

RE-RATING



John Keells Holdings PLC
Interim Condensed Financial Statements
Nine Months Ended 31 December 2023

CHAIRPERSON'S MESSAGE

Dear Stakeholder,

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

- During the quarter under review, the Group reported a strong performance with all industry groups recording a growth in profits.
- Group earnings before interest expense, tax, depreciation and amortisation (EBITDA) at Rs.13.74 billion in the third quarter of the financial year 2023/24 is a 32% increase against the Group EBITDA of Rs.10.41 billion recorded in the previous financial year, particularly in the Consumer Foods and Insurance businesses.
- Group profit before tax (PBT) at Rs.5.49 billion in the quarter under review is an increase of 88% against the PBT of Rs.2.91 billion recorded in the third quarter of 2022/23. Group PBT recorded an increase due to the increase in EBITDA together with the gradual easing of interest rates and normalised working capital requirements, particularly in the Consumer Foods and Supermarket businesses.
- The groundwork on the West Container Terminal (WCT-1) at the Port of Colombo is progressing well, with all construction work relating to the first phase of the project (800 meters of quay length) being awarded, including the commissioning of the first batch of operating equipment. The U.S. International Development Finance Corporation (DFC) announced, in November 2023, that it has committed to finance the development of the WCT-1 project through a long-term loan facility of USD 553 million.
- Further to the entering of the Memorandum of Understanding (MOU) with the selected international gaming operator, a significant amount of advanced design work, engineering and other construction and planning related aspects have been completed. The significant groundwork completed by both parties will enable, and pave the way, for a timely and rapid completion of the fit-out of the gaming space, once commenced. The parties are now working on the final stages of establishing the corporate and administrative framework which will enable commencement of fit-out at the earliest.
- The Consumer Foods industry group recorded a significant increase in EBITDA on account of both the Beverages and the Frozen Confectionery businesses, driven by improved margins, as input costs have normalised from the previous peaks, and reductions in overhead costs.
- The Supermarket business recorded a strong performance in revenue during the quarter, with same store sales recording an encouraging growth of 11%, driven by growth in customer footfall of 16%. Despite the revenue growth, EBITDA remained flat primarily on account of electricity cost increases.
- In November 2023, the Company partnered with BYD Company Limited, the world's leading manufacturer of new energy vehicles (NEV), to provide cutting-edge and eco-friendly vehicles to the Sri Lankan market. This new business will operate under the Retail industry group considering its alignment with the business and potential synergies.
- The Sri Lankan Leisure businesses continued to record an improvement in performance, with an increase in occupancies and room rates across properties, on the back of a sustained recovery in tourist arrivals to the country. The Colombo Hotels segment continued its strong performance in restaurant operations whilst recording an increase in the number of events and banquets.
- The renewed sales momentum at 'TRI-ZEN' is encouraging and shows that the market is beginning to adjust to the new price levels in the industry. The preliminary sales interest for the 'Viman' project has been very encouraging with over 70 SPAs signed to date out of a total of 114 units in the first phase of the project.
- The profitability of Union Assurance PLC (UA) was driven by the life insurance surplus which recorded an increase against the corresponding period of the previous year. UA recorded encouraging double-digit growth in gross written premiums, driven by renewal premiums, and higher yields on investments. NTB recorded a growth in profitability aided by loan growth, lower impairments and increased trading and fee income.
- The Group's carbon footprint per million rupees of revenue increased by 9% to 0.42 MT while the water withdrawal per million rupees of revenue increased by 0.3% to 6.84 cubic meters.

EBITDA* (Rs.000)	Quarter ending 31 December			Nine months ending 31 December		
	2023/24	2022/23	%	2023/24	2022/23	%
Transportation	2,327,195	1,498,535	55	6,445,653	9,084,866	(29)
Consumer Foods	896,922	402,382	123	2,853,162	2,644,604	8
Retail	2,389,719	2,320,385	3	6,359,712	6,602,516	(4)
Leisure	2,560,124	1,898,410	35	3,908,749	4,772,720	(18)
Property	59,997	(312,413)	119	(188,083)	(731,148)	74
Financial Services	4,040,410	2,854,989	42	7,435,480	4,836,250	54

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

CHAIRPERSON'S MESSAGE

During the quarter under review, the Group reported a strong performance with all industry groups recording a growth in profits. The operating environment in the country continued its steady normalisation supported by sustained improvement in the country's key macro-economic indicators, with a further reduction in interest rates, inflation remaining at low single digits and the Sri Lankan Rupee remaining stable on the back of improved foreign exchange inflows.

Considering the relatively stable inflation indicators and in order to support the rebound of domestic economic activity, the Central Bank of Sri Lanka (CBSL) reduced the Standing Deposit Facility Rate (SDFR) and the Standing Lending Facility Rate (SLFR) by 100 basis points each in October and November 2023. As a result, the SDFR and SLFR rates reached 9.00% and 10.00%, respectively, while prime lending rates declined below 12%. The CBSL has indicated that any additional monetary policy easing in the near term is likely to be paused, providing leeway for market interest rates to fall lower in accordance with monetary policy easing measures.

In November 2023, the Government presented the Budget for the fiscal year 2024, with a focus on continuing the stabilising of the economy with revenue-based consolidation and rationalisation in Government spending. It is critical that the Government also implements governance reforms to support and widen revenue collection, particularly since the revenue targets are ambitious. In this regard, the proposal for the mandatory submission of the taxpayer identification number (TIN) for identified transactions, and the reduction in the threshold for registration for both Value Added Tax (VAT) and Social Security Contribution Levy (SSCL) to Rs.60 million per annum, with effect from 1 January 2024, should support in broad basing the tax net.

As proposed during the Budget 2024, the VAT rate was increased from 15% to 18% with effect from 1 January 2024 along with the significant limitation of VAT exemptions to cover only certain essential categories. Whilst a one-off upward movement in inflation is expected in the near term due to the increase in the VAT rate, the CBSL does not expect a material change in the targeted inflation level of 5% in the medium term. Whilst there will be input price increases in the short term on account of higher tax rates, it is too early to ascertain the impacts on consumer spending and inflation. While enhancing tax revenue is a priority, the authorities should also focus on economic revival and growth with business confidence gradually recovering from its lows. Maintaining a consistent tax policy framework and building confidence will also be key to restoring economic activity and investment, thereby enabling improved revenue collection.

Sri Lanka's cumulative tourist arrivals for the calendar year 2023 reached close to 1.5 million arrivals, in line with the Sri Lanka Tourism Development Authority's (SLTDA) target. The momentum of tourism is encouraging with arrivals for the month of December crossing 200,000 for the first time since 2019. The SLTDA anticipates a further increase in tourist arrivals as more charter flights resume services and international airlines expand their frequencies. The Group is confident that the current recovery trend in arrivals will continue, especially since the forward bookings for our hotel properties remain encouraging. Tourism will be a key catalyst to drive the continued recovery of the economy, particularly in the context of the positive impact it will have on foreign exchange

earnings and improving disposable incomes. It is encouraging that Sri Lanka was ranked as the fourth most popular tourist destination in the world for 2024 by the Forbes magazine whilst the world-renowned travel guide, the 'Travel Off Path', ranked Sri Lanka among the top five fastest growing tourism destinations for 2024.

In December 2023, Sri Lanka launched a destination marketing campaign titled 'You'll come back for more' which is envisaged to be launched in three stages. The first phase would entail the ongoing 'Checking in' campaign which will convey Sri Lanka's ability to welcome tourists with the country having returned to stability. While the launch of a campaign after a considerable period of time is positive, we urge the tourism authorities to ensure that this campaign is continued on a sustained basis with a strategic focus.

In December 2023, the International Monetary Fund (IMF) Board completed the first review under the 48-month Extended Fund Facility (EFF) with Sri Lanka, providing the country with access to US Dollars 337 million to support its economic policies and reforms, bringing the total IMF financial support disbursed to US Dollars 670 million. The review stated that Sri Lanka has made commendable progress toward restoring debt sustainability, raising revenue, rebuilding reserve buffers, reducing inflation, and safeguarding financial stability. Marking an important milestone on Sri Lanka's debt restructuring programme, in principle agreement was reached with the Official Credit Committee and the Exim Bank of China. Negotiations are continuing with commercial creditors, with expectations of reaching an agreement within the next quarter.

The improving current account balance in the country and substantial increases in tourism receipts and foreign currency remittances resulted in strong net inflows into the country. Supported by funds from multilateral lenders including the IMF, Sri Lanka's gross official reserves stood at approximately US Dollars 4.4 billion by end 2023. Following the stabilisation of the Rupee, improved foreign currency reserves of the CBSL and the positive outlook for the economy, import restrictions on most items have been relaxed.

GROUP PERFORMANCE

Group revenue at Rs.72.26 billion for the quarter under review is an increase of 6% against the comparative period of last year [2022/23 Q3: Rs.68.24 billion]. Cumulative Group revenue for the first nine months of the financial year 2023/24 at Rs.200.15 billion is a decrease of 4% against the revenue of Rs.208.82 billion recorded in the corresponding period of the financial year 2022/23, 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 global oil prices. It is also noted that US Dollar denominated revenue streams of the Group were also adversely impacted, on translation, by the appreciation of the Sri Lankan Rupee by approximately 13% in comparison to the comparative periods of last year.

