

Dreams to Life



John Keells Holdings PLC
Interim Condensed Financial Statements
Three Months Ended 30 June 2024

CHAIRPERSON'S MESSAGE

Dear Stakeholder,

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

- Group EBITDA in the first quarter of 2024/25 recorded a decrease of 13% against the corresponding period of the previous financial year to Rs.7.70 billion. Group EBITDA includes substantial pre-opening costs pertaining to the ramp-up associated with the opening of the 'Cinnamon Life' hotel at 'City of Dreams Sri Lanka', whilst the first quarter of the previous year included a deferred tax credit at the Group's Ports and Shipping business, South Asia Gateway Terminals (SAGT). Excluding these impacts, Group EBITDA for the first quarter of 2024/25 recorded an increase of 2% to Rs.8.47 billion [2023/24 Q1: Rs.8.34 billion].
- With Sri Lanka's external debt restructuring progressing positively, the country rating is expected to witness an upgrade post the implementation of the international sovereign bond restructuring programme.
- The Company announced a Rights Issue in the proportion of One (1) new ordinary share for every Ten (10) Ordinary Shares in issue, at a consideration of Rs.160/- per share, to raise ~Rs.24 billion. The Rights Issue will be followed by a Sub-division of Shares in the proportion of One (1) ordinary share to Ten (10) ordinary shares.
- The finishing works at the 'City of Dreams Sri Lanka' integrated resort is progressing well, with the 687-key 'Cinnamon Life' hotel, restaurants and banquet facilities being in the final stages of fit-out to commence operations in October 2024. The remainder of the project comprising of the 113-key 'Nuwa' hotel, gaming operations and retail mall, will be operational, in a phased manner, with overall completion of these elements scheduled for mid-CY2025.
- Subsequent to the 20-year lease agreement for the demarcated gaming space at the 'City of Dreams Sri Lanka' being executed between Waterfront Properties (Private) Limited and the locally incorporated subsidiary of Melco Resorts & Entertainment Limited (Melco), Melco has mobilised the teams to commence the fit-out work of the gaming space.
- The work on the West Container Terminal (WCT-1) at the Port of Colombo is progressing well. The first batch of quay and yard cranes will arrive in August 2024, following which the commissioning and automation is expected to be completed by the third quarter of 2024/25. The first phase of the terminal is slated to be operational in the fourth quarter of 2024/25.
- Profitability at SAGT recorded an increase driven by double-digit growth in throughput, on account of both domestic and transshipment volumes.
- The Group's Bunkering business, Lanka Marine Services (LMS) recorded double-digit volume growth during the quarter although profitability was impacted due a contraction in margins on account of volatile global fuel oil prices and intensified competition from local and regional players.
- Both the Beverages and the Frozen Confectionery businesses recorded an increase in EBITDA driven by a significant growth in margins and volumes.
- The Supermarket business recorded a strong performance during the quarter, with same store sales recording encouraging growth of 12%, driven by customer footfall growth of 12%, resulting in growth in profitability and margins.
- The performance of the Leisure industry group was impacted by the pre-opening costs pertaining to the 'Cinnamon Life' hotel, as stated before, together with the decline in profitability in the Group's Maldivian resorts on account of lower occupancy. Occupancies in our Maldivian Resorts is expected to increase for the upcoming peak season based on current forward bookings and a normalised mix in arrivals.
- Nations Trust Bank PLC recorded a strong growth in profitability aided by loan growth, lower impairments and increased trading and fee income while Union Assurance PLC recorded encouraging double-digit growth in gross written premiums, driven by renewal premiums and regular new business premiums.
- The Group's carbon footprint per million rupees of revenue decreased by 3% to 0.41 MT, and the water withdrawal per million rupees of revenue decreased by 15% to 7.46 cubic meters when compared to the corresponding quarter of the previous year.
- JKH was recognised as Sri Lanka's 'Most Loved Corporate Brand for 2024' by LMD Magazine.

EBITDA* (Rs.000)	Quarter ending 30 June			
	2024/25	2023/24	Variance	%
Transportation	1,555,292	2,418,658	(863,367)	(36)
Consumer Foods	1,493,117	719,706	773,411	107
Retail	2,245,532	1,987,337	258,195	13
Leisure	(794,380)	283,612	(1,077,992)	(380)
Property	(67,195)	186,997	(254,192)	(136)
Financial Services	1,920,002	1,692,931	227,071	13
Other, incl. Information Technology and Plantation Services	1,343,522	1,578,713	(235,192)	(15)
Group	7,695,889	8,867,955	(1,172,066)	(13)

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

CHAIRPERSON'S MESSAGE

During the quarter under review, Sri Lanka continued to witness a stable macro-economic environment with all key indicators supporting a sustained growth trajectory. Headline inflation remains well below 5% levels and interest rates have stabilised at low levels below 10%. In July 2024, the Central Bank of Sri Lanka (CBSL) further reduced the Standing Deposit Facility Rate (SDFR) and the Standing Lending Facility Rate (SLFR) by 25 basis points, each, to 8.25% and 9.25%, respectively, signalling confidence in the CBSL's inflation outlook whilst providing further stimulus towards driving economic growth. While the CBSL and the World Bank estimate the economy to grow in the range of 2%-3% in the calendar year 2024, the figures published to date indicate that economic growth rates should be higher than projected.

On the back of improved foreign exchange inflows and confidence, the Rupee was largely stable with an appreciation over the average rate against the corresponding quarter of the previous year. The exchange rate at the end of the quarter under review, however, witnessed a marginal depreciation of approximately Rs.6 against the fourth quarter ended 31 March 2024.

Marking a key step in Sri Lanka's economic recovery roadmap, an agreement restructuring of external debt was reached with both the bilateral lenders and commercial creditors. Sri Lanka achieved two key aspects of the International Monetary Fund (IMF) External Debt Restructuring (EDR) plan in the quarter under review. In June 2024, the finalisation of the Memorandum of Understanding with the Official Creditor Committee and China Export-Import Bank marked significant progress towards Sri Lanka's debt sustainability, covering debts of USD 5.8 billion and USD 4.2 billion respectively. Subsequent to this, in July 2024, Sri Lanka came to an agreement with its bondholders under the 'Joint Working Framework' to restructure its portfolio of international sovereign bonds (ISBs). With the conclusion of the EDR, the likelihood of a rating upgrade for Sri Lanka is expected to follow post the implementation of the ISB restructuring programme.

As part of the cost reflective pricing mechanism adopted for key utilities, electricity tariffs were revised downwards in March 2024 and July 2024, by approximately 20% at each revision. As tariffs were significantly adjusted upwards during the calendar year 2023, these downward revisions broadly result in tariffs being approximately the same prior to the implementation of the cost reflective price mechanism. It is encouraging that the Government is following the downward pricing adjustment based on the cost reflective pricing mechanism to pass on the benefit to the consumers, although steps need to be taken to ensure investment in cost-effective generation of capacity.

Whilst the electricity tariff reduction will positively and materially benefit the Group's cost structures and margins, the lower electricity tariffs, if sustained, should also translate to an increase in consumer confidence and discretionary spend. The Group's consumer facing businesses are continuing to witness signs of a sustained recovery in consumer confidence levels, given reductions in input costs which are starting to translate to lower prices for consumers in certain product segments.

The Election Commission announced that Sri Lanka will hold the Presidential Election, in line with the provisions of the Constitution, on 21 September 2024. Given the slew of independent policy measures and reforms that have been enacted, we do not anticipate a material change in the economic recovery momentum. Sri Lanka has a very clear, albeit narrow, path to consolidation and recovery, as prescribed and agreed, under the framework of the IMF Extended Fund Facility programme, with extremely limited space to deviate from the financial targets. These policy actions and targets, together with the necessary legislation surrounding fiscal and monetary responsibility and independence, will also ensure that the fundamental reform agenda will have to be adhered to.

