

The Strength of Fundamentals



John Keells Holdings PLC
Interim Condensed Financial Statements Three Months Ended 30 June 2022

Chairman's Review

Dear Stakeholder,

Despite the significantly challenging and volatile operating environment, the Group reported a strong performance during the quarter, which was a significant improvement over the comparative period of the previous year, with all businesses witnessing a sustained recovery momentum. The Group's Leisure businesses, in particular, continued to record a significant turnaround in performance primarily due to the Maldivian Resorts.

It should be noted that the comparative performance with the corresponding quarter in the previous year is somewhat distorted due to the business disruptions on account of the imposition of island-wide travel restrictions from mid-May to mid-June 2021.

Although there were no pandemic related disruptions during the quarter under review, mainly as a result of the high vaccination levels in the country, there were numerous challenges and macro-economic pressures emanating from a precarious external financing position, including a severe fuel shortage, scarcity of essential commodities, food and medicines, and disruptions to power supply. The resultant economic turmoil, further exacerbated by unprecedented levels of inflation and interest rates, gave rise to social unrest and political uncertainty, culminating in the resignation of both the Prime Minister and President within a period of two months. As a result of the volatile environment, tourist arrivals to the country, which was witnessing an encouraging post-pandemic recovery, recorded a sharp slow-down due to multiple travel advisories issued.

At the time of writing this Message, while the shortages in fuel and other essential commodities persist, the situation in the country is calm with some level of social and political stability. The appointment of a new President on 21 July 2022, and the subsequent appointment of a Prime Minister and Cabinet, in line with the relevant constitutional and parliamentary procedures, should result in the achievement of the political stability needed to resolve the current economic crisis and implement the necessary reforms. While most

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

- Group EBITDA recorded a significant improvement to Rs.13.33 billion during the quarter under review, which is an increase of 180 per cent against the comparative period of last year [2021/22 Q1: Rs.4.76 billion]. The first quarter of the previous year was partially disrupted on account of the lockdowns due to the pandemic.
- Despite the challenging and uncertain operating environment which was characterised by numerous supply chain disruptions, foreign exchange limitations, power disruptions and fuel shortages, the Group's businesses recorded strong growth in profitability compared to the first quarter of the previous year on the back of a continued recovery momentum with most businesses reaching pre-pandemic levels.
- The Leisure industry group, in particular, recorded a turnaround in performance reporting an EBITDA of Rs.1.87 billion compared to the negative EBITDA of Rs.649 million in the corresponding quarter of the previous year. The strong performance of the Maldivian Resorts and Destination Management segments, and a better performance in the Colombo Hotels segment were the main contributors to the turnaround in performance.
- The Group's Bunkering business recorded a significant increase in profitability in its core ship bunkering operations driven by higher margins on account of the steep increase in fuel oil prices and volumes, whilst the profitability of the Group's Ports and Shipping business recorded an increase as a result of higher revenue from ancillary operations and the translation impact due to the depreciation of the Rupee.
- The Consumer Foods industry group continued its strong recovery momentum with all three segments recording strong double-digit growth in volumes off a partially pandemic affected base. Volumes continue to exceed pre-pandemic levels.
- The Supermarket business recorded a strong performance with same store sales recording encouraging growth driven by a combination of higher basket values due to high inflation and, notably, an increase in customer footfall compared to the comparative quarter which was impacted by the pandemic.
- The Property industry group recorded a decline in EBITDA as the first quarter of the previous year included revenue and profit recognition from the handover of the residential apartment units at 'Cinnamon Life'. The recognition of revenue of all units sold as at that date at 'Cinnamon Life' was completed by 31 March 2022.
- The Insurance business recorded double digit growth in gross written premiums. The Banking business recorded an increase in profitability aided by an increase in net interest margins, loan growth, focused recovery efforts and cost management initiatives.
- As announced to the Colombo Stock Exchange, the Company is in the process of concluding a transaction to raise Rs.27.06 billion, subject to shareholder approval, through a private placement of LKR denominated convertible debentures to Fairfax, Canada.
- The 'SanNap' programme was rolled out across the Group, where sanitary napkins are provided free-of-charge to all female employees whilst a tri-lingual module on LGBTIQ+ awareness was launched on the Group's e-learning platforms as a mandatory and annual refresher, and also as a part of the Group induction.
- In light of the current socio-economic crisis in Sri Lanka and hardships faced by people in the country, the Group initiated several relief programmes to support vulnerable communities, covering areas such as the availability of food and nutrition, the adoption of sustainable agricultural practices to improve yields and providing assistance towards mitigating the loss of educational opportunities for children.
- The Group's carbon footprint per million rupees of revenue decreased by 38 per cent to 0.37 MT while the water withdrawal per million rupees of revenue decreased by 44 per cent to 6.71 cubic meters.

EBITDA* (Rs.'000)	Quarter ending 30th June		
	Q1 2022/23	Q1 2021/22	%
Transportation	4,551,449	1,023,326	345
Consumer Foods	1,233,225	317,682	288
Retail	2,318,952	1,562,792	48
Leisure	1,869,225	(648,773)	388
Property	(139,767)	542,404	(126)
Financial Services	877,094	769,679	14

**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, to demonstrate the underlying cash operational performance of businesses.*

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political parties have committed to support progressive reforms and the necessary policies required to address the economic issues, we strongly urge all parties to leave aside political differences and work together in the national interest towards a common economic programme and enhanced governance and accountability.

We note the positive progress made thus far in terms of engagement with the International Monetary Fund (IMF), where technical discussions have concluded. The authorities expect that a staff level agreement can be reached shortly given anticipated political stability. As a precursor to an IMF programme, the Government appointed the financial and legal advisors to support the creditor negotiation process to restructure the country's foreign debts, whilst also engaging with supportive nations to secure bridge funding.

In terms of policy actions, the Central Bank of Sri Lanka undertook significant policy rate hikes to curtail spiralling inflation and support the currency while increases in both direct and indirect tax rates were announced along with fuel pricing adjustments and proposed revisions to increase electricity tariffs to have market reflective pricing mechanisms to reduce the cost of subsidies to the Government. We are supportive of the initial steps taken by the authorities towards economic recovery and urge all key stakeholders to reach consensus to ensure the actions required to revive the economy are taken in a decisive and expeditious manner. The significant increase in interest rates and the continued depreciation of the currency during the quarter, resulted in significant pressure on the cost structures of many businesses in the country. While the pricing adjustments on account of the inflationary impacts of the depreciation of the currency have taken place to an extent and could be one-off in the event the currency does not depreciate any further, the sharp rise in interest rates will place pressure on many businesses due to pressure on funding working capital requirements, particularly in the context of current supply chain challenges. The Group

has mitigated the risk of increasing LKR interest rates, to an extent, as it had converted many of its short-term facilities into term facilities while also ensuring such facilities were obtained on a fixed/capped rate basis.

The quarter under review was characterised by the significant challenges to our businesses due to the numerous disruptions on account of fuel shortages, supply chain constraints, lack of foreign currency in the market, power disruptions, and significant increases in interest rates and the depreciation of the currency. While the performance of our businesses was resilient as a result of the pre-emptive actions undertaken, where relevant, the Group had to continuously manage the disruptions to supply chains and distribution to ensure our operations were managed with minimal impact. The financial strength, together with agility in planning enabled the Group to navigate and circumvent the macro-economic challenges encountered during the quarter. The impact of the fuel shortages on distribution and the mobility of people is relatively less during the quarter under review as the fuel shortages in the country reached a peak only towards mid-June to the time of this Message. During the last few weeks, the shortage has been acute, resulting in a significant impact on the mobility of people and distribution of goods. At present, there are a few fuel shipments which have arrived in the country, and it is hoped there will be a more sustained supply, going forward. The Government is also in the process of rolling out a fuel rationing scheme, which, if successful, could help curtail domestic consumption and help sustain supplies.