Group earnings before interest expense, tax, depreciation and amortisation (EBITDA) at Rs.13.74 billion in the third quarter of the financial year 2023/24 is a 32% increase against the Group EBITDA of Rs.10.41 billion recorded in the previous financial year, with increases across all businesses, particularly in the Consumer Foods and Insurance businesses.

During the quarter under review, the Group's Ports and Shipping business, South Asia Gateway Terminals (SAGT), recognised a deferred tax credit amounting to Rs.401 million whilst the third quarter of the previous year recorded a one-off deferred tax charge amounting to Rs.764 million on account of the significant change in income tax rates. As the share of results of equity accounted investees are consolidated net of all related taxes, excluding the tax impacts at SAGT, Group EBITDA recorded an increase of 19% to Rs.13.34 billion in the third quarter of the financial year 2023/24.

Cumulative Group EBITDA for the first nine months of the financial year 2023/24 at Rs.31.03 billion is a decrease of 6% against the EBITDA of Rs.33.04 billion recorded in the comparative period of the previous financial year. The decline in the cumulative EBITDA is mainly on account of the EBITDA of the Group's Bunkering business in the second quarter of the previous year, which recorded a substantial increase in profitability in its core ship bunkering operations driven by higher margins due to the significant increase in global fuel oil prices. As outlined previously, the translation impact on US Dollar denominated revenue streams of the Group stemming from the appreciation of the Sri Lankan Rupee also contributed to this decline.

Group profit before tax (PBT) at Rs.5.49 billion in the quarter under review is an increase of 88% against the PBT of Rs.2.91 billion recorded in the third quarter of 2022/23. Excluding the tax impacts at SAGT as outlined previously, Group PBT increased 38% to Rs.5.08 billion in the third quarter of 2023/24. In addition to the improvement in Group EBITDA, Group PBT recorded an increase due to the gradual easing of interest rates and normalised working capital requirements, particularly in the Consumer Foods and Supermarket businesses.

Cumulative Group PBT for the first nine months of the financial year 2023/24 at Rs.6.73 billion is a decrease of 67% against the PBT of Rs.20.28 billion recorded in the same period of financial year 2022/23. Cumulative PBT for year under review includes a net exchange loss of Rs.1.14 billion including the exchange loss on the USD 225 million term loan facility at Waterfront Properties (Private) Limited on account of the transition of its functional currency from USD to LKR, whilst the first nine months of the previous year included Rs.7.61 billion of net exchange gains recorded primarily on US Dollar denominated cash holdings and liabilities at the Holding Company, resulting from the steep depreciation of the Sri Lankan Rupee against the US Dollar during the quarter.

Profit attributable to equity holders of the parent at Rs.2.99 billion in the quarter under review is a 51% increase against the comparative quarter of the previous year [2022/23 Q3: Rs.1.98 billion]. On a cumulative basis, profit attributable to equity holders of the parent at Rs.3.88 billion is a 74% decrease against the corresponding period of 2022/23.

Company PBT for the third quarter of 2023/24 at Rs.651 million is an 8% increase against the Rs.603 million recorded in the corresponding period of 2022/23. Company PBT for the first nine months of the financial year 2023/24 at negative Rs.1.18 billion is a 108% decrease against the corresponding period of 2022/23.

TRANSPORTATION

The Transportation industry group EBITDA at Rs.2.33 billion in the third quarter of 2023/24 is an increase of 55% against the EBITDA for the corresponding quarter of the previous financial year [2022/23 Q3: Rs.1.50 billion]. Excluding the deferred tax credit recognised in the third quarter of the year under review and the one-off deferred tax charge in the third quarter of the previous year at SAGT, the Transportation industry group recorded an EBITDA decline of 15% to Rs.1.93 billion. The performance of the industry group was also affected by the translation impact on US Dollar denominated revenue streams, particularly at the Ports and Shipping businesses and LMS, stemming from the appreciation of the Sri Lankan Rupee by approximately 13% in comparison to the comparative periods of last year.

LMS recorded an increase in profitability driven by higher margins, despite the impact on account of the appreciation of the currency. 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. SAGT recorded an increase in throughput in line with the overall Port of Colombo volumes, although profitability was impacted by a change in the throughput mix and the appreciation of the currency.

The groundwork on the West Container Terminal (WCT-1) at the Port of Colombo is progressing well, with all construction work relating to the first phase of the project (800 meters of quay length) being awarded, including the commissioning of the first batch of operating equipment. The U.S. International Development Finance Corporation (DFC) announced, in November 2023, that it has committed to finance the development of the WCT-1 project through a long-term loan facility of USD 553 million. Overall timelines for the project remain as originally envisaged.

CONSUMER FOODS

The Consumer Foods industry group EBITDA at Rs.897 million in the third quarter of 2023/24 is an increase of 123% against the corresponding quarter of the previous year [2022/23 Q3: Rs.402 million]. The significant increase in EBITDA is attributable to both the Beverages and the Frozen Confectionery businesses driven by improved margins, as input costs have normalised from the previous peaks, and reductions in overhead costs. Both businesses witnessed encouraging volume growth in the seasonal month of December 2023, which was less affected by adverse weather conditions unlike in the months of October and November 2023.

In line with expectations and actions undertaken by the businesses, both Beverages and Frozen Confectionery recorded an improvement in margins on account of declining raw material prices further aided by the stabilisation of the Rupee. In November 2023, the Special Commodity Levy (SCL) imposed on imported sugar was increased from 25 cents to Rs.50 per kilogram. The Beverage business undertook price increases in select SKUs to mitigate the margin impact stemming from the higher SCL.

CHAIRPERSON'S MESSAGE

The PBT of the Beverages and Frozen Confectionery businesses recorded a significant improvement driven by the increase in EBITDA, further supported by the decline in finance expenses on account of the easing of interest rates and reductions in working capital requirements.

The Convenience Foods business recorded a marginal volume decline during the quarter as a result of a moderation in consumer spend on processed meats, which is more discretionary and at a higher price point as compared to the Beverage and Frozen Confectionery businesses.

RETAIL

The Retail industry group EBITDA of Rs.2.39 billion in the third quarter of 2023/24 is an increase of 3% against the EBITDA for the corresponding quarter of the previous financial year [2022/23 Q3: Rs.2.32 billion]. The Supermarket business EBITDA stood at Rs.2.00 billion in the third quarter of 2023/24 [2022/23 Q3: Rs.1.99 billion].

The Supermarket business recorded a strong performance in revenue during the quarter, with same store sales recording an encouraging growth of 11%, driven by growth in customer footfall of 16%. The sustained increase in footfall is encouraging as it demonstrates the continued potential for higher penetration of certain customer segments. The increase in revenue supported the EBITDA performance, together with the benefits accruing from various productivity and cost efficiency initiatives and supplier negotiations. The growth in revenue and higher contribution to EBITDA was, however, offset to a large extent on account of the significant escalation in electricity costs in comparison to the same quarter of the previous year. The business will continue to place emphasis on cost optimisation and working capital management.

The business recorded a significant improvement in PBT due to the material easing of interest rates and normalisation of working capital requirements.

One new outlet was opened during the quarter and the total outlet count reached 133 as of 31 December 2023.

During the quarter under review, the Office Automation business recorded a significant improvement in PBT driven by an increase in mobile phone sales volumes, supported by demand due to the anticipated increase in VAT rates, and lower finance costs on working capital requirements with the easing of interest rates. The removal of mobile phones from the VAT exemptions list coupled with the simultaneous increase in VAT from 15% to 18%, effective 1 January 2024, has resulted in an increase in the selling prices.

In November 2023, the Company partnered with BYD Company Limited, the world's leading manufacturer of new energy vehicles (NEV), to provide cutting-edge and eco-friendly vehicles to the Sri Lankan market. This new business will operate under the Retail industry group considering its alignment with the business and potential synergies. The prospect for contributing towards a more environmentally friendly and energy efficient alternative, which will support the country, is in alignment with the Group's sustainability agenda. Optimising the supermarket outlet network and other locations of the Group's businesses across the country will generate synergies, enabling the creation of the necessary eco-system required for the NEV business.

LEISURE

The Leisure industry group EBITDA of Rs.2.56 billion in the third quarter of 2023/24 is an increase of 35% against the EBITDA of the corresponding quarter of the previous financial year [2022/23 Q3: Rs.1.90 billion], driven by a strong recovery in the Sri Lankan Leisure businesses. Excluding the Cinnamon Life Integrated Resort, which carries costs pertaining to the ramp up of costs with the impending opening of the hotel, the Leisure industry group EBITDA recorded an increase of 29% to Rs.2.80 billion. Given that the revenue streams of the industry group are largely US Dollar denominated, the translation impact stemming from the appreciation of the Sri Lankan Rupee partially offset the improvement in profitability.

Sri Lanka's cumulative tourist arrivals for the calendar year 2023 reached close to 1.5 million arrivals in line with the annual arrivals target of the SLTDA whilst arrivals for the month of December crossed 200,000 for the first time since 2019. With international tourism levels close to pre-pandemic levels as per the United Nations World Tourism Organisation, the Group is confident that the current recovery trend in arrivals in Sri Lanka will continue, particularly given the increase in frequencies of flights by several major airlines. The forward bookings for our hotel properties remain encouraging.