RIGHTS ISSUE FOLLOWED BY A SUB-DIVISION OF ORDINARY SHARES

As announced to the Colombo Stock Exchange (CSE), your Board resolved on 30 July 2024 to recommend to the Shareholders a Rights Issue of Ordinary Shares, followed by a Sub-division of Ordinary Shares. The Rights Issue will be in the proportion of One (1) new Ordinary Share for every Ten (10) Ordinary Shares in issue, at a consideration of Rs.160/-per share. The Company intends to raise ~Rs.24 billion through the Rights Issue.

The proceeds of the Rights Issue will be used to support the project funding requirement at Waterfront Properties (Private) Limited (WPL), a subsidiary of the Company. WPL is the developer of the 'City of Dreams Sri Lanka' integrated resort (the Project, previously branded as 'Cinnamon Life Integrated Resort').

The proceeds will support the Company's financing obligations, which has increased due to the higher than anticipated equity funding requirement of the Project required to bridge the impacts of the delayed cashflow generation from operations due to the deferment of the commencement date, including the gaming operations. The capital raising will result in strengthening the balance sheet of the Company by reducing its levels of leverage, providing the Company greater flexibility in its future investments.

The Company has secured a partnership with one of the world's leading casino and integrated resort operators, Melco Resorts & Entertainment Limited ('Melco'). Melco has made a commitment to

invest approximately USD 125 million in fitting out and equipping the gaming space. This partnership was finalised subsequent to the publication of regulations governing the issue of a casino license under a structured and transparent framework. The revised licensing criteria provides for a clear framework for the issuing of licenses with stipulated minimum investment while also assuring Melco, as investor and operator, and WPL, as landlord, a long-term license for a casino to be operated within the Project for a period of 20 years. The time taken for the development and gazetting of this new framework resulted in a delay in finalising agreements with Melco. While this had a corresponding impact on the timelines of commencing the gaming operations within the Project from that envisaged last year, the Company is of the view that the clarity and long-term nature of the licensing framework is more beneficial to the Project.

Your Board also resolved that subsequent to the aforesaid Rights Issue, the number of shares of the Company in issue be increased by way of a Sub-division of Ordinary Shares. Upon the listing of shares pursuant to the Rights Issue, the Sub-division of Shares would take place in the proportion of One (1) Ordinary Share to Ten (10) Ordinary Shares.

The Rights Issue is subject to the CSE approving in-principle the issue and listing of shares. Both the Rights Issue and the Sub-division of Shares are subject to Shareholder approval at an Extraordinary General Meeting.

GROUP PERFORMANCE

Group revenue at Rs.69.66 billion for the period under review is an increase of 9% over the Rs.63.78 billion recorded in the first quarter of the previous financial year.

Group earnings before interest, tax, depreciation and amortisation (EBITDA) at Rs.7.70 billion in the first quarter of the financial year 2024/25 is a decrease of 13% over the EBITDA of Rs.8.87 billion recorded in the corresponding period of the previous financial year. Group EBITDA includes substantial pre-opening costs pertaining to the ramp-up associated with the opening of the 'Cinnamon Life' hotel at the 'City of Dreams Sri Lanka' whilst the first quarter of the previous year included a deferred tax credit amounting to Rs.784 million in the Group's Ports and Shipping business, South Asia Gateway Terminals (SAGT). Excluding these impacts, Group EBITDA for the first quarter of 2024/25 recorded an increase of 2% to Rs.8.47 billion [2023/24 Q1: Rs.8.34 billion].

Group profit before tax (PBT) at a negative Rs.204 million in the first quarter of the financial year 2024/25 is a decrease over the Rs.1.40 billion recorded in the previous financial year. Group PBT declined on account of a non-cash exchange loss of Rs.1.25 billion on the

outstanding USD 216 million term loan facility at WPL. Excluding the deferred tax credit at SAGT and the exchange loss at WPL, Group PBT increased by 71% to Rs.1.05 billion as against Rs.612 million recorded in the same period of the previous year. Given the partial conversion of the convertible debentures issued to HWIC Asia Fund (HWIC) in February 2024, the interest cost recorded on the debentures has declined to Rs.522 million [2023/24 Q1: Rs.942 million]. The notional non-cash interest on the debentures, in line with the accounting treatment, approximates to Rs.410 million [2023/24 Q1: approximately Rs.750 million] due to the significant difference between the market interest rates and the 3% interest rate accrued on the instrument.

The profit attributable to equity holders is a negative Rs.868 million compared to Rs.1.47 billion in the corresponding period of the previous financial year.

The Company PBT for the first quarter of 2024/25 at a negative Rs.615 million is a decrease over the negative Rs.348 million recorded in the corresponding period of 2023/24 due to a timing difference in dividend receipts.

TRANSPORTATION

The Transportation industry group EBITDA of Rs.1.56 billion in the first quarter of 2024/25 is a decrease of 36% over the EBITDA for the first quarter of the previous financial year [2023/24 Q1: Rs.2.42 billion]. Excluding the deferred tax credit at SAGT, the Transportation industry group EBITDA declined by 5%.

Profitability at SAGT recorded an increase driven by double-digit growth in throughput, on account of both domestic and transshipment volumes. The Group's Bunkering business, Lanka Marine Services (LMS) recorded a double-digit volume growth during the quarter although profitability was impacted due to a contraction in margins on account of volatile global fuel oil prices and intensified competition from local and regional players.

The work on the West Container Terminal (WCT-1) at the Port of Colombo is progressing well. The first batch of quay and yard cranes will arrive in August 2024, following which the commissioning and automation is expected to be completed by the third quarter of 2024/25. The first phase of the terminal is slated to be operational in the fourth quarter of 2024/25.

CONSUMER FOODS

The Consumer Foods industry group EBITDA of Rs.1.49 billion in the first quarter of 2024/25 is an increase of 107% over the EBITDA for the first quarter of the previous financial year [2023/24 Q1: Rs.720 million]. The significant increase in EBITDA is attributable to both

CHAIRPERSON'S MESSAGE

the Beverages and Frozen Confectionery businesses, driven by a significant growth in margins and volumes.

The Beverages and Frozen Confectionery businesses recorded a volume growth of 8% and 27%, respectively, particularly from seasonal sales in the month of April 2024. Both Beverages and Frozen Confectionery recorded a sustained improvement in margins on account of declining raw material prices and the increased operating leverage, due to higher volumes, enabling absorption of fixed costs.

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 lower interest rates and overall debt levels.

The Convenience Foods business recorded an increase in profitability driven by an increase in volumes during the quarter on the back of downward price revisions undertaken on select products in previous quarters.

RETAIL

The Retail industry group EBITDA of Rs.2.25 billion in the first quarter of 2024/25 is an increase of 13% over the EBITDA for the first quarter of the previous financial year [2023/24 Q1: Rs.1.99 billion].

The Supermarket business EBITDA of Rs.2.03 billion in the first quarter of 2024/25 is an increase of 16% over the EBITDA for the first quarter of the previous financial year [2023/24 Q1: Rs.1.74 billion]. The Supermarket business recorded a strong performance during the quarter, with same store sales recording an encouraging growth of 12% driven by customer footfall growth of 12%. During the quarter under review, growth in average basket value was positive for the first time since the first quarter of 2023/24. The sustained increase in footfall is encouraging as it demonstrates the continued potential for higher penetration of certain customer segments.

The total 'Keells' outlet count as at 30 June 2024 remains at 134. The business has three outlets currently under construction and further locations are earmarked for construction in the ensuing quarters.