Group Performance – Q1 2022/23

The Group revenue at Rs.71.52 billion for the period under review is an increase of 84 per cent over the Rs.38.80 billion recorded in the previous financial year. The Group earnings before interest, tax, depreciation and amortisation (EBITDA) at Rs.13.33 billion in the first quarter of the financial year 2022/23 is an increase of 180 per cent over the EBITDA of Rs.4.76 billion recorded in the corresponding period of the previous financial year.

The Group profit before tax (PBT) at Rs.14.80 billion in the first quarter of the financial year 2022/23 is a significant increase over the Rs.1.31 billion recorded in the previous financial year. The Group PBT was positively impacted by the net exchange gains recorded on its US Dollar denominated cash holdings at the Holding Company, net of the USD 175 million term loan from the International Finance Corporation (IFC), resulting from the steep depreciation of the Sri Lankan Rupee against the US Dollar during this quarter. The profit attributable to equity holders is Rs.11.28 billion compared to Rs.1.53 billion in the corresponding period of the previous financial year.

The Company PBT for the first quarter of 2022/23 at Rs.11.31 billion is a significant increase over the Rs.1.89 billion recorded in the corresponding period of 2021/22 due to the aforementioned foreign currency exchange gains on its US Dollar denominated cash holdings at the Holding Company. The Group maintained its foreign currency cash holdings to meet its funding commitments which comprises of the funds earmarked for the equity infusions of the 'Cinnamon Life' project and the funds raised for the Group's investment pipeline via the debt drawdown from the IFC term loan facility and the private placement of ordinary shares to the Asian Development Bank (ADB).

Proposed Private Placement to Fairfax, Canada

As announced to the Colombo Stock Exchange on 21 June 2022, the Company is in the process of concluding a transaction to raise Rs.27.06 billion, through a private placement of LKR denominated convertible debentures to certain controlled affiliates (subsidiaries) of Fairfax Financial Holdings Limited, subject to the approval of Shareholders by means of a special resolution at an Extraordinary General Meeting to be held on 4 August 2022. The debentures have a maturity period of three years and will accrue interest at a rate of three per cent per annum. The conversion of the debentures to newly listed ordinary shares of the Company, at the option of Fairfax, can take place within 18-36 months from the date of issue.

The recent steep depreciation of the LKR together with the significant increase in LKR interest rates has resulted in an increase of the funding commitments of the Company. The transaction will enable the Group to support this investment pipeline and match its foreign currency linked project costs, such as with the investment in the West Container Terminal project in the Port of Colombo, whilst reducing the need to fund some of its requirements through the local banking sector given the stresses on capital and interest rates. The Company believes that raising these funds will strengthen its financial position at a time when the country is faced with significant uncertainty and volatility. Furthermore, the inflow of foreign exchange through this transaction will augment Sri Lanka's foreign currency liquidity position and boost investor confidence in the country, particularly given the profile of the investor.

Transportation

The Transportation industry group EBITDA of Rs.4.55 billion in the first quarter of 2022/23 is an increase of 345 per cent over the EBITDA for the first quarter of the previous financial year [2021/22 Q1: Rs.1.02 billion]. The increase in profitability is mainly attributable to the strong performance of the Group's Bunkering business, Lanka Marine Services (LMS), and the Group's Ports and Shipping business, South Asia Gateway Terminals (SAGT). LMS recorded an 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. The profitability at SAGT recorded an increase as a result of higher revenue from ancillary operations and the benefit of the depreciation of the Rupee.

In May 2022, the Government of Sri Lanka granted approval for licensed bunkering businesses to import and supply fuel oil to local industries to ensure continuity of operations in light of the fuel shortages in the country and ease the burden on Government supplies. While volumes at LMS were supported by the provision of fuel to such local industries, this was not material in the context of the overall volumes or profitability for LMS for the quarter.

Consumer Foods

The Consumer Foods industry group EBITDA of Rs.1.23 billion in the first quarter of 2022/23 is an increase of 288 per cent over the EBITDA for the first quarter of the previous financial year [2021/22 Q1: Rs.318 million]. The Beverages, Frozen Confectionery and Convenience Foods businesses continued its strong volume recovery momentum during the quarter, with volumes exceeding pre-pandemic levels. It should, however, be noted that volumes in the first quarter of the previous year were impacted significantly by pandemic related disruptions and lockdowns.

Similar to the previous quarter, the margins of the businesses continued to be under pressure due to the significant raw material and input price increases. However, the performance during the quarter was supported by the recouping of eroding margins through price increases, together with the benefit of operating leverage on account of the significant growth in volumes against the pandemic-affected base of last year. All necessary measures to mitigate impacts from rising inflation will be undertaken, to the extent market conditions permit, with due consideration to the price elasticity of demand for the products in the portfolio.

Whilst input costs have increased across all industries in the country on account of high inflation and supply chain disruptions in the market, the negative impact of exchange rates through the sharp depreciation of the Rupee could be largely one-off if the currency stabilises in the near future. The prevailing foreign currency shortage in the market continues to place pressure on supply chains in the country and, unless the ability to establish trade facilities improve, there could be disruptions to our suppliers and, in turn, on the manufacturing and seamless distribution of our product portfolio. Considering these circumstances, the business will use its available raw material resources to optimally manage its production and profitability.

Retail

The Retail industry group EBITDA of Rs.2.32 billion in the first quarter of 2022/23 is an increase of 48 per cent over the EBITDA for the first quarter of the previous financial year [2021/22 Q1: Rs.1.56 billion].

The Supermarket business EBITDA of Rs.1.86 billion in the first quarter of 2022/23 is an increase of 70 per cent over the EBITDA for the first quarter of the previous financial year [2021/22 Q1: Rs.1.09 billion]. Despite the challenging operating circumstances with disruptions in product availability, in particular, the Supermarket business recorded a strong performance with same store sales recording encouraging growth driven by a combination of higher basket values due to high inflation and, notably, an increase in customer footfall compared to the corresponding quarter which was impacted by the pandemic. On a consecutive quarter on quarter basis, same store sales during the quarter under review recorded growth over the fourth quarter of 2021/22 driven by higher basket values on account of high inflation.

Given the notable shortages in essential goods and other fast-moving items, the business continued to proactively ramp up its direct sourcing strategy with the aim of bridging gaps and, more importantly, providing its customers with comparative products at the best possible value. This has also helped drive footfall to our outlets. Whilst the Supermarket business has significantly increased penetration of its private label range, this focus was augmented with the intention of managing inventory better and also providing its customers with alternative options and 'value for money', both of which are important decision drivers for consumers, particularly in the current high inflationary environment.

Given the increased challenges in sourcing products due to supply chain disruptions affecting manufacturers and importers of goods, inventory gaps of the Supermarket business during the quarter have been at a peak. Such gaps are likely to increase, until such time the lack of foreign exchange

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liquidity and the shortage of fuel and other supply chain disruptions is overcome. The commencement of operations at the Rs.4.30 billion state-of-the-art centralised distribution centre in January 2022 has aided the business to manage its supply chain and delivery resources better across the outlet network.

The performance of the Supermarket business is envisaged to remain insulated, to a large extent, despite the ongoing macroeconomic challenges, considering that essential and regular grocery and household items constitute a large portion of a consumer basket. Whilst the ongoing financial crisis may dampen consumer discretionary spend, the increase in inflation, together with the aforementioned reasons, where consumer demand for essential items should continue, are expected to support growth in the business.

Given the macro-economic disruptions, the construction of outlets was delayed and, therefore, no new outlets were opened during the quarter. The total outlet count as at 30 June 2022 remains at 128. The business will closely review and monitor the timing of expansion due to the volatile macro-economic conditions and uncertainty over construction costs prevailing at present.

The Office Automation business recorded a significant reduction in sales volume due to the continued import restrictions on non-essential items, which was further exacerbated by the steep increase in unit prices of all imported products due to the depreciation of the Rupee. The performance of the Office Automation business is expected to undergo challenges until such time the foreign currency and liquidity position of the country stabilises.