The Sri Lankan Leisure businesses continued to record an improvement in performance, with an increase in occupancies and room rates across properties, on the back of a sustained recovery in tourist arrivals to the country. The Colombo Hotels segment continued its strong performance in restaurant operations whilst recording an increase in the number of events and banquets.

The Group's Maldivian Resorts recorded a marginal decline in performance on account of the translation impact stemming from the appreciation of the Sri Lankan Rupee by approximately 13% in comparison to the corresponding quarter of the previous year, although the underlying operating performance recorded a marginal increase on account of an increase in ARR and a reduction in power and energy costs against the previous year. At a PBT level, performance was also impacted by a notable increase in US Dollar borrowing rates and increased utilisation of bank facilities.

Excluding the Cinnamon Life Integrated Resort, the Leisure industry group recorded a PBT of Rs.538 million [2022/23 Q3: negative Rs.186 million] aided by the aforementioned improvement in EBITDA and lower interest rates in Sri Lanka. The PBT of the Leisure industry group, as reported, stood at negative Rs.389 million [2022/23 Q3: negative Rs.524 million].

As detailed in the second quarter of the year under review, the functional reporting currency of Waterfront Properties (Private) Limited (WPL), the project company of the Cinnamon Life Integrated Resort, was changed from USD to LKR, given the impending transition of the project to operations next year. The marginal depreciation of the LKR against the USD post-transition resulted in a non-cash exchange loss of Rs.145 million on the USD 225 million term loan facility at WPL. Excluding the impact of the exchange exposure on the term loan facility at WPL, the Leisure industry group PBT stood at negative Rs.244 million.

Cinnamon Life Integrated Resort

As detailed in the Annual Report 2022/23, given the near completion of construction works at the Cinnamon Life Integrated Resort 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 the Cinnamon Life Integrated Resort is progressing well, where the hotel, retail and entertainment components are in the final stages of construction. The fit-out and interior works of the hotel rooms and common areas are well underway, with the fit-out of a majority of the rooms nearing completion. The hotel is envisaged to commence operations by the end of this year. The project obtained a key approval on building construction with the receipt of the certificate of conformity (COC) from the authorities during the quarter under review.

Further to the entering of the Memorandum of Understanding (MOU) with the selected international gaming operator, a significant amount of advanced design work, engineering and other construction and planning related aspects have been completed. The significant groundwork completed by both parties will enable, and pave the way, for a timely and rapid completion of the fitout of the gaming space, once commenced. The parties are now working on the final stages of establishing the corporate and administrative framework which will enable commencement of fitout at the earliest. Upon finalising these details and the lease agreement, a detailed disclosure will be made.

As originally envisaged, WPL will lease out space at the Cinnamon Life Integrated Resort for the operation of the casino. We are confident that once completed the gaming space, together with all other aspects of the Cinnamon Life Integrated Resort, will result in a transformational development which will be a catalyst for creating tourism demand and foreign exchange earnings for Sri Lanka.

PROPERTY

The Property industry group EBITDA of Rs.60 million in the third quarter of 2023/24 is an 119% increase against the EBITDA for the corresponding quarter of the previous financial year [2022/23 Q3: negative Rs.312 million].

The EBITDA for the quarter under review includes profit recognition from 'TRI-ZEN' and rental income from ten floors of 'The Offices at Cinnamon Life'. During the quarter under review, the cumulative sales and purchase agreements (SPAs) signed at 'the TRI-ZEN' residential development project increased by 12 units to 682 units. The renewed sales momentum is encouraging and shows that the market is beginning to adjust to the new price levels in the industry. The construction activity at 'TRI-ZEN' is continuing with encouraging momentum where the finishing works in the apartments are underway. The overall project is scheduled for completion by the end of the fourth quarter of 2023/24.

In September 2023, John Keells Properties launched its latest residential project, 'Viman', located in the heart of Ja-Ela, a suburban area in close proximity to Colombo. Spread across six acres, offering a harmonious blend of modern comforts with 418 apartments, 'Viman' is designed to provide a secure, family-friendly environment with convenient access to the city of Colombo, while retaining the charm of a small-town setting. 'Viman' offers the distinct advantage of proximity to the Colombo Port access highway, facilitating convenient connectivity between Ja-Ela and Colombo. The preliminary sales interest for the project has been very encouraging with over 70 SPAs signed to date out of a total of 114 units in the first phase since the project launch. The construction of the first phase of the project is expected to commence in the next financial year.

FINANCIAL SERVICES

The Financial Services industry group EBITDA at Rs.4.04 billion in the third quarter of 2023/24 is an increase of 42% against the EBITDA for the corresponding quarter of the previous financial year [2022/23 Q3: Rs.2.85 billion]. During the quarter under review, the profitability of Union Assurance PLC (UA) was driven by the life insurance surplus which recorded an increase against the corresponding period of the previous year. UA recorded encouraging double-digit growth in gross written premiums, driven by renewal premiums, and higher yields on investments.

NTB recorded a growth in profitability aided by loan growth, lower impairments and increased trading and fee income.

OTHER, INCLUDING INFORMATION TECHNOLOGY AND PLANTATION SERVICES

The Other, including Information Technology and Plantation Services industry group EBITDA of Rs.1.47 billion in the third quarter of 2023/24 is a decrease of 16% against the EBITDA for the corresponding quarter of the previous financial year [2022/23 Q3: Rs.1.75 billion], driven by a decline across all three segments, the Plantations Services and Information Technology sectors and the Holding Company. The PBT of the Holding Company was impacted by higher interest expense on borrowings, including the interest charged on the convertible debentures issued to HWIC which includes a notional non-cash interest of approximately Rs.820 million.

The Plantation Services sector recorded a decrease in profitability as a result of a decline in tea prices. The profitability of the Information Technology sector was impacted by an increase in costs.

ONE JKH – OUR DIVERSITY, EQUITY AND INCLUSION INITIATIVE

In November 2023, in commemoration of International Men's Day 2023, under our DE&I brand - ONE JKH, an interactive session was organised, where two external subject experts spoke on the topics of mental well-being, gender equity, positive masculinity, and the importance of challenging harmful stereotypes.

CHAIRPERSON'S MESSAGE

SUSTAINABILITY

During the quarter under review, the Group's carbon footprint per million rupees of revenue increased by 9% to 0.42 MT while the water withdrawal per million rupees of revenue increased by 0.3% to 6.84 cubic meters. In absolute terms, the Group's carbon footprint and water withdrawal increased by 15% and 6% to 30,006 MT and 493,679 cubic meters respectively, due to higher levels of operational activity during the quarter compared to the corresponding quarter of the previous year, particularly in the Leisure, Supermarket and Transportation businesses.

On average, Group employees were provided with 41 hours of training per employee, whilst 84 occupational injuries were reported during the quarter.

Plasticcycle

In November 2023, Plasticcycle, the Group's social entrepreneurship project, concluded the Demo Day of 'Start-Up-Cycle', a challenge platform designed to offer Sri Lankan innovators and entrepreneurs an opportunity to present their implementable solutions to address the issue of plastic pollution in the country. Whilst an encouraging number of applications were received from across the country, three potential solutions were selected to work with the Group businesses to address the specific challenges of providing alternatives to single-use plastic products. Plasticcycle's partnership with The Pearl Protectors in Cleaner Seabeds for Sri Lanka Expedition, which commenced in April 2023, has resulted in 24 dives in the Trincomalee district and 8 dives in the Colombo district, with a collection of 1,040 kg and 97 kg respectively of underwater plastic waste to date.

CORPORATE SOCIAL RESPONSIBILITY

During the quarter, John Keells Foundation (JKF) conducted multiple initiatives to enhance the skills and opportunities, health and wellbeing of vulnerable communities, empower women and youth, and support programmes in conserving our environment and fostering social cohesion.

Key initiatives undertaken during the reporting period are below:

Health

- A 3-day 'Train the Trainer' programme for 50 officers from the Gampaha Police Division conducted with the Bureau for the Prevention of Abuse of Children and Women, empowering them to effectively address instances gender-based violence and child abuse.
- Commemoration of World Children's Day and the International Day for the Elimination of Violence Against Women through four public awareness programmes on electronic media and a social media campaign addressing child safety and gender-based violence, with an estimated reach of over 647,750 persons.
- Provided over 611,285 meals since the launch of the Group's 'School Meal Programme', enhancing attendance, learning and engagement of school children.
- Interventions for students, teachers and parents under the School Nutrition Programme in collaboration with the Scaling Up Nutrition People's Forum (SUN PF) promoting nutrition awareness and school gardens as a means of enhancing knowledge and self-reliance in nutritious vegetables.

Education

- Conduct of career skills for 292 undergraduates of the Ocean University of Sri Lanka through the 19th edition of 'The Final Step' soft skills programme, enhancing skills and career opportunities
- Sustained 99 scholarships for disadvantaged Advanced Level and University students to pursue their higher studies.
- Commenced classes for 545 students under Tiers 1 & 2 of JKF's English Language Scholarship Programme.

Livelihood Development

- Launch of a weekly fair and cultural show by Hikka Tranz by Cinnamon, providing a marketing platform for Batik artisans and Southern Province arts and crafts community.
- Handover of a catamaran to the Horivila Fishermen's Society as part of an experiential tourism initiative in Habarana.
- Assessing the socio-economic status and livelihood opportunities of three GN divisions in Colombo 02.