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

The flagship showroom of the BYD New Energy Vehicle business is nearing completion and is scheduled to open in August 2024.

LEISURE

The Leisure industry group EBITDA of negative Rs.794 million in the first quarter of 2024/25 is a decrease over the EBITDA for the first quarter of the previous financial year [2023/24 Q1: Rs.284 million]. Excluding the 'City of Dreams Sri Lanka' integrated resort, which carries substantial costs pertaining to the ramp-up associated with the opening of the 'Cinnamon Life' hotel in October 2024, the Leisure industry group EBITDA is a negative Rs.18 million. The decline in profitability is mainly attributable to the Maldivian Resorts segment.

Sri Lanka's tourism witnessed 365,000 arrivals for the first three months of the financial year, recording a growth of 30% over the corresponding period last year which is very encouraging and augurs well for the winter season. The arrivals for the calendar year crossed a million arrivals by June 2024 whilst the quarter under review is an off-season period, arrivals to the country witnessed a change in mix in source markets, particularly a decline in the typical resort-based source markets such as Eastern and Western Europe. We urge the authorities to expeditiously implement the destination marketing campaign which has been delayed for many years given the need to drive arrivals from the relevant markets and considering the strategic importance of tourism to Sri Lanka.

The Sri Lankan Resorts segment profitability recorded an improvement due to an increase in room rates. The Colombo Hotels segment, although impacted for two months by the imposition of Minimum Room Rates (MRR) for hotel properties in the city of Colombo, performed overall on par with the previous year. The MRR restriction was discontinued from 31 May 2024.

The Group's Maldivian Resorts recorded a decline in performance on account of occupancies which were lower in comparison to the same quarter of the previous year given a change in the mix of overall arrivals to the Maldives, where arrivals from source markets with higher yields were lower and a higher volume of arrivals were for the guest houses segment. We, however, expect to see this trend reversing where overall arrivals to the Maldives are expected to comprise of the typical higher yield source markets in the peak-season.

City of Dreams Sri Lanka

The finishing works at the 'City of Dreams Sri Lanka' integrated resort is progressing well, with the 687-key 'Cinnamon Life' hotel, restaurants and banquet facilities being in the final stages of fit-out with operations due to commence in October 2024. The remainder of the project comprising of the 113-key 'Nuwa' hotel, gaming operations and retail mall, will be operational, in a phased manner, with overall completion of these elements scheduled for mid-CY2025.

The construction of the project which began in 2014, after many obstacles, and challenges, has converted into an iconic and transformational development in South Asia and we look forward to the opening of the 'Cinnamon Life' hotel and welcoming customers to witness the unique elements of the property.

Further to the launch of the 'City of Dreams Sri Lanka' brand at the Arabian Travel Mart (ATM) in May 2024, the early traction and interest in the various spaces of the project has been very encouraging, with forward bookings in place for hotel stays and banqueting functions from October 2024 onwards.

The implementation of training and skill development platforms continued to be a key priority during the quarter, given the international luxury service and delivery standards associated with a project of this scale and offering. As of the end of the quarter under review, the planned onboarding of new employees, with the requisite skills to operate the 'Cinnamon Life' hotel for the first phase, is near complete.

Further to the CSE announcement in April 2024 and my Message in the Annual Report 2023/24 where details of the partnership with Melco Resorts & Entertainment Limited (Melco) were disclosed, I am pleased to state that subsequent to the 20-year lease agreement for the demarcated gaming space at the 'City of Dreams Sri Lanka' being executed between WPL and the locally incorporated subsidiary of Melco, Melco has already mobilised the teams to commence the fit-out work of the gaming space. Operations are expected to commence in mid-CY2025.

PROPERTY

The Property industry group EBITDA of negative Rs.67 million in the first quarter of 2024/25 is a decrease over the EBITDA for the first quarter of the previous financial year [2023/24 Q1: Rs.187 million], due to the revenue recognition cycle of the 'TRI-ZEN' development project and finance expenses on account of temporary working capital requirements for the project. 'TRI-ZEN' continued to witness an encouraging momentum in sales during the quarter, where the cumulative sales and purchase agreements (SPAs) signed for the 'TRI-ZEN' residential development project increased to 710 SPAs. As the handover of units progress with the completion of the final components of the 891-unit development, we expect to increase revenue recognition of units sold in the ensuing quarters.

The sales interest for the 'VIMAN' residential development project continues to be encouraging. Given the traction for the project, the second phase, comprising of 76 units, was launched in March 2024. The construction of the first phase of the project is expected to commence in August 2024.

FINANCIAL SERVICES

The Financial Services industry group EBITDA of Rs.1.92 billion in the first quarter of 2024/25 is an increase of 13% over the EBITDA for the first quarter of the previous financial year [2023/24 Q1: Rs.1.69 billion].

Nations Trust Bank (NTB) recorded a strong growth in profitability aided by loan growth, lower impairments and increased trading and fee income. Union Assurance (UA) recorded encouraging double-digit growth in gross written premiums, driven by renewal premiums and regular new business premiums, although profitability was impacted by a decline in interest income compared with the previous year.

OTHER, INCLUDING INFORMATION TECHNOLOGY AND PLANTATION SERVICES

The Other, including Information Technology and Plantation Services industry group EBITDA of Rs.1.34 billion in the first quarter of 2024/25 is a decrease of 15% over the EBITDA for the first quarter of the previous financial year [2023/24 Q1: Rs.1.58 billion]. The decline in EBITDA is mainly on account of the decrease in interest income, which was driven by lower domestic interest rates, as well as a decline in cash and cash equivalents at the Holding Company on account of the planned utilisation for equity infusions in investments.

Profitability of the Plantation Services sector was impacted as a result of a decline in volumes. The profitability of the Information Technology sector improved as a result of onboarding new clients.

SUSTAINABILITY INITIATIVES

During the quarter under review, the Group's carbon footprint per million rupees of revenue decreased by 3% to 0.42 MT, and the water withdrawal per million rupees of revenue decreased by 18% to 7.18 cubic meters when compared to the corresponding quarter of the previous year. In absolute terms, the Group's carbon footprint increased by 12% to 30,378 MT, primarily due to the increased operational activity in the Supermarket business and Consumer Foods industry group. The water withdrawal decreased by 6% to 524,632 cubic meters despite the higher operational activity in key consuming business units such as Leisure and Consumer Foods driven by efficiency gains through the various initiatives undertaken by these businesses. On average, Group employees were provided with seven hours of training per employee, whilst 86 occupational injuries were reported during the quarter.

CHAIRPERSON'S MESSAGE

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) remains an integral part of the Group's ethos. Under the CSR vision of 'Empowering the Nation for Tomorrow', John Keells Foundation (JKF), our dedicated CSR entity, continues to drive initiatives focused on partnering our communities to become productive, self-reliant and resilient and to empower a healthy, cohesive and strong Sri Lanka. In light of national priorities, global best practices and alignment to the Group's Economic, Social and Governance (ESG) strategy, JKF reclassified and consolidated its focus areas under the pillars of: 1. Education; 2. Community and Livelihoods; 3. Social Health and Cohesion; and 4. Environment. While initiatives are conducted at the JKF as well as Business Unit (BU) levels, under the Environment pillar, most key initiatives are under the purview of the respective BUs and therefore not reflected below. Highlights during the reporting period include:

Education

- 'English for Teens' initiative under John Keells English Language Scholarship Programme (JKELSP): enhanced English and IT skills of 873 students under Tier 1 and 2.
- Higher Education Scholarship: Empowered 100 disadvantaged students through financial support for Advanced Level and university education.
- Upskilling Teachers in Habarana: 17 teachers from five schools in Habarana were empowered with enhanced teaching and motivation skills as well as practical knowledge and tools to conduct Child Protection, Gender-Based Violence, and Substance Abuse prevention programmes.