Leisure

The Leisure industry group EBITDA of Rs.1.87 billion in the first quarter of 2022/23 is a significant turnaround from the negative EBITDA for the first quarter of the previous financial year [2021/22 Q1: negative Rs.649 million]. The strong performance of the Maldivian Resorts and Destination Management segments, and a better performance in the Colombo Hotels segment were the main contributors to the turnaround in performance.

The Maldivian Resorts segment continued its strong performance, supported by arrivals from both traditional and new source markets.

Whilst the corresponding quarter of the previous year was impacted by the pandemic, the Colombo Hotels witnessed a steady pick-up in the number of events and banquets while restaurant operations reverted to pre-pandemic levels. Despite the challenging operating environment, occupancies of the Colombo Hotels improved on the back of a slow recovery in business travel and group bookings for sporting events.

The recovery momentum of the Sri Lankan Resorts segment was impacted by the slowdown in tourist arrivals, from March 2022 onwards, and domestic travel due to the ongoing fuel shortages and social unrest.

Whilst global tourist arrivals showed signs of recovery, continued uncertainty and volatility on the macro-economic stability of the country and resultant social unrest, further exacerbated by the ongoing fuel, gas and power crisis, poses challenges in attracting foreign arrivals into the country in the immediate-term. However, if the appointment of the new President and Government results in political stability and the necessary measures to manage the shortages of essential commodities, the social unrest should ease and, therefore, reverse the negative sentiments relating to Sri Lanka.

Accordingly, the negative impact on arrivals witnessed in the first quarter may be limited to the periods typically considered as off-season months, and recovery should take place in time for the peak season which commences from around December onwards. 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.

Property

The Property industry group EBITDA of a negative Rs.140 million in the first quarter of 2022/23 is a decrease of 126 per cent over the EBITDA for the first quarter of the previous financial year [2021/22 Q1: Rs.542 million].

The first quarter of the previous year included revenue and profit recognition from the handover of the residential apartment units at 'Cinnamon Life'. The recognition of revenue of all units sold at 'Cinnamon Life' was completed by 31 March 2022, and an inventory of 161 units remains to be sold. Despite the challenging environment, construction at both the 'Cinnamon Life' and 'Tri-Zen' sites have progressed well during the quarter with no material impacts to the construction momentum.

The PBT of the Property industry group was significantly impacted on account of the exchange losses on collections during the current quarter, although revenue was recognised in the previous financial year. Since the collections have now been completed, there are no further exchange impacts expected on the residual units. In June 2022, Waterfront Properties (Private) Limited (WPL), the project company of 'Cinnamon Life', paid down the USD 100 million six-month bridging loan facility obtained in December 2021 as part of the refinancing of the USD 395 million syndicate term loan facility. The USD 100 million facility was obtained to align the refinancing with the original maturity date of July 2022. The loan facility now outstanding at WPL is the five-year syndicated term loan for USD 225 million.

Financial Services

The Financial Services industry group EBITDA of Rs.877 million in the first quarter of 2022/23 is an increase of 14 per cent over the EBITDA for the first quarter of the previous financial year [2021/22 Q1: Rs.770 million]. The Group's Insurance business recorded encouraging double-digit growth in gross written premiums. Nations Trust Bank PLC (NTB) recorded an increase in profitability driven by a combination of an increase in net interest margins, loan growth, focused recovery efforts and cost management strategies. Given the macro-economic stresses, the Bank will continue to rigorously assess credit quality and persist with the stringent cost management culture in place. The Bank is confident that it has the required resources to withstand the potential impacts arising from the current macro-economic environment, given the strong capital base, healthy liquidity buffers and robust risk management models.

Other, including Information Technology and Plantation Services

The Other, including Information Technology and Plantation Services industry group EBITDA of Rs.2.62 billion in the first quarter of 2022/23 is an increase of 119 per cent over the EBITDA for the first quarter of the previous financial year [2021/22 Q1: Rs.1.20 billion]. The increase in EBITDA is mainly attributable to the increase in interest income on account of higher interest rates. The Holding Company maintained foreign currency cash holdings to meet the Group's funding commitments which comprises of the funds earmarked for the equity infusions of the 'Cinnamon Life' project and the funds raised for the Group's investment pipeline via the debt drawdown from the IFC term loan facility and the private placement of ordinary shares to ADB. The PBT of the Holding Company was positively impacted by the net exchange gains on its US Dollar denominated cash holdings, net of the

USD 175 million term loan facility from IFC, resulting from the steep depreciation of the Sri Lankan Rupee against the corresponding period of the previous year.

The Plantation Services sector recorded an increase in profitability as a result of improved tea prices. The Information Technology sector recorded a growth in profitability driven by growth in revenue.

Diversity, Equity and Inclusion Initiative

During the quarter under review, the 'SanNap' programme was rolled out across the Group, where sanitary napkins are provided free-of-charge to all female employees. A tri-lingual module on LGBTIQ+ awareness was launched on the Group's e-learning platforms as a mandatory and annual refresher, and also as a part of the Group induction. Further, celebrating Pride month in June, the Group partnered with the 18th Annual Colombo PRIDE celebrations on 3 events which focused on education and awareness.

Sustainability Initiatives

During the quarter under review, the Group's carbon footprint per million rupees of revenue decreased by 38 per cent to 0.37 MT while the water withdrawal per million rupees of revenue decreased by 44 per cent to 6.71 cubic meters. In absolute terms, the Group's carbon footprint and water withdrawal increased by 25 per cent and 12 per cent to 26,542 MT and 475,091 cubic meters respectively, due to comparatively higher levels of operational activity during the quarter compared to the previous year, particularly in the Leisure and Supermarket businesses. On average, Group employees were provided with 5 hours of training per employee, whilst 33 occupational injuries were reported during the quarter.

Corporate Social Responsibility

Apart from the routine activities of the John Keells Foundation, the Group recognises the need to help address some of the impacts of the current socio-economic crisis in Sri Lanka on account of the significant hardships faced by the people of this country. Based on discussions with stakeholders, Government and non-Governmental organisations, the availability of food and nutrition, particularly among children and vulnerable communities, the adoption of sustainable agricultural practices to improve yields and commence farming in the current environment, and the loss of educational opportunities for children are highlighted as key challenges at this juncture.

John Keells Foundation (JKF) and the Group businesses have looked at a multi-pronged approach to help alleviate the hardships in three broad areas:

- Provision of food packs for families through a community relief initiative and facilitating and funding the mid-day school meals for children in several schools in proximity to our businesses;
- Encouraging home gardening and adoption of sustainable farming practices through technical awareness, provision of resources and access to funding; and
- Enhancing the support for the provision of scholarships and continued education for children.

As these initiatives are currently being rolled out and are at a nascent stage, we will report further on the development, progress and impact of these initiatives in the ensuing quarters.

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Apart from the above, following are some of the highlights of John Keells Foundation's (JKF) on-going work during the quarter under review.

JKF's programmes continued to support and empower vulnerable communities through skills and livelihood development, addressing of mental health and coping mechanisms as well as environment sustainability through the following activities during the quarter.

- 563 JKELSP students completed classes in 20 locations while 456 students participated in virtual English Day events.
- Under the Health focus area, conduct of:
 - o Gender Based Violence sensitisation for 377 Group staff.
 - o Child Protection awareness for 298 JKELSP beneficiaries.
 - o Substance Abuse Prevention awareness through early childhood education interventions for 40 pre-school teachers of Ja-Ela.
- John Keells Praja Shakthi continues its efforts at building dignified livelihoods for communities in our business localities
 - o An MOU was executed on the Street Market to be established in Colombo 02 with the Urban Development Authority
 - o 3 design thinking workshops were conducted for Hikka Batiks benefitting artisans in Hikkaduwa.
- Under Suduwelipotha Forest Restoration Project with Ruk Rakaganno, 7,736 plants were planted while two batches of Group staff volunteers were mobilised in a phased tree planting at the site.
- Under JKF's initiatives to build health communities through supporting Arts & Culture:
 - o The Museum of Modern and Contemporary Art, Sri Lanka (MMCA) launched the second rotation of its 'Encounters' exhibition and recorded a total of 3,496 visitors during the quarter.
 - o The Gratiaen Trust hosted the Gratiaen Prize 2021.