Environment

- Completed planting 20,648 trees under the 'Cinnamon Rainforest Restoration Project' since project inception, surpassing the Sri Lanka Forest Department contractual target.

Arts & Culture

- The Museum of Modern and Contemporary Art showcased its exhibition 'Foreigners' at the international art fair 'Frieze London' while its new exhibition '88 Acres - Minnette De Silva's Watapuluwa Housing Scheme' has been endorsed by the World Monuments Fund and UNESCO.
- The Gratiaen Trust launched The Gratiaen Pods and conducted several writing workshops in Colombo and Galle in commemoration of Children's Day.

DIVIDEND

Your Board declared a second interim dividend of Rs.0.50 per share to be paid on or before 4 March 2024.



Krishan Balendra

Chairperson

31 January 2024

CONSOLIDATED INCOME STATEMENT

	Note	Quarter ended 31 December			Nine months ended 31 December		
		2023	2022	Change %	2023	2022	Change %
Continuing operations							
Revenue from contracts with customers		66,864,737	63,422,804	5	186,258,987	196,808,507	(5)
Revenue from insurance contracts		5,394,882	4,815,988	12	13,892,888	12,011,027	16
Total revenue		72,259,619	68,238,792	6	200,151,875	208,819,534	(4)
Cost of sales		(57,323,123)	(56,352,240)	2	(162,622,735)	(172,577,389)	(6)
Gross profit		14,936,496	11,886,552	26	37,529,140	36,242,145	4
Other operating income		457,408	828,080	(45)	3,271,297	2,167,468	51
Selling and distribution expenses		(2,643,104)	(2,472,239)	7	(7,731,166)	(6,416,590)	20
Administrative expenses		(6,947,527)	(5,746,568)	21	(19,597,816)	(16,542,752)	18
Other operating expenses		(2,012,878)	(1,453,316)	39	(5,637,831)	(6,583,049)	(14)
Results from operating activities		3,790,395	3,042,509	25	7,833,624	8,867,222	(12)
Finance cost	7	(5,103,155)	(5,302,640)	(4)	(17,234,272)	(12,368,554)	39
Finance income	7	5,008,741	4,334,070	16	15,414,987	23,451,423	(34)
Change in insurance contract liabilities	6	(626,725)	(478,472)	31	(7,075,768)	(5,518,275)	28
Share of results of equity accounted investees (net of tax)		2,415,866	1,318,809	83	7,789,185	5,847,616	33
Profit before tax		5,485,122	2,914,276	88	6,727,756	20,279,432	(67)
Tax expense	8	(2,170,574)	(891,102)	144	(2,830,050)	(5,144,431)	(45)
Profit for the period		3,314,548	2,023,174	64	3,897,706	15,135,001	(74)
Attributable to:							
Equity holders of the parent		2,989,821	1,984,288	51	3,882,232	14,866,309	(74)
Non-controlling interests		324,727	38,886	735	15,474	268,692	(94)
		3,314,548	2,023,174	64	3,897,706	15,135,001	(74)
		Rs.	Rs.		Rs.	Rs.	
Earnings per share							
Basic		2.15	1.43		2.79	10.73	
Diluted		2.15	1.43		2.79	10.73	
Dividend per share		0.50	1.00		1.00	1.50	

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	Quarter ended 31 December		Nine months ended 31 December	
		2023	2022	2023	2022
Profit for the period		3,314,548	2,023,174	3,897,706	15,135,001
Other comprehensive income					
Other comprehensive income to be reclassified to income statement in subsequent periods					
Currency translation of foreign operations		43,732	1,324,597	(10,785,143)	31,985,770
Net gain/(loss) on cash flow hedges		(1,193,117)	(225,090)	(599,393)	2,171,465
Net gain/(loss) on debt instruments at fair value through other comprehensive income		(76,984)	(106,806)	5,350,862	(1,922,052)
Share of other comprehensive income of equity-accounted investees (net of tax)		(241,841)	131,318	1,055,754	2,508,134
Net other comprehensive income to be reclassified to income statement in subsequent periods		(1,468,210)	1,124,019	(4,977,920)	34,743,317
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		20	11,993	19,542	11,318
Re-measurement gain/(loss) on defined benefit plans		(10,094)	(5,567)	(9,478)	(5,567)
Revaluation of land and buildings		299,362	-	299,362	-
Share of other comprehensive income of equity-accounted investees (net of tax)		(36,857)	-	(36,857)	-
Net other comprehensive income not to be reclassified to income statement in subsequent periods		252,431	6,426	272,569	5,751
Tax on other comprehensive income	8	-	(1,401,731)	273	(1,401,704)
Other comprehensive income for the period, net of tax		(1,215,779)	(271,286)	(4,705,078)	33,347,364
Total comprehensive income for the period, net of tax		2,098,769	1,751,888	(807,372)	48,482,365
Attributable to:					
Equity holders of the parent		1,743,639	1,958,964	(1,148,273)	47,515,603
Non-controlling interest		355,130	(207,076)	340,901	966,762
		2,098,769	1,751,888	(807,372)	48,482,365

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	31.12.2023	31.03.2023
ASSETS		
Non-current assets		
Property, plant and equipment	371,982,972	362,096,999
Right-of-use assets	51,277,447	54,184,946
Investment property	32,241,083	33,029,385
Intangible assets	6,035,749	5,792,766
Investments in equity accounted investees	49,328,482	38,486,146
Non-current financial assets	76,255,712	63,957,051
Deferred tax assets	2,652,061	2,582,275
Other non-current assets	1,683,992	1,571,304
	591,457,498	561,700,872
Current assets		
Inventories	37,121,412	39,094,514
Trade and other receivables	23,790,447	21,508,078
Amounts due from related parties	457,276	317,700
Other current assets	17,473,002	14,570,452
Short term investments	82,785,019	82,221,822
Cash in hand and at bank	18,721,363	25,092,977
	180,348,519	182,805,543
Total assets	771,806,017	744,506,415
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Stated capital	73,717,457	73,187,861
Revenue reserves	124,264,042	121,743,376
Other components of equity	141,247,129	146,091,034
	339,228,628	341,022,271
Non-controlling interest	19,509,997	19,396,186
Total equity	358,738,625	360,418,457
Non-current liabilities		
Insurance contract liabilities	65,834,475	58,907,310
Interest-bearing loans and borrowings	141,903,631	159,778,892
Lease liabilities	28,718,465	32,052,489
Deferred tax liabilities	20,213,802	19,687,569
Employee benefit liabilities	2,857,680	2,559,632
Non-current financial liabilities	22,511,786	20,107,025
Other non-current liabilities	195,360	286,236
	282,235,199	293,379,153
Current liabilities		
Trade and other payables	42,197,584	29,866,282
Amounts due to related parties	31,843	3,615
Income tax liabilities	1,409,480	1,798,855
Short term borrowings	15,263,329	8,701,652
Interest-bearing loans and borrowings	20,757,257	12,839,426
Lease liabilities	3,963,304	2,258,653
Other current liabilities	7,070,318	5,191,579
Bank overdrafts	40,139,078	30,048,743
	130,832,193	90,708,805
Total equity and liabilities	771,806,017	744,506,415
	Rs.	Rs.
Net assets per share	244.39	245.68

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

31 January 2024
Colombo

CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended 31 December	Note	2023	2022
OPERATING ACTIVITIES			
Profit before working capital changes	A	9,988,978	7,856,976
(Increase) / Decrease in inventories		2,887,395	(3,471,767)
(Increase) / Decrease in trade and other receivables		(4,514,852)	3,439,974
(Increase) / Decrease in other current assets		(3,269,220)	(8,978,236)
Increase / (Decrease) in other non-current financial liabilities		50,824	(414,147)
Increase / (Decrease) in trade and other payables		12,697,396	(3,666,197)
Increase / (Decrease) in other current liabilities		1,880,032	2,184,516
Increase / (Decrease) in insurance contract liabilities		6,927,165	5,510,082
Cash generated from operations		26,647,718	2,461,201
Finance income received		15,098,297	21,803,241
Finance costs paid		(20,077,009)	(9,535,860)
Dividend received		2,993,510	3,971,922
Tax paid		(2,569,593)	(3,357,850)
Surcharge tax paid		-	(1,749,052)
Gratuity paid		(237,521)	(210,062)
Net cash flow from operating activities		21,855,402	13,383,540
INVESTING ACTIVITIES			
Purchase and construction of property, plant and equipment		(19,451,396)	(4,784,634)
Purchase of intangible assets		(730,125)	(259,337)
Increase in interest in equity accounted investees		(5,475,797)	(1,747,606)
Addition to other non-current assets		(183,545)	(29,846,551)
Proceeds from sale of property, plant and equipment and intangible assets		89,308	131,434
Proceeds from sale of financial instruments - fair valued through profit or loss		2,297,068	2,466,422
Purchase of financial instruments - fair valued through profit or loss		(2,674,320)	(2,689,385)
(Purchase) / disposal of deposits and government securities (net)		(14,735,227)	(27,320,113)
(Purchase) / disposal of non current financial assets (net)		(168,346)	(165,722)
Net cash flow from / (used in) investing activities		(41,032,380)	(64,215,492)
FINANCING ACTIVITIES			
Proceeds from issue of shares		422,691	-
Proceeds from issue of convertible debentures		-	27,056,250
Dividend paid to equity holders of parent		(1,386,296)	(2,077,375)
Dividend paid to shareholders with non-controlling interest		(85,145)	(67,151)
Changes in non-controlling interest		(75,815)	-
Proceeds from long term borrowings		4,337,212	2,038,029
Repayment of long term borrowings		(11,674,770)	(44,897,943)
Payment of principal portion of lease liabilities		(2,212,748)	(3,402,852)
Proceeds from/(repayment of) other financial liabilities (net)		6,387,109	3,891,341
Net cash flow from / (used in) financing activities		(4,287,762)	(17,459,701)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(23,464,740)	(68,291,653)
CASH AND CASH EQUIVALENTS AT THE BEGINNING		40,310,018	134,564,103
CASH AND CASH EQUIVALENTS AT THE END		16,845,278	66,272,450
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Favourable balances			
Short term investments (less than 3 months)		38,262,993	46,880,023
Cash in hand and at bank		18,721,363	52,284,477
Unfavourable balances			
Bank overdrafts		(40,139,078)	(32,892,050)
Total Cash and cash equivalents		16,845,278	66,272,450