Community and Livelihoods

- Entrepreneur Empowerment: Improved livelihood and technical skills for entrepreneurs involved in beekeeping and experiential tourism in Habarana, batik designing in Hikkaduwa, mushroom cultivation in Ja-Ela, and paper production in Ranala.
- Gratiaen Trust: Hosted the 31st edition of the Gratiaen Prize, and additional literary events conducted, impacting Sri Lankan writers in English.
- Chitrasena Vajira Dance Foundation: JKF sponsored 'Ahuti' the Sri Lankan premiere in Jaffna and Colombo, aimed at promoting cross-cultural collaboration and the appreciation of Odissi and Kandyan dance forms. The performances attracted 1,798 attendees and received high acclaim in Jaffna and Colombo.

Social Health and Cohesion

- Combatting Gender-based Violence (GBV) and Promoting Child Protection (CP): GBV and CP sensitisation for 382 personnel within the Group contributed to a safer workplace environment. Enhanced knowledge on child safety, including cyber protection for 302 JKELSP students.

- Substance Abuse Prevention: Enhanced knowledge on addiction and prevention for 96 officers and 88 JKELSP beneficiaries.
- School Nutrition Programme: Improved nutrition and gardening skills for students in 10 schools, supported by monetary grants and donation of gardening equipment for the formation of school nutrition clubs.
- Museum of Modern and Contemporary Art (MMCA): The museum continued to facilitate public education on recent history through the '88 Acres - Minnette De Silva's Watapuluwa Housing Scheme' exhibition, attracting 11,997 visitors since the launch of the exhibition. Additionally, its free public programmes and outreach activities engaged 471 participants.
- Sunera Foundation: JKF undertook funding of two new workshops in Dehiwela and Panadura aimed at supporting the integration of children with disabilities into society.

Environment

- Nature Field Centre in Rumassala, Galle: An awareness-cum-promotional video was developed by JKF to enhance the Centre's sustainability while required renovation support is under discussion.

Volunteer Engagement

- Volunteer Recognition Day 2024 was held recognising the engagement of 565 volunteers during 2023/24 for 4,243 hours of CSR volunteerism.

AWARDS AND ACCOLADES

I am pleased to state that JKH was recognised as Sri Lanka's 'Most Loved Corporate Brand' by LMD magazine in May 2024. This recognition is a result of the opinions of diverse stakeholders which underscores integrity in our business conduct, the authenticity and transparency of our communication and disclosures, and our continued commitment to impactful community engagement and environmental sustainability.

APPOINTMENT OF A DIRECTOR

As announced to the CSE on 21 May 2024 and 20 June 2024, respectively, Mr. Manil Jayasinghe and Ms. Ruchira Shukla were appointed as Independent Non-Executive Directors of John Keells Holdings PLC, with effect from 1 July 2024.



Krishan Balendra

Chairperson

30 July 2024

CONSOLIDATED INCOME STATEMENT

	Note	For the quarter ended 30 June		
		2024	2023	%
Continuing operations				
Revenue from contracts with customers		65,112,987	59,736,202	9
Revenue from insurance contracts		4,544,494	4,042,268	12
Total revenue		69,657,481	63,778,470	9
Cost of sales		(56,957,204)	(52,694,690)	8
Gross profit		12,700,277	11,083,780	15
Other operating income		823,560	1,164,352	(29)
Selling and distribution expenses		(3,166,107)	(2,450,779)	29
Administrative expenses		(7,225,974)	(6,163,116)	17
Other operating expenses		(1,828,366)	(2,005,830)	(9)
Results from operating activities		1,303,390	1,628,407	(20)
Finance cost	7	(5,322,448)	(5,345,199)	0
Finance income	7	5,150,036	5,133,244	0
Change in insurance contract liabilities	6	(3,826,044)	(3,133,395)	22
Share of results of equity accounted investees (net of tax)		2,490,740	3,113,145	(20)
Profit/(loss) before tax		(204,326)	1,396,202	(115)
Tax expense	8	(762,340)	(154,520)	393
Profit/(loss) for the period		(966,666)	1,241,682	(178)
Attributable to:				
Equity holders of the parent		(868,206)	1,466,547	(159)
Non-controlling interests		(98,460)	(224,865)	(56)
		(966,666)	1,241,682	(178)
		Rs.	Rs.	
Earnings/(loss) per share				
Basic		(0.58)	1.06	
Diluted		(0.58)	1.06	
Dividend per share		0.50	0.50	

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	For the quarter ended 30 June	
		2024	2023
Profit/(loss) for the period		(966,666)	1,241,682
Other comprehensive income			
Other comprehensive income to be reclassified to Income Statement in subsequent periods			
Currency translation of foreign operations		369,550	(16,519,371)
Net gain/(loss) on cash flow hedges		(159,201)	64,621
Net gain/(loss) on financial instruments at fair value through other comprehensive income		36,417	1,260,539
Share of other comprehensive income of equity-accounted investees (net of tax)		588,749	(816,020)
Net other comprehensive income to be reclassified to Income Statement in subsequent periods		835,515	(16,010,231)
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		(238)	18,666
Gain on disposal of equity instruments at fair value through other comprehensive income		15,822	-
Re-measurement gain/(loss) on defined benefit plans		-	616
Net other comprehensive income not to be reclassified to income statement in subsequent periods		15,584	19,282
Tax on other comprehensive income	8	1,401	273
Other comprehensive income for the period, net of tax		852,500	(15,990,676)
Total comprehensive income for the period, net of tax		(114,166)	(14,748,994)
Attributable to:			
Equity holders of the parent		(81,994)	(14,153,407)
Non-controlling interests		(32,172)	(595,587)
		(114,166)	(14,748,994)

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	30.06.2024	31.03.2024
ASSETS		
Non-current assets		
Property, plant and equipment	390,154,451	382,988,534
Right-of-use assets	48,466,507	48,692,617
Investment properties	31,518,824	31,518,824
Intangible assets	6,177,811	6,329,125
Investments in equity accounted investees	58,407,353	48,151,204
Non-current financial assets	76,939,671	74,481,816
Deferred tax assets	1,971,328	1,716,261
Other non-current assets	3,116,294	3,202,936
	616,752,239	597,081,317
Current assets		
Inventories	36,544,521	39,305,503
Trade and other receivables	21,826,839	28,377,205
Amounts due from related parties	461,704	674,179
Other current assets	12,274,255	10,304,760
Short term investments	82,510,159	80,030,642
Cash in hand and at bank	15,100,821	15,417,894
	168,718,299	174,110,183
Total assets	785,470,538	771,191,500
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Stated capital	91,240,262	90,602,453
Revenue reserves	128,887,449	130,812,080
Other components of equity	137,560,205	136,452,778
	357,687,916	357,867,311
Non-controlling interest	19,326,321	19,609,383
Total equity	377,014,237	377,476,694
Non-current liabilities		
Insurance contract liabilities	73,287,099	69,510,867
Interest-bearing loans and borrowings	121,489,395	127,169,502
Lease liabilities	28,023,379	28,080,571
Deferred tax liabilities	21,339,802	21,222,258
Employee benefit liabilities	3,655,712	3,590,783
Other non-current financial liabilities	1,208,036	11,387,177
Other non-current liabilities	690,170	615,445
	249,693,593	261,576,603
Current liabilities		
Trade and other payables	34,661,752	42,582,596
Amounts due to related parties	407,371	448,743
Income tax liabilities	2,005,541	1,824,765
Short term borrowings	43,777,078	21,062,456
Interest-bearing loans and borrowings	26,774,503	23,216,942
Lease liabilities	3,983,532	3,884,003
Other current financial liabilities	10,608,985	-
Other current liabilities	6,168,137	6,668,511
Bank overdrafts	30,375,809	32,450,187
	158,762,708	132,138,203
Total equity and liabilities	785,470,538	771,191,500
	Rs.	Rs.
Net assets per share	238.05	238.17