Retirement of a Director

Mr. A. Omar retired from the JKH Board with effect from 27 June 2022, having completed nine consecutive years on the Board. I would like to place on record our deep appreciation of the invaluable contribution made by Mr. Omar during his tenure on the Board.



Krishan Balendra

Chairman

27 July 2022

Consolidated Income Statement

		For the three months ended 30 June		
	Note	2022	2021	Change %
Continuing operations				
Revenue from contracts with customers		68,195,261	35,836,567	90
Revenue from Insurance Contracts		3,320,622	2,961,936	12
Total Revenue		71,515,883	38,798,503	84
Cost of sales		(57,709,469)	(33,758,023)	71
Gross profit		13,806,414	5,040,480	174
Other operating income		686,729	641,475	7
Selling and distribution expenses		(2,006,979)	(1,268,260)	58
Administrative expenses		(5,540,716)	(3,467,969)	60
Other operating expenses		(3,993,266)	(669,630)	496
Results from operating activities		2,952,182	276,096	969
Finance cost	7	(3,243,684)	(1,528,953)	112
Finance income	7	14,523,195	3,281,936	343
Change in insurance contract liabilities	6	(1,689,890)	(1,971,345)	(14)
Share of results of equity accounted investees (net of tax)		2,259,647	1,252,416	80
Profit before tax		14,801,450	1,310,150	1,030
Tax expense	8	(3,375,556)	(89,125)	3,687
Profit for the period		11,425,894	1,221,025	836
Attributable to:				
Equity holders of the parent		11,277,062	1,533,761	635
Non-controlling interest		148,832	(312,736)	148
		11,425,894	1,221,025	836
		Rs.	Rs.	
Earnings per share				
Basic		8.14	1.16	
Diluted		8.14	1.16	
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 three months ended 30 June	
		2022	2021
Profit for the period		11,425,894	1,221,025
Other comprehensive income			
Other comprehensive income to be reclassified to income statement in subsequent periods			
Currency translation of foreign operations		27,900,435	1,279,232
Net gain/(loss) on cash flow hedges		861,322	(226,196)
Net gain/(loss) on debt instruments at fair value through other comprehensive income		(764,700)	(166,796)
Share of other comprehensive income of equity-accounted investees (net of tax)		3,092,107	47,514
Net other comprehensive income to be reclassified to income statement in subsequent periods		31,089,164	933,754
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		58,282	(1,760)
Net other comprehensive income not to be reclassified to income statement in subsequent periods		58,282	(1,760)
Tax on other comprehensive income	8	11	6,426
Other comprehensive income for the period, net of tax		31,147,457	938,420
Total comprehensive income for the period, net of tax		42,573,351	2,159,445
Attributable to:			
Equity holders of the parent		41,450,587	2,429,165
Non-controlling interest		1,122,764	(269,720)
		42,573,351	2,159,445

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	30.06.2022	31.03.2022 (Adjusted)
ASSETS		
Non-current assets		
Property, plant and equipment	127,133,357	124,347,604
Right-of-use assets	60,760,586	53,481,574
Investment property	33,535,336	30,607,550
Intangible assets	5,310,977	5,399,338
Investments in equity accounted investees	37,941,599	32,589,844
Non-current financial assets	56,566,657	48,690,489
Deferred tax assets	1,783,426	1,554,438
Other non-current assets	225,314,350	180,919,979
	548,346,288	477,590,816
Current assets		
Inventories	41,040,422	36,224,887
Trade and other receivables	19,853,770	27,495,348
Amounts due from related parties	719,405	196,394
Other current assets	14,054,525	11,914,461
Short term investments	78,789,572	110,721,544
Cash in hand and at bank	57,552,455	52,376,531
	212,010,149	238,929,165
Total assets	760,356,437	716,519,981
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Stated capital	73,187,861	73,187,861
Revenue reserves	116,749,602	106,133,124
Other components of equity	159,236,111	129,011,413
	349,173,574	308,332,398
Non-controlling interest	19,765,374	18,734,311
Total equity	368,938,948	327,066,709
Non-current liabilities		
Insurance contract liabilities	53,000,677	51,349,323
Interest-bearing loans and borrowings	182,086,699	158,921,898
Lease liabilities	33,758,149	30,066,952
Deferred tax liabilities	12,081,215	12,016,404
Employee benefit liabilities	3,244,065	3,106,617
Non-current financial liabilities	2,414,104	2,413,880
Other non-current liabilities	227,612	220,203
	286,812,521	258,095,277
Current liabilities		
Trade and other payables	40,149,783	43,469,407
Amounts due to related parties	25,305	1,818
Income tax liabilities	5,616,844	4,367,606
Short term borrowings	12,915,106	14,833,056
Interest-bearing loans and borrowings	9,795,581	40,624,448
Lease liabilities	4,064,597	3,459,496
Other current liabilities	5,186,148	4,280,387
Bank overdrafts	26,851,604	20,321,777
	104,604,968	131,357,995
Total equity and liabilities	760,356,437	716,519,981
	Rs.	Rs.
Net assets per share	252.13	222.64

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

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

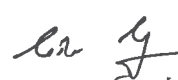


K M Thanthirige
Group Financial Controller

The Board of Directors is responsible for these financial statements.



K N J Balendra
Chairman



J G A Cooray
Deputy Chairman/Group Finance Director

27 July 2022
Colombo

Consolidated Statement of Cash Flows

		For the three months ended 30 June	
	Note	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before working capital changes	A	1,742,094	757,004
(Increase) / Decrease in inventories		(1,231,593)	2,031,122
(Increase) / Decrease in trade and other receivables		7,271,424	6,121,655
(Increase) / Decrease in other current assets		(6,355,246)	(1,659,360)
(Increase) / Decrease in other non-current assets		-	(4,827,080)
Increase/(Decrease) in other non-current financial liabilities		-	(414,299)
Increase / (Decrease) in trade and other payables and other non-current liabilities		(846,749)	(7,966,540)
Increase / (Decrease) in other current liabilities and other current financial liabilities		905,761	(91)
Increase / (Decrease) in insurance contract liabilities		1,651,354	2,061,931
Cash generated from operations		3,137,045	(3,895,658)
Finance income received		13,470,134	2,834,275
Finance costs paid		(3,079,300)	(480,788)
Tax paid		(1,275,455)	(1,177,668)
Surcharge Tax paid		(824,207)	-
Gratuity paid		(31,337)	(51,020)
Net cash flow from operating activities		11,396,880	(2,770,859)
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Purchase and construction of property, plant and equipment		(1,287,607)	(1,280,595)
Purchase of intangible assets		(97,019)	(65,656)
Addition to investment property		-	(44,806)
Addition to other non-current assets		(8,175,225)	-
Investments in equity accounted investees		-	(16,452)
Proceeds from sale of property, plant and equipment, Intangible assets and investment properties		13,586	1,881
Proceeds from sale of financial instruments - fair value through profit or loss		446,718	834,831
Purchase of financial instruments - fair value through profit or loss		(531,569)	(617,653)
(Purchase) / disposal of deposits and government securities (net)		(4,668,134)	14,855,882
(Purchase) / disposal of non current financial assets (net)		15,011	(32,292)
Net cash flow from / (used in) investing activities		(14,284,239)	13,635,140
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Proceeds from issue of shares		-	10,712
Dividend paid to equity holders of parent		(692,458)	(659,869)
Dividend paid to shareholders with non-controlling interest		(59,838)	(99,022)
Proceeds from long term borrowings		96,227	3,125,950
Repayment of long term borrowings		(38,825,316)	(2,281,351)
Payment of principal portion of lease liability		(959,595)	(632,976)
Proceeds from/(repayment of) other financial liabilities (net)		(1,917,950)	4,363,583
Net cash flow from / (used in) financing activities		(42,358,930)	3,827,027
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(45,246,289)	14,691,308
CASH AND CASH EQUIVALENTS AT THE BEGINNING		134,564,103	33,068,151
CASH AND CASH EQUIVALENTS AT THE END		89,317,814	47,759,459
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Favourable balances			
Short term investments (less than 3 months)		58,616,963	44,308,856
Cash in hand and at bank		57,552,455	17,992,339
Unfavourable balances			
Bank overdrafts		(26,851,604)	(14,541,736)
Total cash and cash equivalents		89,317,814	47,759,459