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 nine months ended 31 December	Note	2023	2022
A. Profit before working capital changes			
Profit before tax		6,727,756	20,279,432
Adjustments for:			
Finance income	7	(15,414,987)	(23,451,423)
Finance cost	7	17,234,272	12,368,554
Share-based payment expense		252,105	189,826
Share of results of equity accounted investees		(7,789,185)	(5,847,616)
Depreciation of property, plant and equipment		4,874,191	4,628,317
(Profit)/loss on sale of property, plant and equipment and intangible assets		(37,523)	(16,123)
Amortisation of right- of - use assets		2,908,066	3,079,283
Amortisation of intangible assets		728,968	638,953
Employee benefit provision and related costs		526,091	538,144
Unrealised (gain) / loss on foreign exchange (net)		(20,776)	(4,550,371)
		9,988,978	7,856,976

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		-	-	-	-	-	-	-	14,866,309	14,866,309	268,692	15,135,001
Other comprehensive income		-	-	(1,130,344)	33,850,771	2,171,465	-	(2,237,566)	(5,032)	32,649,294	698,070	33,347,364
Total comprehensive income		-	-	(1,130,344)	33,850,771	2,171,465	-	(2,237,566)	14,861,277	47,515,603	966,762	48,482,365
Share based payments		-	-	-	-	-	189,826	-	-	189,826	-	189,826
Final dividend paid - 2021/22	11	-	-	-	-	-	-	-	(692,458)	(692,458)	-	(692,458)
Interim dividend paid - 2022/23	11	-	-	-	-	-	-	-	(1,384,917)	(1,384,917)	-	(1,384,917)
Issue of convertible debentures		-	-	-	-	-	10,191,770	-	-	10,191,770	-	10,191,770
Subsidiary dividend to non-controlling interest		-	-	-	-	-	-	-	44,713	44,713	(111,864)	(67,151)
As at 31 December 2022		73,187,861	3,626,604	39,882,209	113,036,360	5,100,280	13,441,691	(3,039,809)	118,961,739	364,196,935	19,589,209	383,786,144
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		-	-	-	-	-	-	-	3,882,232	3,882,232	15,474	3,897,706
Other comprehensive income		-	-	269,333	(10,625,581)	(599,393)	-	5,970,784	(45,648)	(5,030,505)	325,427	(4,705,078)
Total comprehensive income		-	-	269,333	(10,625,581)	(599,393)	-	5,970,784	3,836,584	(1,148,273)	340,901	(807,372)
Exercise of share options		422,691	-	-	-	-	-	-	-	422,691	-	422,691
Transfer from revaluation reserves to retained earnings		-	-	(4,248)	-	-	-	-	4,248	-	-	-
Share based payments		106,905	-	-	-	-	145,200	-	-	252,105	-	252,105
Final dividend paid - 2022/23	11	-	-	-	-	-	-	-	(692,458)	(692,458)	-	(692,458)
Interim dividend paid - 2023/24	11	-	-	-	-	-	-	-	(693,838)	(693,838)	-	(693,838)
Subsidiary dividend to non-controlling interest		-	-	-	-	-	-	-	66,130	66,130	(151,275)	(85,145)
Acquisition, disposal and changes in non-controlling interest		-	-	-	-	-	-	-	-	-	(75,815)	(75,815)
As at 31 December 2023		73,717,457	3,626,604	41,402,060	73,968,621	3,616,445	13,985,707	4,647,692	124,264,042	339,228,628	19,509,997	358,738,625

* 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	Quarter ended 31 December			Nine months ended 31 December		
		2023	2022	Change %	2023	2022	Change %
Continuing operations							
Services transferred over time		597,494	811,395	(26)	2,066,900	1,827,779	13
Revenue from contracts with customers		597,494	811,395	(26)	2,066,900	1,827,779	13
Cost of sales		(421,520)	(463,581)	(9)	(1,374,623)	(1,103,598)	25
Gross profit		175,974	347,814	(49)	692,277	724,181	(4)
Dividend income		2,197,473	1,565,685	40	3,429,147	5,933,672	(42)
Other operating income		6,652	1,606	314	57,093	9,072	529
Administrative expenses		(538,756)	(487,265)	11	(1,560,262)	(1,261,923)	24
Other operating expenses		(22,258)	(29,649)	(25)	(43,753)	(36,649)	19
Results from operating activities		1,819,085	1,398,191	30	2,574,502	5,368,353	(52)
Finance cost	7	(3,095,244)	(2,659,643)	16	(8,794,554)	(5,835,694)	51
Finance income	7	1,927,039	1,864,653	3	5,041,947	15,995,119	(68)
Profit before tax		650,880	603,201	8	(1,178,105)	15,527,778	(108)
Tax expense	8	(1,372)	207,947	(101)	(5,002)	(2,974,761)	(100)
Profit for the period		649,508	811,148	(20)	(1,183,107)	12,553,017	(109)
		Rs.	Rs.		Rs.	Rs.	
Dividend per share		0.50	1.00		1.00	1.50	

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

COMPANY STATEMENT OF COMPREHENSIVE INCOME

	Note	Quarter ended 31 December		Nine months ended 31 December	
		2023	2022	2023	2022
Profit for the period		649,508	811,148	(1,183,107)	12,553,017
Other comprehensive income					
Other comprehensive income to be reclassified to income statement in subsequent periods					
Net gain/(loss) on cash flow hedge		(1,193,118)	(225,090)	(599,394)	2,171,465
Net other comprehensive income to be reclassified to income statement in subsequent periods		(1,193,118)	(225,090)	(599,394)	2,171,465
Other comprehensive income not to be reclassified to income statement in subsequent periods					
Remeasurement gain/(loss) on defined benefit plans		-	-	(800)	-
Net gain/(loss) on equity instruments at fair value through other comprehensive income		(1,189)	11,997	18,404	11,419
Net other comprehensive income not to be reclassified to income statement in subsequent periods		(1,189)	11,997	17,604	11,419
Other comprehensive income for the period, net of tax		(1,194,307)	(213,093)	(581,790)	2,182,884
Total comprehensive income for the period, net of tax		(544,799)	598,055	(1,764,897)	14,735,901

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	31.12.2023	31.03.2023
ASSETS		
Non-current assets		
Property, plant and equipment	125,071	140,420
Intangible assets	41,377	62,812
Investments in subsidiaries	211,762,212	198,074,611
Investments in equity accounted investees	21,387,111	16,217,500
Non-current financial assets	3,844,358	4,404,983
Other non-current assets	110,951	125,931
	237,271,080	219,026,257
Current assets		
Trade and other receivables	345,415	207,733
Amounts due from related parties	757,894	1,177,616
Other current assets	2,792,837	1,695,635
Short term investments	61,429,181	57,473,253
Cash in hand and at bank	2,102,148	8,232,006
	67,427,475	68,786,243
Total assets	304,698,555	287,812,500
EQUITY AND LIABILITIES		
Stated capital	73,717,457	73,187,861
Revenue reserves	99,236,782	101,806,985
Other components of equity	17,619,215	18,055,005
Total equity	190,573,454	193,049,851
Non-current liabilities		
Interest-bearing loans and borrowings	61,585,863	66,907,718
Employee benefit liabilities	230,240	219,756
Non-current financial liabilities	20,734,084	18,380,148
Deferred tax liabilities	2,841,984	2,841,984
	85,392,171	88,349,606
Current liabilities		
Trade and other payables	544,011	631,405
Amounts due to related parties	81,014	58,244
Income tax liabilities	258,213	888,214
Short term borrowings	8,058,673	1,300,000
Interest-bearing loans and borrowings	5,047,189	3,344,997
Other current liabilities	12,914	17,811
Bank overdrafts	14,730,916	172,372
	28,732,930	6,413,043
Total equity and liabilities	304,698,555	287,812,500
	Rs.	Rs.
Net assets per share	137.30	139.08