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

30 July 2024
Colombo

CONSOLIDATED STATEMENT OF CASH FLOWS

For the quarter ended 30 June	Note	2024	2023
OPERATING ACTIVITIES			
Profit before working capital changes	A	357,683	1,648,110
(Increase) / Decrease in inventories		2,763,071	2,234,538
(Increase) / Decrease in trade and other receivables		6,719,851	455,808
(Increase) / Decrease in other current assets		(1,872,730)	(1,287,396)
Increase / (Decrease) in other non-current financial liabilities		-	(191,359)
Increase / (Decrease) in trade and other payables and other non-current liabilities		(7,590,756)	1,207,722
Increase / (Decrease) in other current liabilities		(500,479)	(845,049)
Increase / (Decrease) in insurance contract liabilities		3,776,232	3,090,569
Cash generated from operations		3,652,872	6,312,943
Finance income received		4,527,547	4,387,111
Finance costs paid		(6,564,062)	(7,188,218)
Dividend received		-	833,037
Tax paid		(775,038)	(972,276)
Gratuity paid		(62,831)	(81,120)
Net cash flows from operating activities		778,488	3,291,477
INVESTING ACTIVITIES			
Purchase and construction of property, plant and equipment		(6,722,430)	(3,711,349)
Purchase of intangible assets		(122,685)	(88,357)
Additions to other non-current assets		(35,583)	(98,496)
Increase in interest in equity accounted investees		(7,176,664)	(5,551,612)
Proceeds from sale of property, plant and equipment		8,178	14,972
Proceeds from sale of financial instruments - fair value through profit or loss		1,354,017	769,490
Purchase of financial instruments - fair value through profit or loss		(407,071)	(704,753)
(Purchase) / disposal of deposits and government securities (net)		6,749,385	(4,468,533)
(Purchase) / disposal of other non-current financial assets (net)		282,647	16,100
Net cash flows from / (used in) investing activities		(6,070,206)	(13,822,538)
FINANCING ACTIVITIES			
Proceeds from issue of shares		509,675	-
Changes in non-controlling interest		(39,357)	-
Dividend paid to equity holders of parent		(749,818)	(692,458)
Dividend paid to shareholders with non-controlling interest		(157,698)	(85,140)
Proceeds from long term borrowings		1,008,280	306,240
Repayment of long term borrowings		(4,493,721)	(2,335,204)
Payment of principal portion of lease liabilities		(443,752)	(428,179)
Proceeds from/(repayment of) short term borrowings (net)		22,773,562	5,293,330
Net cash flows from / (used in) financing activities		18,407,171	2,058,589
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		13,115,453	(8,472,472)
CASH AND CASH EQUIVALENTS AT THE BEGINNING		9,939,646	40,310,018
CASH AND CASH EQUIVALENTS AT THE END		23,055,099	31,837,546
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Favourable balances			
Short term investments (less than 3 months)		38,330,087	41,590,079
Cash in hand and at bank		15,100,821	23,989,158
Unfavourable balances			
Bank overdrafts		(30,375,809)	(33,741,691)
Total cash and cash equivalents		23,055,099	31,837,546

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

Figures in brackets indicate deductions.

The above figures are not audited.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the quarter ended 30 June	Note	2024	2023
A. Profit before working capital changes			
Profit / (loss) before tax		(204,326)	1,396,202
Adjustments for:			
Finance income	7	(5,150,036)	(5,133,244)
Finance cost	7	5,322,448	5,345,199
Share-based payment expense		88,907	74,291
Share of results of equity accounted investees		(2,490,740)	(3,113,145)
Depreciation of property, plant and equipment		1,672,942	1,591,353
(Profit) / loss on sale of property, plant and equipment		10,149	(8,523)
Amortisation of right-of-use assets		969,343	950,666
Amortisation of intangible assets		273,978	233,192
Employee benefit provision and related costs		127,865	129,262
Unrealised (gain) / loss on foreign exchange (net)		(262,847)	182,857
		357,683	1,648,110

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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 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/(loss) for the period	-	-	-	-	-	-	-	1,466,547	1,466,547	(224,865)	1,241,682
Other comprehensive income	-	-	-	(17,194,974)	64,621	-	1,510,106	293	(15,619,954)	(370,722)	(15,990,676)
Total comprehensive income	-	-	-	(17,194,974)	64,621	-	1,510,106	1,466,840	(14,153,407)	(595,587)	(14,748,994)
Share based payments	-	-	-	-	-	74,291	-	-	74,291	-	74,291
Final dividend paid - 2022/23	-	-	-	-	-	-	-	(692,458)	(692,458)	-	(692,458)
Subsidiary dividend to non-controlling interest	-	-	-	-	-	-	-	31,071	31,071	(116,211)	(85,140)
As at 30 June 2023	73,187,861	3,626,604	41,136,975	67,399,228	4,280,459	13,914,798	187,014	122,548,829	326,281,768	18,684,388	344,966,156
As at 1 April 2024	90,602,453	3,626,604	43,808,213	71,649,151	3,294,625	8,495,016	5,579,169	130,812,080	357,867,311	19,609,383	377,476,694
Profit/(loss) for the period	-	-	-	-	-	-	-	(868,206)	(868,206)	(98,460)	(966,666)
Other comprehensive income	-	-	-	1,041,262	(159,201)	-	(33,267)	(62,582)	786,212	66,288	852,500
Total comprehensive income	-	-	-	1,041,262	(159,201)	-	(33,267)	(930,788)	(81,994)	(32,172)	(114,166)
Exercise of share options	509,675	-	-	-	-	-	-	-	509,675	-	509,675
Transfer of fair value reserve of equity instruments designated at FVOCI	-	-	-	-	-	-	(25,962)	25,962	-	-	-
Share based payments	128,134	-	-	-	-	(39,227)	-	-	88,907	-	88,907
Transfer to restricted regulatory reserve	-	323,822	-	-	-	-	-	(323,822)	-	-	-
Final dividend paid - 2023/24	-	-	-	-	-	-	-	(749,818)	(749,818)	-	(749,818)
Acquisition, disposal and changes in non-controlling interest	-	-	-	-	-	-	-	-	-	(39,357)	(39,357)
Subsidiary dividend to non-controlling interest	-	-	-	-	-	-	-	53,835	53,835	(211,533)	(157,698)
As at 30 June 2024	91,240,262	3,950,426	43,808,213	72,690,413	3,135,424	8,455,789	5,519,940	128,887,449	357,687,916	19,326,321	377,014,237

* FVOCI - Fair value through other comprehensive income

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

COMPANY INCOME STATEMENT

	Note	For the quarter ended 30 June		
		2024	2023	%
Continuing operations				
Services transferred over time		604,565	562,973	7
Revenue from contracts with customers		604,565	562,973	7
Cost of sales		(497,827)	(367,395)	36
Gross profit		106,738	195,578	(45)
Dividend income		663,933	1,189,175	(44)
Other operating income		6,980	44,172	(84)
Administrative expenses		(532,424)	(507,304)	5
Other operating expenses		(21,144)	(20,336)	4
Results from operating activities		224,083	901,285	(75)
Finance cost	7	(2,572,746)	(3,035,694)	(15)
Finance income	7	1,733,629	1,786,422	(3)
Loss before tax		(615,034)	(347,987)	77
Tax expense	8	(2,780)	(1,407)	98
Loss for the period		(617,814)	(349,394)	77
		Rs.	Rs.	
Dividend per share		0.50	0.50	

