee

A N Fonseka - Chairperson

D A Cabraal

S A Coorey

Human Resources and Compensation Committee

D A Cabraal - Chairperson

A N Fonseka

S S H Wijayasuriya

Nominations Committee

D A Cabraal - Chairperson

KN J Balendra

S S H Wijayasuriya

Related Party Transaction Review Committee

A N Fonseka - Chairperson

D A Cabraal

S A Coorey

Project Risk Assessment Committee

S S H Wijayasuriya - Chairperson

KN J Balendra

J G A Cooray

Registered Office of the Company

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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

Hatton National Bank

Hongkong and Shanghai Banking Corporation

Nations Trust Bank

People's Bank

Sampath Bank

Seylan Bank

Standard Chartered Bank

Depository for GDRs

Citibank N.A. New York



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