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

31 January 2024
Colombo

COMPANY STATEMENT OF CASH FLOWS

For the nine months ended 31 December	Note	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		(1,178,105)	15,527,778
Adjustments for:			
Finance income	7	(5,041,947)	(15,995,119)
Dividend income		(3,429,147)	(5,933,672)
Finance cost	7	8,794,554	5,835,694
Depreciation of property, plant and equipment		34,022	29,332
Amortisation of intangible assets		21,435	23,892
Share based payment expenses		65,709	56,333
Employee benefit provision and related costs		10,964	43,023
Profit before working capital changes		(722,515)	(412,739)
(Increase) / Decrease in trade and other receivables		282,041	(383,136)
(Increase) / Decrease in other current assets		(1,081,088)	(1,932,839)
Increase / (Decrease) in trade and other payables		82,396	289,910
Increase / (Decrease) in other current liabilities		(4,897)	26,682
Cash generated from operations		(1,444,063)	(2,412,122)
Finance income received		4,856,558	14,519,113
Finance costs paid		(8,333,845)	(4,856,368)
Dividend received		3,429,147	5,933,672
Tax paid		(814,052)	(1,283,204)
Surcharge tax paid		-	(665,629)
Gratuity paid		(1,280)	(3,886)
Net cash flow from operating activities		(2,307,535)	11,231,576
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES			
Purchase and construction of property, plant and equipment		(18,917)	(43,215)
Increase in interest in subsidiaries		(13,505,657)	(76,399,990)
Increase in interest in equity accounted investees		(5,169,611)	(1,747,422)
Proceeds from sale of property, plant and equipment and intangible assets		244	-
(Purchase) / disposal of deposits and government securities (net)		(9,684,074)	(14,250,832)
(Purchase) / disposal of non-current financial assets (net)		-	27,894
Net cash flow from/(used in) investing activities		(28,378,015)	(92,413,565)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES			
Proceeds from issue of shares		422,691	-
Dividend paid		(1,386,296)	(2,077,375)
Proceeds from issue of convertible debentures		-	27,056,250
Proceeds from long term borrowings		1,000,000	-
Repayment of long term borrowings		(1,650,000)	(1,312,500)
Proceeds from/(repayment of) short term borrowings (net)		6,758,674	6,312,000
Net cash flow from / (used in) financing activities		5,145,069	29,978,375
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(25,540,481)	(51,203,614)
CASH AND CASH EQUIVALENTS AT THE BEGINNING		38,007,046	107,885,292
CASH AND CASH EQUIVALENTS AT THE END		12,466,565	56,681,678
ANALYSIS OF CASH & CASH EQUIVALENTS			
Favourable balances			
Short term investments (less than 3 months)		25,095,333	30,586,613
Cash in hand and at bank		2,102,148	33,194,777
Unfavourable balances			
Bank overdrafts		(14,730,916)	(7,099,712)
Total cash and cash equivalents		12,466,565	56,681,678

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		-	-	-	-	12,553,017	12,553,017
Other comprehensive income		-	-	2,171,465	11,419	-	2,182,884
Total comprehensive income		-	-	2,171,465	11,419	12,553,017	14,735,901
Share based payments		-	189,826	-	-	-	189,826
Convertible debenture issue		-	10,191,770	-	-	-	10,191,770
Final dividend paid - 2021/22	11	-	-	-	-	(692,458)	(692,458)
Interim dividend paid-2022/23	11	-	-	-	-	(1,384,917)	(1,384,917)
As at 31 December 2022		73,187,861	13,441,691	5,100,280	32,590	100,392,289	192,154,711
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		-	-	-	-	(1,183,107)	(1,183,107)
Other comprehensive income		-	-	(599,394)	18,404	(800)	(581,790)
Total comprehensive income		-	-	(599,394)	18,404	(1,183,907)	(1,764,897)
Exercise of share options		422,691	-	-	-	-	422,691
Share based payments		106,905	145,200	-	-	-	252,105
Final dividend paid - 2022/23	11	-	-	-	-	(692,458)	(692,458)
Interim dividend paid - 2023/24	11	-	-	-	-	(693,838)	(693,838)
As at 31 December 2023		73,717,457	13,985,707	3,616,444	17,064	99,236,782	190,573,454

* 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 31 December	Transportation		Consumer Foods		Retail	
	2023	2022	2023	2022	2023	2022
Goods transferred at a point in time	12,031,684	14,607,064	7,615,470	8,008,911	32,597,845	28,055,141
Services transferred over time	635,966	814,367	-	-	44,492	35,686
Total segment revenue	12,667,650	15,421,431	7,615,470	8,008,911	32,642,337	28,090,827
Eliminations of inter segment revenue						
External revenue						
Segment result	548,969	333,834	570,288	130,464	1,619,182	1,624,409
Finance cost	(155,681)	(197,309)	(178,600)	(324,387)	(731,395)	(1,224,559)
Finance income	73,725	91,170	13,945	14,744	15,505	41,026
Share of results of equity accounted investees (net of tax)	1,635,820	1,027,141	-	-	-	-
Eliminations / adjustments	-	-	1,241	(14,607)	293	1,397
Profit / (loss) before tax	2,102,833	1,254,836	406,874	(193,786)	903,585	442,273
Tax expense	(107,291)	(91,855)	(110,597)	(399,202)	(248,689)	(83,774)
Profit / (loss) for the period	1,995,542	1,162,981	296,277	(592,988)	654,896	358,499
Purchase and construction of PPE*	132,082	224,010	779,637	279,148	423,918	730,059
Addition to IA*	-	-	15,467	130,705	83,307	286,979
Depreciation of PPE*	45,913	44,316	276,497	257,820	436,842	411,843
Amortisation / impairment of IA*	2,094	2,106	36,426	13,115	108,827	88,867
Amortisation of ROU* assets	21,891	11,055	2,078	2,051	284,165	284,955
Employee benefit provision and related costs	6,351	7,069	33,890	31,324	29,846	24,164

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

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

Leisure		Property		Financial Services		Others		Group Total	
2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
-	-	-	1,791	-	-	732,044	824,921	52,977,043	51,497,828
12,823,572	10,642,976	516,923	476,876	5,435,948	4,872,828	1,444,340	1,916,416	20,901,241	18,759,149
12,823,572	10,642,976	516,923	478,667	5,435,948	4,872,828	2,176,384	2,741,337	73,878,284	70,256,977
								(1,618,665)	(2,018,185)
								72,259,619	68,238,792
525,635	229,725	20,249	303,242	3,262,052	2,133,131	(491,338)	(73,187)	6,055,037	4,681,618
(982,680)	(845,001)	(33,824)	(40,033)	(59)	-	(3,020,916)	(2,671,351)	(5,103,155)	(5,302,640)
57,039	96,158	16,881	44,732	43,831	22,986	1,906,278	1,962,366	2,127,204	2,273,182
11,568	(4,348)	28,953	(376,194)	739,525	672,210	-	-	2,415,866	1,318,809
(881)	(881)	(10,483)	(9,130)	-	-	-	(33,472)	(9,830)	(56,693)
(389,319)	(524,347)	21,776	(77,383)	4,045,349	2,828,327	(1,605,976)	(815,644)	5,485,122	2,914,276
(205,444)	350,393	18,804	(51,669)	(994,636)	(679,456)	(522,721)	64,461	(2,170,574)	(891,102)
(594,763)	(173,954)	40,580	(129,052)	3,050,713	2,148,871	(2,128,697)	(751,183)	3,314,548	2,023,174
10,707,285	538,286	40,154	30,072	35,561	39,216	16,391	94,106	12,135,028	1,934,897
1,357	-	-	-	13,721	44,016	498	7,386	114,350	469,086
798,714	794,660	17,816	18,095	28,976	30,456	51,261	40,541	1,656,019	1,597,731
15,571	18,836	1,650	1,650	76,898	78,491	15,505	13,058	256,971	216,123
629,662	706,256	5,114	1,363	34,415	32,296	294	294	977,619	1,038,270
56,224	54,874	1,709	15,650	50,865	19,009	17,335	31,135	196,220	183,225

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 nine months ended 31 December	Transportation		Consumer Foods		Retail	
	2023	2022	2023	2022	2023	2022
Goods transferred at a point in time	31,127,690	57,244,326	25,007,228	25,292,543	92,731,988	79,584,136
Services transferred over time	1,968,098	2,546,761	-	-	123,294	98,403
Total segment revenue	33,095,788	59,791,087	25,007,228	25,292,543	92,855,282	79,682,539
Eliminations of inter segment revenue						
External revenue						
Segment result	1,066,588	4,133,460	1,866,176	1,754,933	4,298,969	3,021,661
Finance cost	(524,328)	(541,353)	(600,222)	(625,772)	(2,533,511)	(3,014,701)
Finance income	260,663	142,857	48,495	50,012	53,147	169,440
Share of results of equity accounted investees (net of tax)	4,861,933	4,745,040	-	-	-	-
Eliminations / adjustments	-	-	23,693	(14,544)	(2,037)	6,455
Profit / (loss) before tax	5,664,856	8,480,004	1,338,142	1,164,629	1,816,568	182,855
Tax expense	(134,099)	(544,975)	(404,458)	(655,921)	(481,625)	(206,155)
Profit / (loss) for the period	5,530,757	7,935,029	933,684	508,708	1,334,943	(23,300)
Purchase and construction of PPE*	161,597	259,008	1,079,266	609,025	1,235,779	2,094,414
Addition to IA*	-	-	369,965	130,930	320,030	462,002
Depreciation of PPE*	130,320	136,041	818,113	752,266	1,305,128	1,210,089
Amortisation / impairment of IA*	6,283	6,319	91,208	39,260	309,795	260,352
Amortisation of ROU* assets	78,226	37,887	6,237	6,001	860,465	835,420
Employee benefit provision and related costs	3,029	22,488	101,667	92,863	80,098	75,286