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 three months ended 30 June	
	2022	2021
A. Profit before working capital changes		
Profit before tax	14,801,450	1,310,150
Adjustments for:		
Finance income	(14,523,195)	(3,281,936)
Finance cost	3,243,684	1,528,953
Share-based payment expense	51,184	51,065
Share of results of equity accounted investees	(2,259,647)	(1,252,416)
Depreciation of property, plant and equipment	1,501,330	1,245,092
(Profit)/loss on sale of property, plant and equipment and intangible assets	(6,016)	763
Amortisation of right- of - use assets	999,734	693,183
Amortisation of intangible assets	210,314	152,283
Employee benefit provision and related costs	165,011	165,871
Unrealised (gain) / loss on foreign exchange (net)	(2,441,755)	143,996
	1,742,094	757,004

Consolidated Statement of Changes in Equity

GROUP In Rs. '000s	Note	Attributable to equity holders of the parent										
		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	Total equity
As at 31 March 2021		63,101,661	3,626,604	37,777,543	26,424,124	349,024	2,863,766	1,362,079	90,651,930	226,156,731	16,830,098	242,986,829
Charge relating to Surcharge Tax	8	-	-	-	-	-	-	-	(2,954,039)	(2,954,039)	(70,725)	(3,024,764)
As at 1 April 2021 (Adjusted)		63,101,661	3,626,604	37,777,543	26,424,124	349,024	2,863,766	1,362,079	87,697,891	223,202,692	16,759,373	239,962,065
Profit for the period		-	-	-	-	-	-	-	1,533,761	1,533,761	(312,736)	1,221,025
Other comprehensive income		-	-	5,593	1,322,069	(227,791)	-	(204,467)	-	895,404	43,016	938,420
Total comprehensive income		-	-	5,593	1,322,069	(227,791)	-	(204,467)	1,533,761	2,429,165	(269,720)	2,159,445
Exercise of share options		10,712	-	-	-	-	-	-	-	10,712	-	10,712
Share based payments		4,221	-	-	-	-	46,844	-	-	51,065	-	51,065
Final dividend paid - 2020/21	11	-	-	-	-	-	-	-	(659,869)	(659,869)	-	(659,869)
As at 30 June 2021 (Adjusted)		63,116,594	3,626,604	37,783,136	27,746,193	121,233	2,910,610	1,157,612	88,571,783	225,033,765	16,489,653	241,523,418
As at 1 April 2022 (Adjusted)		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

* 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

		For the three months ended 30 June		
	Note	2022	2021	Change %
Continuing operations				
Services transferred over time		474,726	395,892	20
Revenue from contracts with customers		474,726	395,892	20
Cost of sales		(202,133)	(252,203)	(20)
Gross profit		272,593	143,689	90
Dividend income		232,065	1,081,132	(79)
Other operating income		3,905	2,322	68
Administrative expenses		(464,184)	(268,881)	73
Other operating expenses		(2,849)	(2,554)	12
Results from operating activities		41,530	955,708	(96)
Finance cost	7	(1,305,383)	(702,026)	86
Finance income	7	12,571,334	1,632,158	670
Profit before tax		11,307,481	1,885,840	500
Tax expense	8	(2,583,573)	(92,964)	2,679
Profit for the period		8,723,908	1,792,876	387
		Rs.	Rs.	
Dividend per share		0.50	0.50	

Note : All values are in Rs. '000s, unless otherwise stated.
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Company Statement of Comprehensive Income

	Note	For the three months ended 30 June	
		2022	2021
Profit for the period		8,723,908	1,792,876
Other comprehensive income			
Other comprehensive income to be reclassified to income statement in subsequent periods			
Net gain/(loss) on cash flow hedges		861,322	(295,510)
Net other comprehensive income to be reclassified to income statement in subsequent periods		861,322	(295,510)
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		58,338	(1,751)
Net other comprehensive income not to be reclassified to income statement in subsequent periods		58,338	(1,751)
Tax on other comprehensive income	8	-	-
Other comprehensive income for the period, net of tax		919,660	(297,261)
Total comprehensive income for the period, net of tax		9,643,568	1,495,615

Note : All values are in Rs. '000s, unless otherwise stated.
 Figures in brackets indicate deductions.
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Company Statement of Financial Position

As at	30.06.2022	31.03.2022 (Adjusted)
ASSETS		
Non-current assets		
Property, plant and equipment	84,775	83,233
Intangible assets	85,924	94,363
Investments in subsidiaries	159,694,880	116,966,595
Investments in equity accounted investees	13,261,772	13,261,772
Non current financial assets	3,978,048	3,083,037
Other non-current assets	136,237	119,755
	177,241,636	133,608,755
Current assets		
Trade and other receivables	342,224	103,914
Amounts due from related parties	809,350	660,699
Other current assets	944,767	816,604
Short term investments	57,628,112	83,972,660
Cash in hand and at bank	29,602,946	27,362,010
	89,327,399	112,915,887
Total assets	266,569,035	246,524,642
EQUITY AND LIABILITIES		
Stated capital	73,187,861	73,187,861
Revenue reserves	97,948,097	89,916,647
Other components of equity	6,980,925	6,010,081
Total equity	178,116,883	169,114,589
Non-current liabilities		
Interest-bearing loans and borrowings	74,098,486	64,634,033
Employee benefit liabilities	311,648	297,969
Deferred tax liabilities	2,841,984	2,841,984
	77,252,118	67,773,986
Current liabilities		
Trade and other payables	735,138	566,252
Amounts due to related parties	58,723	20,912
Income tax liabilities	3,242,397	1,546,598
Short term borrowings	5,000,000	2,000,000
Interest-bearing loans and borrowings	2,127,883	2,562,994
Bank overdrafts	35,893	2,939,311
	11,200,034	9,636,067
Total equity and liabilities	266,569,035	246,524,642
	Rs.	Rs.
Net assets per share	128.61	122.11

Note : All values are in Rs. '000s, unless otherwise stated.
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I certify that the financial statements comply with the requirements of the Companies Act No.7 of 2007.

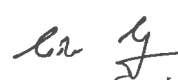


K M Thanthirige
Group Financial Controller

The Board of Directors is responsible for these financial statements.