Note : All values are in Rs. '000s, unless otherwise stated.
 Figures in brackets indicate deductions.
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COMPANY STATEMENT OF COMPREHENSIVE INCOME

	Note	For the quarter ended 30 June	
		2024	2023
Loss for the period		(617,814)	(349,394)
Other comprehensive income			
Other comprehensive income to be reclassified to Income Statement in subsequent periods			
Net gain / (loss) on cash flow hedge		(159,201)	64,621
Net other comprehensive income to be reclassified to Income Statement in subsequent periods		(159,201)	64,621
Other comprehensive income not to be reclassified to Income Statement in subsequent periods			
Re-measurement gain / (loss) on defined benefit plans		-	(800)
Net gain / (loss) on equity instruments at fair value through other comprehensive income		(289)	18,735
Net other comprehensive income not to be reclassified to Income Statement in subsequent periods		(289)	17,935
Tax on other comprehensive income	8	-	-
Other comprehensive income for the period, net of tax		(159,490)	82,556
Total comprehensive income for the period, net of tax		(777,304)	(266,838)

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

COMPANY STATEMENT OF FINANCIAL POSITION

As at	30.06.2024	31.03.2024
ASSETS		
Non-current assets		
Property, plant and equipment	114,269	117,585
Right of use assets	118,424	122,286
Intangible assets	30,813	34,778
Investments in subsidiaries	226,953,317	217,905,867
Investments in equity accounted investees	28,557,113	21,541,092
Non current financial assets	3,375,846	3,511,692
Other non-current assets	93,469	95,240
	259,243,251	243,328,540
Current assets		
Trade and other receivables	387,869	460,682
Amounts due from related parties	872,193	1,290,846
Other current assets	3,318,885	3,144,607
Short term investments	59,737,731	57,805,464
Cash in hand and at bank	1,432,995	556,930
	65,749,673	63,258,529
Total assets	324,992,924	306,587,069
EQUITY AND LIABILITIES		
Stated capital	91,240,262	90,602,453
Revenue reserves	102,565,558	103,933,190
Other components of equity	11,606,071	11,804,788
Total equity	205,411,891	206,340,431
Non-current liabilities		
Interest-bearing loans and borrowings	50,527,018	55,044,493
Lease liabilities	107,262	109,139
Employee benefit liabilities	340,249	326,926
Other non current financial liabilities	-	10,201,449
Deferred tax liabilities	2,841,984	2,841,984
	53,816,513	68,523,991
Current liabilities		
Trade and other payables	1,455,545	1,463,935
Amounts due to related parties	87,772	88,841
Income tax liabilities	258,214	258,214
Short term borrowings	32,866,861	13,909,261
Interest bearing loans and borrowings	11,395,405	7,670,053
Lease liabilities	7,176	6,961
Other current financial liabilities	10,608,985	-
Other current Liabilities	23,225	21,441
Bank overdrafts	9,061,337	8,303,941
	65,764,520	31,722,647
Total equity and liabilities	324,992,924	306,587,069
	Rs.	Rs.
Net assets per share	136.71	137.33

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.



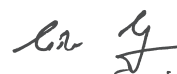
K M Thanthirige
Group Financial Controller

The Board of Directors is responsible for these financial statements.



K N J Balendra
Chairperson

30 July 2024
Colombo



J G A Cooray
Deputy Chairperson / Group Finance Director

COMPANY STATEMENT OF CASH FLOWS

For the quarter ended 30 June	Note	2024	2023
OPERATING ACTIVITIES			
Loss before tax		(615,034)	(347,987)
Adjustments for:			
Finance income	7	(1,733,629)	(1,786,422)
Dividend income		(663,933)	(1,189,175)
Finance cost	7	2,572,746	3,035,694
Depreciation of property, plant and equipment		10,839	11,211
Amortisation of right- of - use assets		3,862	-
Amortisation of intangible assets		3,965	7,463
Share based payment expenses		24,425	21,311
Employee benefit provision and related costs		5,469	4,129
Profit / (loss) before working capital changes		(391,290)	(243,776)
(Increase) / Decrease in trade and other receivables		491,466	41,928
(Increase) / Decrease in other current assets		(197,914)	(502,063)
Increase / (Decrease) in trade and other payables		(1,604)	221,901
Increase / (Decrease) in other current liabilities		1,783	(5,528)
Cash generated from operations		(97,559)	(487,538)
Finance income received		1,319,332	1,046,163
Finance costs paid		(3,094,937)	(3,235,306)
Dividend received		663,933	1,189,175
Tax paid		(2,790)	(670,671)
Gratuity paid		-	(2,997)
Net cash flows from operating activities		(1,212,021)	(2,161,174)
INVESTING ACTIVITIES			
Purchase and construction of property, plant and equipment		(7,523)	(11,985)
Increase in interest in subsidiaries		(8,982,967)	(3,897,366)
Increase in interest in equity accounted investees		(7,016,021)	(5,169,612)
(Purchase) / disposal of deposits and government securities (net)		13,705,688	(4,156,166)
Net cash flows from/(used in) investing activities		(2,300,823)	(13,235,129)
FINANCING ACTIVITIES			
Proceeds from issue of shares		509,675	-
Dividend paid		(749,818)	(692,458)
Payment of principal portion of lease liabilities		(1,662)	-
Repayment of long term borrowings		(862,500)	(525,000)
Proceeds from / (repayment of) short term borrowings (net)		18,957,600	5,081,602
Net cash flows from / (used in) financing activities		17,853,295	3,864,144
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		14,340,451	(11,532,159)
CASH AND CASH EQUIVALENTS AT THE BEGINNING		9,057,645	38,007,046
CASH AND CASH EQUIVALENTS AT THE END		23,398,096	26,474,887
ANALYSIS OF CASH & CASH EQUIVALENTS			
Favourable balances			
Short term investments (less than 3 months)		31,026,438	26,864,228
Cash in hand and at bank		1,432,995	7,483,147
Unfavourable balances			
Bank overdrafts		(9,061,337)	(7,872,488)
Total cash and cash equivalents		23,398,096	26,474,887

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 2023		73,187,861	13,840,507	4,215,838	(1,340)	101,806,985	193,049,851
Loss for the period		-	-	-	-	(349,394)	(349,394)
Other comprehensive income		-	-	64,621	18,735	(800)	82,556
Total comprehensive income		-	-	64,621	18,735	(350,194)	(266,838)
Share based payments		-	74,291	-	-	-	74,291
Final dividend paid - 2022/23	11	-	-	-	-	(692,458)	(692,458)
As at 30 June 2023		73,187,861	13,914,798	4,280,459	17,395	100,764,333	192,164,846
As at 1 April 2024		90,602,453	8,495,016	3,294,625	15,147	103,933,190	206,340,431
Loss for the period		-	-	-	-	(617,814)	(617,814)
Other comprehensive income		-	-	(159,201)	(289)	-	(159,490)
Total comprehensive income		-	-	(159,201)	(289)	(617,814)	(777,304)
Exercise of share options		509,675	-	-	-	-	509,675
Share based payments		128,134	(39,227)	-	-	-	88,907
Final dividend paid - 2023/24	11	-	-	-	-	(749,818)	(749,818)
As at 30 June 2024		91,240,262	8,455,789	3,135,424	14,858	102,565,558	205,411,891