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

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

Leisure		Property		Financial Services		Others		Group Total	
2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
-	-	-	553,658	-	-	2,198,266	2,799,439	151,065,172	165,474,102
32,218,718	27,316,023	1,373,934	1,359,172	14,065,841	12,199,468	4,520,680	4,960,503	54,270,565	48,480,330
32,218,718	27,316,023	1,373,934	1,912,830	14,065,841	12,199,468	6,718,946	7,759,942	205,335,737	213,954,432
								(5,183,862)	(5,134,898)
								200,151,875	208,819,534
(165,342)	209,964	18,736	(1,892,191)	4,222,582	2,629,164	(1,081,427)	(44,840)	10,226,282	9,812,151
(4,753,997)	(2,220,946)	(92,249)	(97,188)	(63)	(8)	(8,729,902)	(5,868,586)	(17,234,272)	(12,368,554)
150,440	196,875	186,469	111,446	163,347	139,278	5,132,717	16,249,903	5,995,278	17,059,811
5,785	(21,045)	(125,159)	(878,723)	3,046,626	2,002,344	-	-	7,789,185	5,847,616
(2,643)	(2,643)	(31,456)	(27,388)	-	-	(36,274)	(33,472)	(48,717)	(71,592)
(4,765,757)	(1,837,795)	(43,659)	(2,784,044)	7,432,492	4,770,778	(4,714,886)	10,303,005	6,727,756	20,279,432
237,399	452,703	15,736	(96,017)	(1,331,722)	(838,531)	(731,281)	(3,255,535)	(2,830,050)	(5,144,431)
(4,528,358)	(1,385,092)	(27,923)	(2,880,061)	6,100,770	3,932,247	(5,446,167)	7,047,470	3,897,706	15,135,001
22,598,338	1,387,942	93,177	89,377	63,997	112,640	141,159	232,228	25,373,313	4,784,634
1,691	800	-	-	109,970	69,983	15,670	25,880	817,326	689,595
2,329,763	2,278,150	53,703	51,504	89,451	86,937	147,713	113,330	4,874,191	4,628,317
48,961	56,487	4,951	4,951	223,211	232,621	44,559	38,963	728,968	638,953
1,847,165	2,089,725	15,341	15,219	99,749	94,148	883	883	2,908,066	3,079,283
157,920	157,765	2,845	40,389	131,009	57,243	49,523	92,110	526,091	538,144

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	
	31.12.2023	31.03.2023	31.12.2023	31.03.2023	31.12.2023	31.03.2023
Property, plant and equipment	1,089,182	1,065,820	11,083,204	10,822,124	18,214,051	18,294,522
Right-of-use-assets	312,934	549,380	261,064	267,301	9,494,952	9,539,807
Investment property	-	-	341,398	341,398	304,474	304,474
Intangible assets	58,717	65,000	1,630,074	1,182,500	2,589,387	2,557,066
Non-current financial assets	129,655	125,974	384,407	273,966	269,113	218,490
Other non-current assets	54,945	51,972	57,082	128,962	1,125,743	993,260
Segment non-current assets	1,645,433	1,858,146	13,757,229	13,016,251	31,997,720	31,907,619
Investments in equity accounted investees	24,279,014	17,769,439	-	-	-	-
Deferred tax assets						
Goodwill						
Eliminations / adjustments						
Total non-current assets	24,279,014	17,769,439	-	-	-	-
Inventories	1,505,850	462,430	4,897,985	5,541,602	8,624,586	11,173,246
Trade and other receivables	4,621,400	2,799,055	4,764,240	4,660,106	5,165,384	2,639,958
Short term investments	5,224,380	6,665,675	628	-	1,120	243,742
Cash in hand and at bank	2,388,516	3,012,674	546,654	547,979	1,747,277	1,335,771
Segment current assets	13,740,146	12,939,834	10,209,507	10,749,687	15,538,367	15,392,717
Other current assets						
Eliminations / adjustments						
Total current assets						
Total assets						
Insurance contract liabilities	-	-	-	-	-	-
Interest bearing loans and borrowings	516,750	199,760	909,964	227,802	2,956,957	6,622,609
Lease liabilities	341,260	573,466	167,568	160,906	10,165,366	9,840,263
Employee benefit liabilities	116,581	118,217	578,382	523,330	455,056	410,492
Non-current financial liabilities	-	-	-	-	-	-
Other non-current liabilities	-	-	109,970	104,036	-	-
Segment non-current liabilities	974,591	891,443	1,765,884	1,016,074	13,577,379	16,873,364
Deferred tax liabilities						
Eliminations / adjustments						
Total non-current liabilities						
Trade and other payables	5,262,091	2,970,264	3,546,333	3,716,255	17,701,294	13,838,670
Short term borrowings	5,141,961	5,943,802	725,542	262,177	1,002,558	1,205,078
Interest bearing loans and borrowings	-	2,000	111,022	391,775	4,160,000	2,068,696
Lease liabilities	-	-	4,813	1,829	663,310	652,273
Bank overdrafts	1,340,998	2,545,939	4,413,513	5,653,860	6,058,756	10,625,490
Segment current liabilities	11,745,050	11,462,005	8,801,223	10,025,896	29,585,918	28,390,207
Income tax liabilities						
Other current liabilities						
Eliminations / adjustments						
Total current liabilities						
Total liabilities						
Total segment assets	15,385,579	14,797,980	23,966,736	23,765,938	47,536,087	47,300,336
Total segment liabilities	12,719,641	12,353,448	10,567,107	11,041,970	43,163,297	45,263,571

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

Leisure		Property		Financial Services		Others		Group Total	
31.12.2023	31.03.2023	31.12.2023	31.03.2023	31.12.2023	31.03.2023	31.12.2023	31.03.2023	31.12.2023	31.03.2023
307,081,598	297,722,918	5,201,489	5,126,480	3,010,932	2,737,024	1,930,404	1,935,074	347,610,860	337,703,962
39,558,793	42,150,699	208,126	210,292	418,566	425,118	32,739	33,622	50,287,174	53,176,219
5,117,334	5,117,334	49,136,362	49,925,083	-	-	2,597,317	2,596,897	57,496,885	58,285,186
82,660	129,931	375	500	1,138,042	1,251,283	146,539	180,255	5,645,794	5,366,535
10,315,451	10,869,131	280	27,692	70,889,532	58,388,861	4,221,344	4,775,231	86,209,782	74,679,345
83,625	77,072	169	-	100,221	86,193	262,207	233,844	1,683,992	1,571,303
362,239,461	356,067,085	54,546,801	55,290,047	75,557,293	62,888,479	9,190,550	9,754,923	548,934,487	530,782,550
1,684,882	1,372,911	1,554,394	1,679,553	21,810,192	17,664,243	-	-	49,328,482	38,486,146
								2,652,061	2,582,275
								885,609	730,901
								(10,343,141)	(10,881,000)
1,684,882	1,372,911	1,554,394	1,679,553	21,810,192	17,664,243	-	-	591,457,498	561,700,872
1,009,041	1,017,150	20,641,081	20,491,493	-	-	507,928	497,343	37,186,471	39,183,264
7,621,436	7,153,088	732,460	2,796,959	1,873,187	1,537,315	2,461,834	3,312,418	27,239,941	24,898,899
4,927,741	3,649,725	122,003	4,361,202	15,105,299	12,098,950	61,736,291	58,036,307	87,117,462	85,055,601
2,462,060	2,923,886	4,700,084	4,243,625	850,313	1,060,260	5,619,484	11,769,967	18,314,388	24,894,162
16,020,278	14,743,849	26,195,628	31,893,279	17,828,799	14,696,525	70,325,537	73,616,035	169,858,262	174,031,926
								17,473,002	14,570,452
								(6,982,745)	(5,796,835)
								180,348,519	182,805,543
								771,806,017	744,506,415
-	-	-	-	65,834,475	58,907,310	-	-	65,834,475	58,907,310
85,721,709	96,201,931	129,833	304,742	-	-	61,597,863	66,919,718	151,833,076	170,476,562
17,682,658	21,125,638	358	410	315,597	306,148	-	-	28,672,807	32,006,831
867,178	823,169	10,324	8,699	309,914	184,892	520,244	490,833	2,857,679	2,559,632
70,762	-	1,706,940	1,726,877	-	-	20,734,084	18,380,148	22,511,786	20,107,025
85,649	182,444	-	-	-	-	412	427	196,031	286,907
104,427,956	118,333,182	1,847,455	2,040,728	66,459,986	59,398,350	82,852,603	85,791,126	271,905,854	284,344,267
								20,213,802	19,687,569
								(9,884,457)	(10,652,683)
								282,235,199	293,379,153
11,580,771	5,056,161	1,222,548	888,337	4,316,736	4,155,248	1,687,218	2,491,243	45,316,991	33,116,178
4,675,969	2,833,700	-	-	-	-	8,070,747	1,312,074	19,616,777	11,556,831
11,287,046	6,843,958	152,000	188,000	-	-	5,047,189	3,344,997	20,757,257	12,839,426
3,381,480	1,682,243	-	-	106,943	112,308	-	-	4,156,546	2,448,653
12,532,349	10,079,148	673,652	647,726	122,560	140,551	15,069,251	428,023	40,211,079	30,120,737
43,457,615	26,495,210	2,048,200	1,724,063	4,546,239	4,408,107	29,874,405	7,576,337	130,058,650	90,081,825
								1,409,480	1,798,855
								7,070,318	5,191,579
								(7,706,255)	(6,363,454)
								130,832,193	90,708,805
								413,067,392	384,087,958
378,259,739	370,810,934	80,742,429	87,183,326	93,386,092	77,585,004	79,516,087	83,370,958	718,792,749	704,814,476
147,885,571	144,828,392	3,895,655	3,764,791	71,006,225	63,806,457	112,727,008	93,367,463	401,964,504	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 31 December 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 nine months ended 31 December 2023 were authorised for issue by the Board of Directors on 31 January 2024.