K N J Balendra
Chairman



J G A Cooray
Deputy Chairman/Group Finance Director

27 July 2022
Colombo

Company Statement of Cash Flows

	For the three months ended 30 June	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	11,307,481	1,885,840
Adjustments for:		
Finance income	(12,571,334)	(1,632,158)
Dividend income	(232,065)	(1,081,132)
Finance cost	1,305,383	702,026
Depreciation of property, plant and equipment	8,766	10,311
Amortisation of intangible assets	8,439	8,017
Share based payment expenses	15,057	15,947
Employee benefit provision and related costs	14,341	16,278
Profit before working capital changes	(143,932)	(74,871)
(Increase) / Decrease in trade and other receivables	(391,267)	960,198
(Increase) / Decrease in other current assets	(128,163)	(996,331)
Increase / (Decrease) in trade and other payables	191,767	(15,932)
Increase / (Decrease) in other current liabilities	-	404
Cash generated from operations	(471,595)	(126,532)
Finance income received	11,361,747	207,969
Finance costs paid	(1,975,907)	(1,054,237)
Dividend received	232,065	1,081,132
Tax paid	(624,040)	(717,029)
Surcharge tax paid	(262,897)	-
Gratuity paid	(662)	(652)
Net cash flow from operating activities	8,258,711	(609,349)
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Purchase and construction of property, plant and equipment	(10,308)	-
Increase in interest in subsidiaries	(42,692,159)	(1,068,213)
Increase in interest in equity accounted investees	-	(16,452)
(Purchase) / disposal of deposits and government securities (net)	510,067	19,850,375
(Purchase) / disposal of other non current financial assets (net)	27,894	(2,140)
Net cash flow from/(used in) investing activities	(42,164,506)	18,763,570
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Proceeds from issue of shares	-	10,712
Dividend paid	(692,458)	(659,869)
Proceeds from/(repayment of) long term borrowings	(412,500)	-
Proceeds from long term borrowings	-	100,000
Repayment of long term borrowings	-	(310,642)
Proceeds from/(repayment of) short term borrowings (net)	3,000,000	2,900,000
Net cash flow from / (used in) financing activities	1,895,042	2,040,201
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(32,010,753)	20,194,422
CASH AND CASH EQUIVALENTS AT THE BEGINNING	107,885,292	14,915,162
CASH AND CASH EQUIVALENTS AT THE END	75,874,539	35,109,584
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Favourable balances		
Short term investments (less than 3 months)	46,307,486	32,205,046
Cash in hand and at bank	29,602,946	2,939,083
Unfavourable balances		
Bank overdrafts	(35,893)	(34,545)
Total cash and cash equivalents	75,874,539	35,109,584

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

Company Statement of Changes in Equity

	Note	Stated capital	Other capital reserve	Cash flow hedge reserve	Fair value reserve of financial assets at FVOCI*	Revenue reserve	Total equity
As at 31 March 2021		63,101,661	2,863,766	729,316	28,094	68,216,871	134,939,708
Charge relating to Surcharge Tax	8	-	-	-	-	(665,629)	(665,629)
As at 1 April 2021 (Adjusted)		63,101,661	2,863,766	729,316	28,094	67,551,242	134,274,079
Profit for the period		-	-	-	-	1,792,876	1,792,876
Other comprehensive income		-	-	(295,510)	(1,751)	-	(297,261)
Total comprehensive income		-	-	(295,510)	(1,751)	1,792,876	1,495,615
Exercise of share options		10,712	-	-	-	-	10,712
Share based payments		4,221	46,844	-	-	-	51,065
Final dividend paid - 2020/21	11	-	-	-	-	(659,869)	(659,869)
As at 30 June 2021 (Adjusted)		63,116,594	2,910,610	433,806	26,343	68,684,249	135,171,602
As at 1 April 2022 (Adjusted)		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

* 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.

	Transportation		Consumer Foods		Retail	
For the three months ended 30 June	2022	2021	2022	2021	2022	2021
Goods transferred at a point in time	23,252,946	5,031,924	8,238,529	3,814,738	25,164,942	20,151,093
Services transferred over time	788,282	601,432	-	-	510,612	24,089
Total segment revenue	24,041,228	5,633,356	8,238,529	3,814,738	25,675,554	20,175,182
Eliminations of inter segment revenue						
External revenue						
Segment results	2,769,576	211,539	909,257	64,116	212,418	746,052
Finance cost	(114,847)	(25,887)	(90,985)	(32,735)	(652,776)	(427,724)
Finance income	20,010	43,762	11,919	8,092	76,917	61,203
Share of results of equity accounted investees (net of tax)	1,771,265	718,720	-	-	-	-
Eliminations / adjustments	-	128	(18,372)	(5,641)	1,555	5,104
Profit / (loss) before tax	4,446,004	948,262	811,819	33,832	(361,886)	384,635
Tax expense	(358,591)	(14,864)	(188,193)	15,062	(130,639)	(88,008)
Profit / (loss) for the period	4,087,413	933,398	623,626	48,894	(492,525)	296,627
Purchase and construction of PPE*	19,578	428,996	126,694	107,661	706,051	550,206
Addition to IA*	-	-	-	2,200	112,604	18,558
Depreciation of PPE*	46,166	56,001	245,243	232,388	392,091	324,772
Amortisation / impairment of IA*	2,107	390	13,078	6,729	84,200	57,616
Amortisation of ROU* assets	13,416	14,705	1,975	1,574	267,277	253,622
Employee benefit provision and related costs	6,314	7,384	31,198	45,239	23,931	22,820

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

*PPE (Property, plant and equipment), IA (Intangible assets), LRPA (Lease rentals paid in advance), ROU (Right of use)

Leisure		Property		Financial Services		Others		Group Total	
2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
-	-	233,940	3,509,824	-	-	922,173	501,999	57,812,530	33,009,578
8,632,846	1,951,089	429,065	129,599	3,356,482	3,022,099	1,469,315	1,079,062	15,186,602	6,807,370
8,632,846	1,951,089	663,005	3,639,423	3,356,482	3,022,099	2,391,488	1,581,061	72,999,132	39,816,948
								(1,483,249)	(1,018,445)
								71,515,883	38,798,503
501,794	(1,642,506)	(2,087,387)	261,658	469,677	116,922	141,037	(77,616)	2,916,372	(319,835)
(614,659)	(316,919)	(174,754)	(16,893)	(276,844)	-	(1,318,819)	(708,795)	(3,243,684)	(1,528,953)
42,113	31,036	30,598	39,569	77,120	76,267	12,637,265	1,656,840	12,895,942	1,916,769
(1,332)	(13,421)	(100,764)	9,382	590,478	537,735	-	-	2,259,647	1,252,416
(881)	(881)	(9,129)	(8,957)	-	-	-	-	(26,827)	(10,247)
(72,965)	(1,942,691)	(2,341,436)	284,759	860,431	730,924	11,459,483	870,429	14,801,450	1,310,150
25,544	199,937	(4,332)	(13,571)	(70,986)	(57,876)	(2,648,359)	(129,805)	(3,375,556)	(89,125)
(47,421)	(1,742,754)	(2,345,768)	271,188	789,445	673,048	8,811,124	740,624	11,425,894	1,221,025
340,784	106,005	2,194	20,229	22,517	56,196	69,789	11,302	1,287,607	1,280,595
672	-	-	-	-	32,808	8,677	12,090	121,953	65,656
738,824	559,317	16,039	12,039	27,846	23,029	35,121	37,546	1,501,330	1,245,092
18,814	17,869	1,650	1,650	77,177	56,167	13,288	11,862	210,314	152,283
682,104	396,192	5,126	5,129	29,541	21,667	295	294	999,734	693,183
49,734	42,041	5,569	483	18,993	16,462	29,272	31,442	165,011	165,871