* FVOCI - Fair value through other comprehensive income

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

NOTES TO THE FINANCIAL STATEMENTS

OPERATING SEGMENT INFORMATION

Business segments

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

For the quarter ended 30 June	Transportation		Consumer Foods		Retail	
	2024	2023	2024	2023	2024	2023
Goods transferred at a point in time	12,007,361	10,769,441	9,939,652	8,630,301	33,006,198	30,039,088
Services transferred over time	682,719	685,759	-	-	38,300	36,995
Total segment revenue	12,690,080	11,455,200	9,939,652	8,630,301	33,044,498	30,076,083
Eliminations of inter segment revenue						
External revenue						
Segment result	257,181	234,809	1,134,457	361,484	1,450,811	1,370,086
Finance cost	(162,557)	(190,257)	(88,254)	(248,825)	(617,831)	(970,545)
Finance income	69,094	100,297	14,476	17,164	14,983	16,188
Share of results of equity accounted investees (net of tax)	1,166,293	1,887,071	-	-	(18,892)	-
Eliminations / adjustments	-	-	15,062	21,998	2,333	(3,034)
Profit / (loss) before tax	1,330,011	2,031,920	1,075,741	151,821	831,404	412,695
Tax expense	(149,841)	5,213	(328,709)	(42,685)	(242,584)	(79,049)
Profit / (loss) for the period	1,180,170	2,037,133	747,032	109,136	588,820	333,646
Purchase and construction of PPE*	8,659	14,545	430,921	114,416	421,041	404,788
Addition to IA*	-	-	10,358	3,766	110,362	74,358
Depreciation of PPE*	60,820	42,871	284,351	269,665	449,665	433,715
Amortisation / impairment of IA*	2,094	2,094	38,693	27,117	119,445	98,957
Amortisation of ROU* assets	24,609	25,468	2,079	2,079	300,773	288,177
Employee benefit provision and related costs	(6,223)	(9,700)	38,045	34,057	28,437	25,582

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

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

Leisure		Property		Financial Services		Others		Group Total	
2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
-	-	39,697	-	-	-	651,403	679,363	55,644,311	50,118,193
8,411,423	8,664,148	430,709	424,413	4,613,414	4,085,652	1,508,843	1,356,842	15,685,408	15,253,809
8,411,423	8,664,148	470,406	424,413	4,613,414	4,085,652	2,160,246	2,036,205	71,329,719	65,372,002
								(1,672,238)	(1,593,532)
								69,657,481	63,778,470
(2,125,942)	(863,740)	33,528	174,060	333,444	497,766	(403,849)	(363,479)	679,630	1,410,986
(1,946,630)	(843,013)	(25,155)	(31,251)	-	(4)	(2,482,021)	(3,061,304)	(5,322,448)	(5,345,199)
27,317	62,299	16,272	107,077	122,671	48,773	1,673,740	1,857,879	1,938,553	2,209,677
965	(9,760)	(94,633)	90,322	1,437,007	1,145,512	-	-	2,490,740	3,113,145
(881)	(881)	(7,366)	(10,490)	51	-	-	-	9,199	7,593
(4,045,171)	(1,655,095)	(77,354)	329,718	1,893,173	1,692,047	(1,212,130)	(1,566,904)	(204,326)	1,396,202
293,760	283,169	(6,392)	(6,983)	(146,016)	(161,164)	(182,558)	(153,021)	(762,340)	(154,520)
(3,751,411)	(1,371,926)	(83,746)	322,735	1,747,157	1,530,883	(1,394,688)	(1,719,925)	(966,666)	1,241,682
7,452,786	4,920,329	122,679	20,240	14,410	2,062	141,881	66,600	8,592,377	5,542,980
335	-	-	-	1,630	3,106	-	7,127	122,685	88,357
778,603	751,684	20,098	15,674	29,199	30,682	50,206	47,062	1,672,942	1,591,353
16,014	17,870	42	1,650	86,485	71,624	11,205	13,880	273,978	233,192
585,633	597,377	5,114	5,114	32,319	32,157	18,816	294	969,343	950,666
44,910	49,398	4,916	770	12,303	11,752	5,477	17,403	127,865	129,262

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	
	30.06.2024	31.03.2024	30.06.2024	31.03.2024	30.06.2024	31.03.2024
Property, plant and equipment	1,282,045	1,338,007	11,248,930	11,102,360	18,465,085	18,496,255
Right-of-use-assets	285,467	310,075	256,905	258,984	9,608,775	9,894,229
Investment property	-	-	358,353	358,353	309,388	309,388
Intangible assets	54,529	56,623	1,772,430	1,801,995	2,806,884	2,819,436
Non-current financial assets	110,490	141,523	367,080	383,357	248,905	264,693
Other non-current assets	46,457	51,170	45,379	58,448	1,142,377	1,113,273
Segment non-current assets	1,778,988	1,897,398	14,049,077	13,963,497	32,581,414	32,897,274
Investments in equity accounted investees	30,538,075	21,911,210	-	-	166,633	(24,475)
Deferred tax assets						
Goodwill						
Eliminations / adjustments						
Total non-current assets						
Inventories	1,808,940	2,125,399	4,284,720	4,722,058	8,150,525	10,271,009
Trade and other receivables	4,660,290	6,585,354	4,756,582	5,944,817	4,410,162	4,887,289
Short term investments	5,285,311	4,956,582	591	580	1,195	1,165
Cash in hand and at bank	1,248,529	1,740,615	606,605	728,188	1,513,388	1,593,322
Segment current assets	13,003,070	15,407,950	9,648,498	11,395,643	14,075,270	16,752,785
Other current assets						
Eliminations / adjustments						
Total current assets						
Total assets						
Insurance contract liabilities	-	-	-	-	-	-
Interest bearing loans and borrowings	503,500	510,125	714,195	746,614	1,876,957	2,416,957
Lease liabilities	325,216	344,656	144,969	138,715	10,511,201	10,691,302
Employee benefit liabilities	110,295	126,498	773,324	752,078	613,254	594,249
Other non-current financial liabilities	-	-	-	-	-	-
Other non-current liabilities	-	-	110,138	111,259	-	-
Segment non-current liabilities	939,011	981,279	1,742,626	1,748,666	13,001,412	13,702,508
Deferred tax liabilities						
Eliminations / adjustments						
Total non-current liabilities						
Trade and other payables	2,665,004	6,991,638	3,781,958	4,014,970	15,410,728	18,015,627
Short term borrowings	7,304,006	5,108,357	-	500,000	2,465,616	1,003,879
Interest bearing loans and borrowings	-	-	508,400	467,966	4,160,000	4,260,000
Lease liabilities	-	-	5,027	4,804	698,274	687,580
Other current financial liabilities	-	-	-	-	-	-
Bank overdrafts	768,459	1,270,728	3,049,336	3,523,068	5,219,408	7,018,292
Segment current liabilities	10,737,469	13,370,723	7,344,721	8,510,808	27,954,026	30,985,378
Income tax liabilities						
Other current liabilities						
Eliminations / adjustments						
Total current liabilities						
Total liabilities						
Total segment assets	14,782,058	17,305,348	23,697,575	25,359,140	46,656,684	49,650,059
Total segment liabilities	11,676,480	14,352,002	9,087,347	10,259,474	40,955,438	44,687,886

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

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.

2 INTERIM CONDENSED FINANCIAL STATEMENTS

The financial statements for the period ended 30 June 2024, 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 2024 were authorised for issue by the Board of Directors on 30 July 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 three months ended 30 June 2024 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 2024.