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 nine months ended 31 December 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 31 December 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.

4.3 CHANGE IN FUNCTIONAL CURRENCY OF WATERFRONT PROPERTIES (PVT) LTD

In August 2023, the functional reporting currency of Waterfront Properties (Private) Limited (WPL), the project company of the Cinnamon Life Integrated Resort, was changed from US Dollars (USD) to Sri Lankan Rupees (Rs.) given the impending transition of the project from construction to an operational business next year. The depreciation of the rupee against the USD post-transition resulted in a non-cash exchange loss of Rs. 2.28 billion on the USD 225 million term loan facility at WPL, which is recognised under Finance Cost in the Leisure industry group.

The change in functional currency has been accounted for prospectively from August 2023 in accordance with LKAS 21 The Effects of Changes in Foreign Exchange Rates.

Previously, under a USD functional reporting currency at WPL, all assets and liabilities of WPL were recorded in USD and matched against each other in line with the accounting standards. This matching ceases to exist on conversion to rupee functional currency as all assets and liabilities, other than the USD 225 million loan facility, USD cash and any USD denominated transactions, will be fixed in rupees as at the date of conversion. Taking a longer-term view, the overall financial performance of the Group, and WPL, will benefit from the conversion of the asset to rupees at a point of time where the rupee is relatively strong. Assuming the rupee will, on average, depreciate in the long-term, the conversion at this juncture results in a relatively lower rupee carrying cost of the asset, thereby improving the Group's capital employed and returns. Similarly, the depreciation charge on the entire asset will also be anchored to a lower rupee value, thereby having a positive impact on profitability in the long-term. Whilst the exchange loss arising from the USD 225 million term loan facility will be ongoing under a rupee depreciation environment, it is noted that the loan facility will mature in December 2026. Once operations commence, the business will generate USD denominated streams of revenue through its hotel and conferencing facilities.

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 nine months ended 31 December In Rs. '000s	GROUP		COMPANY	
	2023	2022	2023	2022
Finance income				
Interest income	14,209,526	12,553,437	4,929,840	5,579,337
Dividend income on				
Financial assets at fair value through profit or loss	123,152	100,158	-	-
Financial assets at fair value through other comprehensive income	2,314	-	-	-
Realised gains on financial assets at fair value through profit or loss	660,746	285,883	-	-
Unrealised gains on financial assets at fair value through profit or loss	508,904	169,638	-	-
Investment related direct expenses	(89,655)	(73,475)	-	-
Exchange gains	-	10,415,782	112,107	10,415,782
Total finance income	15,414,987	23,451,423	5,041,947	15,995,119
Finance cost				
Interest expense on borrowings	(10,653,503)	(9,690,975)	(5,830,573)	(4,526,310)
Finance charge on lease liabilities	(1,444,160)	(1,368,195)	-	-
Finance charge on convertible debentures	(2,963,981)	(1,309,384)	(2,963,981)	(1,309,384)
Exchange losses	(2,172,628)	-	-	-
Total finance cost	(17,234,272)	(12,368,554)	(8,794,554)	(5,835,694)
Net finance income / (cost)	(1,819,285)	11,082,869	(3,752,607)	10,159,425

8 TAX EXPENSE

For the nine months ended 31 December In Rs. '000s	GROUP		COMPANY	
	2023	2022	2023	2022
Income statement				
Current income tax	2,385,275	4,958,434	(5,002)	2,974,761
Deferred tax charge/(reversal)	444,775	185,997	-	-
	2,830,050	5,144,431	(5,002)	2,974,761
Other comprehensive Income				
Deferred tax charge/(reversal)	(273)	1,401,704	-	-
	(273)	1,401,704	-	-

NOTES TO THE FINANCIAL STATEMENTS

9 RELATED PARTY TRANSACTIONS

For the nine months ended 31 December In Rs. '000s	GROUP		COMPANY	
	2023	2022	2023	2022
Subsidiaries				
Purchases of goods	-	-	13,738	17,685
Rendering of services	-	-	1,607,070	1,247,386
Receiving of services	-	-	351,348	372,611
Rent paid	-	-	28,207	26,033
Dividend received	-	-	435,637	1,961,750
Equity accounted investees				
Sales of goods	19,909	6,203	-	-
Rendering of services	679,364	941,537	457,992	578,608
Receiving of services	241,795	263,905	-	78
Interest received	937,331	721,654	933,697	695,560
Interest paid	80,050	102,818	7	7,986
Dividend received	-	-	2,993,510	3,971,922
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	-	-	-	-
Receiving of services	30,789	31,329	-	-
Post employment benefit plan				
Contributions to the provident fund	286,561	235,807	88,429	66,853

10 SHARE INFORMATION

10.1 Stated capital

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

As at	31-12-2023	30-09-2023
Ordinary shares*	1,388,048,382	1,386,885,032

* Includes global depository receipts of 1,320,942 (30 September 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	31-12-2023	30-09-2023
Public shareholding (%)	99.18	99.18
Number of public shareholders	14,111	14,319
Compliant under option 1 - Float adjusted market capitalization (Rs. Bn)	262.94	265.13

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 31 December 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 31 December	2023 Rs.	2022 Rs.
Highest	198.00	150.00
Lowest	186.00	127.50
Last traded	191.00	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	31-12-2023	30-09-2023
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
D V R S Fernando	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	31-12-2023		30-09-2023	
	Number of shares	%	Number of shares	%
1 Melstacorp PLC	128,917,111	9.3	128,917,111	9.3
2 Mr S E Captain	123,312,121	8.9	125,757,199	9.1
3 HWIC Asia Fund	119,200,760	8.6	119,200,760	8.6
4 Paints & General Industries Limited	87,275,534	6.3	90,433,119	6.5
5 CIC Holdings PLC	81,427,871	5.9	74,942,853	5.4
6 Asian Development Bank	65,042,006	4.7	65,042,006	4.7
7 Citigroup Global Markets Limited Agency Trading Prop Securities A/C	61,904,939	4.5	61,904,939	4.5
8 Schroder International Selection Fund	44,418,290	3.2	44,418,290	3.2
9 Aberdeen Standard Asia Focus PLC	36,748,572	2.6	36,748,572	2.6
10 Norges Bank Account 2	33,087,774	2.4	33,087,774	2.4
11 Polypak Secco Ltd	27,609,242	2.0	24,424,169	1.8
12 Mr Kandiah Balendra	19,511,476	1.4	19,511,476	1.4
13 Mrs C S De Fonseka	17,606,991	1.3	17,606,991	1.3
14 Mrs S A J De Fonseka	15,254,730	1.1	15,254,730	1.1
15 Hostplus Pooled Superannuation Trust	15,152,416	1.1	14,779,882	1.1
16 Chemanex PLC	14,680,725	1.1	14,590,180	1.1
17 Northern Trust Company S/A Emrevival Master Fund LP	14,545,650	1.0	-	-
18 Edgbaston Asian Equity Trust	14,435,137	1.0	15,294,914	1.1
19 Sunsuper Pty Ltd	13,334,660	1.0	13,003,542	0.9
20 Employees Trust Fund Board	13,304,630	1.0	16,800,497	1.2

NOTES TO THE FINANCIAL STATEMENTS

11 DIVIDENDS PAID

For the nine months ended 31 December In Rs. '000s	2023	2022
Final dividend 2022/23-Rs. 0.50 (2021/22-Rs. 0.50)	692,458	692,458
Interim dividend 2023/24-Rs. 0.50 (2022/23-Rs. 1.00)	693,838	1,384,917
Total	1,386,296	2,077,375

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 2023.

13 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the Company declared an interim dividend of Rs. 0.50 per share for the financial year 2023/24. As required by section 56 (2) of the Companies Act No. 07 of 2007, the Board of Directors had confirmed that the Company satisfied the solvency test in accordance with section 57 of the Companies Act No. 07 of 2007, and obtained a certificate from auditors, prior to declaring the dividend, which is to be paid on or before 4 March 2024.

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
D V R S Fernando
A N Fonseka
S S H Wijayasuriya

Senior Independent Director

A N Fonseka

Audit Committee

A N Fonseka - Chairperson
D A Cabraal
D V R S Fernando

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 A Coorey
S S H Wijayasuriya

Related Party Transaction Review Committee

A N Fonseka - Chairperson
D A Cabraal
D V R S Fernando

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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Secretaries

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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
National Development Bank
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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