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	
	30.06.2022	31.03.2022	30.06.2022	31.03.2022	30.06.2022	31.03.2022
Property, plant and equipment	940,653	967,241	9,912,798	10,112,354	17,464,353	17,153,312
Right-of-use-assets	102,824	103,319	272,073	274,048	10,229,466	9,838,314
Investment property	-	-	317,250	317,250	-	-
Intangible assets	71,486	73,593	670,468	683,547	2,303,347	2,274,943
Non-current financial assets	116,848	126,064	207,260	210,412	150,517	161,887
Other non-current assets	9,440	11,193	32,503	34,550	947,953	972,291
Segment non-current assets	1,241,251	1,281,410	11,412,352	11,632,161	31,095,636	30,400,747
Investments in equity accounted investees	18,800,380	14,390,472	-	-	-	-
Deferred tax assets						
Goodwill						
Eliminations / adjustments						
Total non-current assets						
Inventories	2,371,012	4,597,542	5,315,812	3,729,059	9,551,850	8,020,175
Trade and other receivables	3,785,960	5,699,913	4,176,342	3,940,217	2,388,403	2,877,516
Short term investments	7,031,918	5,619,503	758	758	2,284,684	3,181,909
Cash in hand and at bank	8,445,927	4,931,536	590,188	615,102	1,102,332	5,273,668
Segment current assets	21,634,817	20,848,494	10,083,100	8,285,136	15,327,269	19,353,268
Other current assets						
Eliminations / adjustments						
Total current assets						
Total assets						
Insurance contract liabilities	-	-	-	-	-	-
Interest bearing loans and borrowings	97,333	7,333	364,181	358,647	7,496,957	7,991,304
Lease Liabilities	103,185	109,010	183,670	152,328	10,187,580	9,786,865
Employee benefit liabilities	111,041	105,801	731,611	707,380	441,652	418,092
Non-current financial liabilities	-	-	-	-	-	-
Other non-current liabilities	-	-	93,851	96,183	-	-
Segment non-current liabilities	311,559	222,144	1,373,313	1,314,538	18,126,189	18,196,261
Deferred tax liabilities						
Eliminations / adjustments						
Total non-current liabilities						
Trade and other payables	6,659,243	5,700,540	5,187,514	4,321,046	16,865,822	21,981,118
Short term borrowings	6,798,513	10,838,491	-	-	1,124,038	2,000,000
Interest bearing loans and borrowings	8,000	10,000	471,811	634,042	1,783,043	1,588,696
Lease liabilities	-	-	1,481	1,396	546,529	476,996
Bank overdrafts	2,761,846	1,905,340	2,908,331	2,121,675	7,910,093	3,773,544
Segment current liabilities	16,227,602	18,454,371	8,569,137	7,078,159	28,229,525	29,820,354
Income tax liabilities						
Other current liabilities						
Eliminations / adjustments						
Total current liabilities						
Total liabilities						
Total segment assets	22,876,068	22,129,904	21,495,452	19,917,297	46,422,905	49,754,015
Total segment liabilities	16,539,161	18,676,515	9,942,450	8,392,697	46,355,714	48,016,615

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

	Leisure		Property		Financial Services		Others		Group Total	
	30.06.2022	31.03.2022	30.06.2022	31.03.2022	30.06.2022	31.03.2022	30.06.2022	31.03.2022	30.06.2022	31.03.2022
	66,179,849	63,491,916	4,979,723	4,991,754	2,732,869	2,738,220	1,345,737	1,313,218	103,555,982	100,768,015
	48,308,130	41,403,024	216,073	216,807	439,325	454,179	34,505	34,800	59,602,396	52,324,491
	4,701,632	4,701,632	49,960,004	47,032,217	-	-	2,421,012	2,421,012	57,399,898	54,472,111
	182,474	200,488	625	667	1,403,310	1,480,614	198,724	204,944	4,830,434	4,918,796
	12,295,260	10,435,965	103,767	82,148	51,174,331	44,176,904	4,311,156	3,424,868	68,359,139	58,618,248
	21,319	20,304	224,626,588	180,224,953	78,163	70,053	157,104	141,949	225,873,070	181,475,293
	131,688,664	120,253,329	279,886,780	232,548,546	55,827,998	48,919,970	8,468,238	7,540,791	519,620,919	452,576,954
	1,390,413	1,391,744	2,706,576	2,807,341	15,044,230	14,000,287	-	-	37,941,599	32,589,844
									1,783,426	1,554,438
									730,901	730,901
									(11,730,557)	(9,861,321)
									548,346,288	477,590,816
	942,473	624,324	22,497,048	19,052,049	14,954	9,441	417,785	244,438	41,110,934	36,277,028
	4,235,118	3,644,498	3,644,498	7,796,348	1,382,936	2,184,085	3,104,260	2,645,024	22,717,517	29,715,165
	3,560,094	3,521,626	92,707	116,870	10,649,229	17,037,398	58,485,242	84,710,109	82,104,632	114,188,173
	2,857,379	2,561,453	9,945,021	7,137,753	1,061,094	1,084,499	33,580,241	30,735,857	57,582,181	52,339,868
	11,595,064	11,279,465	36,179,274	34,103,020	13,108,213	20,315,423	95,587,528	118,335,428	203,515,264	232,520,234
									14,054,525	11,914,461
									(5,559,640)	(5,505,530)
									212,010,149	238,929,165
									760,356,437	716,519,981
	-	-	-	-	53,000,677	51,349,323	-	-	53,000,677	51,349,323
	29,956,782	26,799,374	81,828,818	69,018,341	-	-	74,110,486	64,650,033	193,854,557	168,825,032
	22,939,727	19,659,970	462	462	297,869	312,659	-	-	33,712,493	30,021,294
	957,466	927,287	49,401	38,187	298,102	279,515	654,792	630,355	3,244,065	3,106,617
	-	-	2,414,104	2,413,880	-	-	-	-	2,414,104	2,413,880
	133,990	124,244	-	-	-	-	442	447	228,283	220,874
	53,987,965	47,510,875	84,292,785	71,470,870	53,596,648	51,941,497	74,765,720	65,280,835	286,454,179	255,937,020
									12,081,215	12,016,404
									(11,722,873)	(9,858,147)
									286,812,521	258,095,277
	4,630,835	4,061,764	3,546,868	2,820,379	3,416,366	4,616,409	2,813,243	2,227,717	43,119,891	45,728,973
	3,314,836	3,466,629	-	-	-	-	5,014,034	2,016,044	16,251,421	18,321,164
	4,922,533	4,361,702	482,311	31,467,019	-	-	2,127,883	2,562,994	9,795,581	40,624,453
	3,480,971	2,947,896	-	-	130,380	131,917	-	-	4,159,361	3,558,205
	8,251,884	7,364,353	4,676,856	1,758,998	147,152	160,879	267,440	3,308,983	26,923,602	20,393,772
	24,601,059	22,202,344	8,706,035	36,046,396	3,693,898	4,909,205	10,222,600	10,115,738	100,249,856	128,626,567
									5,616,844	4,367,606
									5,186,148	4,280,387
									(6,447,880)	(5,916,565)
									104,604,968	131,357,995
									391,417,489	389,453,272
	143,283,728	131,532,794	316,066,054	266,651,566	68,936,211	69,235,393	104,055,766	125,876,219	723,136,183	685,097,188
	78,589,024	69,713,219	92,998,820	107,517,266	57,290,546	56,850,702	84,988,320	75,396,573	386,704,035	384,563,587

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 2022, 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 2022 were authorised for issue by the Board of Directors on 27 July 2022.

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 2022 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 2022.

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.

The tax liability arising from the Surcharge Tax Act No: 14 of 2022 has been accounted as recommended by the Statement of Alternative Treatment (SoAT) issued by the Institute of Chartered Accountants of Sri Lanka as disclosed under the note 8 to the financial statements.

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 2022 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 three months ended 30 June In Rs. '000s	GROUP		COMPANY	
	2022	2021	2022	2021
Finance income				
Interest income	4,354,603	2,676,019	2,452,031	1,203,689
Dividend income on				
Financial assets at fair value through profit or loss	64,342	70,871	-	-
Financial assets at fair value through other comprehensive income	-	5,142	-	-
Realised gains on financial assets at fair value through profit or loss	-	110,576	-	-
Unrealised gains on financial assets at fair value through profit or loss	-	10,241	-	-
Investment related direct expenses	(15,053)	(19,382)	-	-
Exchange gains	10,119,303	428,469	10,119,303	428,469
Total finance income	14,523,195	3,281,936	12,571,334	1,632,158
Finance cost				
Interest expense on borrowings	(2,531,053)	(1,152,453)	(1,305,383)	(702,026)
Finance charge on lease liabilities	(435,787)	(376,500)	-	-
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)	-	-	-
Total finance cost	(3,243,684)	(1,528,953)	(1,305,383)	(702,026)
Net finance income	11,279,511	1,752,983	11,265,951	930,132

8 Tax expense

For the three months ended 30 June In Rs. '000s	GROUP		COMPANY	
	2022	2021	2022	2021
Income statement				
Current income tax	3,316,521	327,733	2,583,573	92,964
Deferred tax charge/(reversal)	59,035	(238,608)	-	-
	3,375,556	89,125	2,583,573	92,964
Other comprehensive Income				
Deferred tax charge/(reversal)	(11)	(6,426)	-	-
	(11)	(6,426)	-	-

Surcharge Tax

Surcharge Tax Act No. 14 of 2022 was enacted on 8 April 2022 and is applicable to the John Keells Group as the collective taxable income of companies belonging to the Group, calculated in accordance with the provisions of the Inland Revenue Act No. 24 of 2017, exceeds Rs. 2,000 million, for the year of assessment 2020/2021. The liability is computed at the rate of 25 per cent on the taxable income of the individual Group companies, net of dividends from subsidiaries.