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

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

4.2 Fair Value Measurement and Related Fair Value Disclosures

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

Fair valuation was done as of 30 June 2024 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

In Rs.'000s For the quarter ended 30 June	Note	GROUP		COMPANY	
		2024	2023	2024	2023
Finance income					
Interest income	7.1	4,659,196	4,862,902	1,628,438	1,786,422
Dividend income on					
Financial assets at fair value through profit or loss		112,776	34,042	-	-
Financial assets at fair value through other comprehensive income		1,157	-	-	-
Realised gains on financial assets at fair value through profit or loss		400,265	61,769	-	-
Unrealised gains on financial assets at fair value through profit or loss		983	205,252	-	-
Investment related direct expenses		(24,341)	(30,721)	-	-
Exchange gains		-	-	105,191	-
Total finance income		5,150,036	5,133,244	1,733,629	1,786,422
Finance cost					
Interest expense on borrowings		(3,158,627)	(3,593,493)	(2,047,322)	(1,735,341)
Finance charge on lease liabilities		(495,261)	(451,353)	(3,546)	-
Finance charge on convertible debentures		(521,878)	(941,684)	(521,878)	(941,684)
Exchange loss		(1,146,682)	(358,669)	-	(358,669)
Total finance cost		(5,322,448)	(5,345,199)	(2,572,746)	(3,035,694)
Net finance income / (cost)		(172,412)	(211,955)	(839,117)	(1,249,272)

7.1 Interest income

In Rs.'000s For the quarter ended 30 June	GROUP	
	2024	2023
Interest income from life insurance policyholder funds at Union Assurance PLC	2,834,579	2,687,267
Interest income of the Group excluding Union Assurance PLC	1,824,617	2,175,635
Total Interest income	4,659,196	4,862,902

8 TAX EXPENSE

In Rs.'000s For the quarter ended 30 June	GROUP		COMPANY	
	2024	2023	2024	2023
Income statement				
Current income tax	887,031	340,546	2,780	1,407
Deferred tax charge / (reversal)	(124,691)	(186,026)	-	-
	762,340	154,520	2,780	1,407
Other comprehensive Income				
Deferred tax charge / (reversal)	1,401	273	-	-
	1,401	273	-	-

NOTES TO THE FINANCIAL STATEMENTS

9 RELATED PARTY TRANSACTIONS

In Rs.'000s For the quarter ended 30 June	GROUP		COMPANY	
	2024	2023	2024	2023
Entity including its affiliated entities with significant influence over parent				
Sales of goods	339	-	-	-
Purchases of goods	1,141,750	-	-	-
Rendering of services	4,569	-	-	-
Subsidiaries				
Purchases of goods	-	-	3,315	6,278
Rendering of services	-	-	460,755	412,559
Receiving of services	-	-	121,708	122,600
Rent paid	-	-	11,882	9,220
Dividend received	-	-	663,933	356,138
Equity accounted investees				
Sales of goods	31,254	5,414	-	-
Rendering of services	60,216	63,529	143,318	150,559
Receiving of services	131,902	124,725	-	37
Interest received	221,182	320,504	219,129	319,309
Interest paid	28,216	29,846	-	1
Dividend received	-	-	-	833,037
Key management personnel (KMP)				
Sale of goods	-	-	-	-
Close family members of KMP				
Sale of goods	-	-	-	-
Companies controlled/jointly controlled/significantly influenced by KMP and their close family members of KMP				
Rendering of services	6,144	379	-	-
Receiving of services	3,714	6,738	-	-
Post employment benefit plan				
Contributions to the provident fund	107,958	90,955	31,734	25,542

10 SHARE INFORMATION

10.1 Stated capital

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

As at	30.06.2024	31.03.2024
Ordinary shares	1,502,562,207	1,498,819,707

10.2 Public share holdings

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

As at	30.06.2024	31.03.2024
Public shareholding (%)	79.81	99.24
Number of public shareholders	14,137	14,087
Compliant under option 1 - Float adjusted market capitalisation (Rs. Bn)	244.34	288.56

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 2024.

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	2024 Rs.	2023 Rs.
Highest	218.00	150.75
Lowest	193.25	134.75
Last traded	203.75	150.00

10.5 Directors' share holdings

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

As at	30.06.2024	31.03.2024
KN J Balendra - Chairperson/CEO	11,364,400	10,914,400
J G A Cooray - Deputy Chairperson /Group Finance Director	638,587	208,587
D A Cabraal	250,137	250,137
S A Coorey	Nil	Nil
DV R S Fernando	Nil	Nil
A N Fonseka (Retired w.e.f. 1 July 2024)	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	30.06.2024		31.03.2024	
	Number of shares	%	Number of shares	%
1 HWIC Asia Fund	291,105,699	19.4	291,105,699	19.4
2 Melstacorp PLC	128,917,111	8.6	128,917,111	8.6
3 Mr S E Captain	112,385,774	7.5	122,615,194	8.2
4 CIC Holdings PLC	85,736,478	5.7	85,365,926	5.7
5 Paints & General Industries Limited	85,219,832	5.7	87,021,832	5.8
6 Asian Development Bank	65,042,006	4.3	65,042,006	4.3
7 Schroder International Selection Fund	44,418,290	3.0	44,418,290	3.0
8 Polypak Secco Ltd	39,737,102	2.6	31,587,170	2.1
9 Norges Bank Account 2	33,087,774	2.2	33,087,774	2.2
10 Aberdeen Standard Asia Focus PLC	31,345,603	2.1	35,038,572	2.3
11 Mr Kandiah Balendra	19,511,476	1.3	19,511,476	1.3
12 Mrs C S De Fonseka	17,606,991	1.2	17,606,991	1.2
13 Emrevival Mater Fund LP	15,983,048	1.1	15,983,048	1.1
14 Mrs S A J De Fonseka	15,254,730	1.0	15,254,730	1.0
15 Hostplus Pooled Superannuation Trust	15,166,257	1.0	15,152,416	1.0
16 Chemanex PLC	15,124,515	1.0	15,064,515	1.0
17 Sunsuper Superannuation Fund	13,097,776	0.9	12,964,947	0.9
18 Employee Trust Fund Board	12,989,299	0.9	12,989,299	0.9
19 Edgbaston Asian Equity Trust	12,428,528	0.8	14,209,110	0.9
20 Mr K N J Balendra	11,357,628	0.8	10,907,628	0.7

11 DIVIDENDS PAID

In Rs.'000s	2024	2023
For the quarter ended 30 June		
Equity dividend on ordinary shares declared and paid during the period		
Final dividend 2023/24-Rs. 0.50 (2022/23-Rs. 0.50)	749,818	692,458
Total dividend	749,818	692,458

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 2024.

13 EVENTS AFTER THE REPORTING PERIOD

The Company announced a Rights Issue in the proportion of One (1) new ordinary share for every Ten (10) Ordinary Shares in issue, at a consideration of Rs.160/- per share. The Company intends to raise ~Rs.24 billion through the Rights Issue. The Rights Issue will be followed by a Sub-division of Shares in the proportion of One (1) ordinary share to Ten (10) ordinary shares.

The Rights Issue is subject to the Colombo Stock Exchange approving in-principle the issue and listing of shares. Both the Rights Issue and the Sub-division of Shares are subject to Shareholder approval at an Extraordinary General Meeting.

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

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
DV R S Fernando
H M A Jayesinghe (Appointed w.e.f. 1 July 2024)
R Shukla (Appointed w.e.f. 1 July 2024)
S S H Wijayasuriya

Senior Independent Director

S S H Wijayasuriya (Appointed w.e.f. 1 July 2024)

Audit Committee

H M A Jayesinghe - Chairperson (Appointed w.e.f. 1 July 2024)
D A Cabraal
DV R S Fernando

Human Resources and Compensation Committee

D A Cabraal - Chairperson
DV R S Fernando (Appointed w.e.f. 1 July 2024)
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

H M A Jayesinghe - Chairperson
D A Cabraal
DV R S Fernando (Appointed w.e.f. 1 July 2024)

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



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