Total Surcharge Tax liability of Rs.1,749Mn and Rs.666Mn has been recognised for the Group and the Company respectively as an opening adjustment to the 1 April 2021 retained earnings in the statement of Changes in Equity as per the Statement of Alternative

Treatment (SoAT) issued by The Institute of Chartered Accountants of Sri Lanka. According to the said Act, the surcharge tax shall be deemed to be an expenditure in the financial statements relating to the year of assessment which commenced on 1 April 2020.

On 20 April 2022, the Group and the Company paid Rs. 824Mn and Rs.263Mn respectively on account of the first installment of the Surcharge Tax liability. The final installment of Surcharge Tax payable reported under income tax liability as of 30 June 2022 has been paid on 20 July 2022.

Notes to the Financial Statements

South Asia Gateway Terminals (Pvt) Ltd (SAGT) and Nations Trust Bank PLC (NTB) are liable to pay Surcharge Tax on the respective individual entity level. The Group share of total Surcharge Tax

liability of Rs. 1,276Mn has been included in Surcharge Tax charge recognised in the Group Statement of Changes in Equity as an adjustment to the 01 April 2021 opening retained earnings.

The impact of the surcharge tax under the Surcharge Tax Act on the comparative year would have been as given below:

In Rs. '000s	2021	
	GROUP	COMPANY
Profit after tax for the year ended 31 March 2021	3,950,891	10,565,887
Surcharge Tax charge (including Group share of equity accounted investees)	(3,024,764)	(665,629)
Adjusted comparable Profit for the year ended 31 March 2021	926,127	9,900,258

9 Related party transactions

For the three months ended 30 June In Rs. '000s	GROUP		COMPANY	
	2022	2021	2022	2021
Transactions with related parties				
Subsidiaries				
Purchases of goods	-	-	10,802	230
Rendering of services	-	-	288,868	290,923
Receiving of services	-	-	117,550	101,250
Rent paid	-	-	9,329	7,389
Dividend received	-	-	222,065	1,081,132
Equity accounted investees				
Sales of goods	1,749	2,108	-	-
Rendering of services	160,536	122,354	184,678	103,955
Receiving of services	49,830	40,663	-	43
Interest received	199,474	2,316	99,591	-
Interest paid	24,611	3,321	-	1
Loans Received	-	-	-	-
Dividend received	-	-	-	-
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				
Sales of goods	-	-	-	-
Post employment benefit plan				
Contributions to the provident fund	74,577	69,718	17,252	15,171

10 SHARE INFORMATION

10.1 Stated capital

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

As at	30-06-2022	31-03-2022
Ordinary shares *	1,384,916,632	1,384,916,632

* Includes global depository receipts of 1,320,942 (31 March 2022 - 1,320,942).

Proposed Private placement to raise Foreign Direct Investments through unlisted convertible debentures

The Board of Directors of John Keells Holdings PLC resolved on 21 June 2022, subject to the approval of Shareholders by means of a special resolution at an Extraordinary General Meeting which will be held on 4 August 2022, to raise Rs.27.06 billion through a private placement of Rs. denominated unrated, unlisted, unsecured convertible debentures to certain controlled affiliates (subsidiaries) of Fairfax Financial Holdings Limited. Fairfax Financial Holdings Limited is headquartered in Toronto, Canada.

10.2 Public share holdings

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

As at	30-06-2022	31-03-2022
Public shareholding (%)	98.93	98.74
Number of public shareholders	14,670	14,450
Compliant under option 1 - Float adjusted market capitalization (Rs. Bn)	167.15	198.28

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 2022.

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	2022 Rs.	2021 Rs.
Highest	170.00	151.50
Lowest	116.25	133.00
Last traded	122.00	135.25

10.5 Directors' share holdings

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

As at	30-06-2022	31-03-2022
K N J Balendra - Chairman/CEO	10,914,400	10,914,400
J G A Cooray - Deputy Chairman /Group Finance Director	208,587	208,587
D A Cabraal	150,137	150,137
A N Fonseka	Nil	Nil
M A Omar (Retired w.e.f 27 June 2022)	N/A	100,000
M P Perera	Nil	Nil
S S H Wijayasuriya	Nil	Nil

Notes to the Financial Statements

10.6 Twenty largest shareholders

Twenty largest shareholders of the Company are as given below:

As at	30-06-2022		31-03-2022	
	Number of shares	%	Number of shares	%
1 Paints & General Industries Limited	140,442,428	10.1	140,437,428	10.1
2 Mr S E Captain	134,220,895	9.7	134,220,895	9.7
3 Melstacorp PLC	128,917,111	9.3	128,917,111	9.3
4 HWIC Asia Fund	119,200,760	8.6	119,200,760	8.6
5 Asian Development Bank Securities Custody	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 Schroder International Selection Fund	41,974,590	3.0	41,974,590	3.0
8 Norges Bank Account 2	31,901,605	2.3	31,901,605	2.3
9 Mr R S Captain	30,931,345	2.2	34,405,091	2.5
10 Aberdeen Standard Asia Focus PLC	28,123,572	2.0	28,123,572	2.0
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 Fidelity Funds-Pacific	17,880,904	1.3	17,880,904	1.3
14 Mrs C S De Fonseka	17,472,745	1.3	17,472,745	1.3
15 Edgbaston Asian Equity Trust	15,809,807	1.1	15,142,109	1.1
16 Mrs S A J De Fonseka	15,204,230	1.1	15,204,230	1.1
17 Chemanex PLC	12,605,234	0.9	12,605,234	0.9
18 Sri Lanka Insurance Corporation Ltd - Life Fund	12,270,665	0.9	12,270,665	0.9
19 Mr K N J Balendra	10,907,628	0.8	10,907,628	0.8
20 CIC Holdings PLC	10,809,641	0.8	8,323,103	0.6

11 Dividends paid

For the three months ended 30 June

In Rs. '000s

	2022	2021
Equity dividend on ordinary shares paid		
Final dividend 2021/22-Rs. 0.50 (2020/21-Rs. 0.50)	692,458	659,869
Total dividend	692,458	659,869

12 Contingencies, capital and other commitments

There has been no significant change in the nature of the contingencies and other commitments, which were disclosed in the annual report for the year ended 31 March 2022.

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

K N J Balendra - Chairman/CEO

J G A Cooray - Deputy Chairman/Group Finance Director

D A Cabraal

A N Fonseka

M P Perera

S S H Wijayasuriya

Senior Independent Director

A N Fonseka

Audit Committee

A N Fonseka - Chairman

D A Cabraal

M P Perera

Human Resources and Compensation Committee

D A Cabraal - Chairman

A N Fonseka

S S H Wijayasuriya

Nominations Committee

D A Cabraal - Chairman

K N J Balendra

M P Perera

S S H Wijayasuriya

Related Party Transaction Review Committee

M P Perera - Chairperson

D A Cabraal

A N Fonseka

Project Risk Assessment Committee

S S H Wijayasuriya - Chairman

K N J Balendra

J G A Cooray

M P Perera

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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