

**Interim Financial Statement**  
**Nine Months Ended 31<sup>st</sup> December 2018**

**Ceylon Hotels Corporation PLC**  
A Member of the Galle Face Hotel Group

# Ceylon Hotels Corporation PLC



CORPORATE INFORMATION

## Stock Exchange Listing

The Ordinary Shares of the Corporation are listed with the Colombo Stock Exchange of Sri Lanka

## Directors

Lakshman Samarasinghe - Chairman  
Sanjeev Gardiner  
Priyantha Maddumage  
Kuvera De Zoysa  
Mangala Boyagoda  
Kamantha Amarasekera  
Wasantha Wimalaweera  
Ajith Devasurendra  
Ranil Pathirana  
Shalike Karunasena

## Secretaries

Accounting Systems Secretarial Services (Pvt) Limited  
Level 03, No 11, Castle Lane, Colombo 04

## Registered Office

Ceylon Hotels Corporation PLC  
No.327, Union Place, Colombo 02.  
Company Registration No PB 3283  
Telephone:- 011 2449168/ 011 2421847 /011 5634573 / 011 5634649  
Fax : 011 5345875

## Auditors

KPMG  
32A, Sir Mohamed Macan Markar Mawatha, Colombo 03.

## Hotel Reservations

Ceylon Hotels Corporation PLC  
Regency Wing - Galle Face Hotel  
No. 02, Galle Road, Colombo 03  
Tel: 011 5585858 Fax : 011 5345882  
Email : sales@ceylonhotels.net  
Website : www.chcresorts.lk

**CEYLON HOTELS CORPORATION PLC**  
**INCOME STATEMENT**



	Group				Company				Variance
	Three Months Ended 31 <sup>st</sup> December		Nine Months Ended 31 <sup>st</sup> December		Three Months Ended 31 <sup>st</sup> December		Nine Months Ended 31 <sup>st</sup> December		Group
	2018 (Rs.'000')	2017 (Rs.'000')	2018 (Rs.'000')	2017 (Rs.'000')	2018 (Rs.'000')	2017 (Rs.'000')	2018 (Rs.'000')	2017 (Rs.'000')	%
Revenue	404,542	363,730	1,104,216	1,033,336	2,366	2,131	6,305	6,488	7
Cost of sales	(114,758)	(100,672)	(328,277)	(292,575)	(2,321)	(2,120)	(6,247)	(6,452)	(12)
<b>Gross profit</b>	<b>289,784</b>	<b>263,058</b>	<b>775,940</b>	<b>740,761</b>	<b>45</b>	<b>11</b>	<b>58</b>	<b>36</b>	<b>5</b>
Other income	923	269	8,799	800	34,535	788	34,535	39,631	1000
Distribution expenses	(19,305)	(17,885)	(56,063)	(52,659)	-	-	-	-	6
Administration expenses	(239,893)	(234,322)	(685,009)	(670,927)	(2,166)	(2,462)	(5,231)	(6,570)	2
Other operating expenses	(7)	-	(98)	(61)	-	-	-	-	60
<b>Profit / (loss) from operations</b>	<b>31,502</b>	<b>11,121</b>	<b>43,570</b>	<b>17,914</b>	<b>32,414</b>	<b>(1,664)</b>	<b>29,362</b>	<b>33,097</b>	<b>143</b>
Finance income (Note 06)	98,200	726	120,355	5,526	4,399	-	13,177	-	2078
Finance cost	(54,012)	(52,656)	(158,174)	(138,353)	(18,514)	(16,742)	(55,567)	(51,778)	14
Net finance cost	44,188	(51,930)	(37,820)	(132,827)	(14,115)	(16,742)	(42,390)	(51,778)	(72)
Share of profit/(loss) of equity accounted investees, net of tax (Note 07)	(61,672)	13,584	(122,849)	11,545	-	-	-	-	(1164)
Gain on derecognition of investment in subsidiary (Note 08)	-	-	186,650	-	-	-	-	-	100
<b>Profit/ (loss) before taxation</b>	<b>14,017</b>	<b>(27,225)</b>	<b>69,550</b>	<b>(103,368)</b>	<b>18,299</b>	<b>(18,406)</b>	<b>(13,028)</b>	<b>(18,681)</b>	<b>167</b>
Tax expense	(1,775)	(12,099)	(15,652)	(32,533)	(2,398)	(7,715)	(2,398)	(7,715)	(52)
<b>Profit/(loss) for the period</b>	<b>12,243</b>	<b>(39,324)</b>	<b>53,898</b>	<b>(135,901)</b>	<b>15,901</b>	<b>(26,121)</b>	<b>(15,427)</b>	<b>(26,397)</b>	<b>140</b>
<b>Profit/(Loss) attributable to:</b>									
Equity holders of the company	(2,407)	(43,213)	28,206	(142,540)	15,901	(26,121)	(15,427)	(26,397)	120
Non controlling interest	14,650	3,888	25,692	6,639	-	-	-	-	287
<b>Profit for the period</b>	<b>12,243</b>	<b>(39,324)</b>	<b>53,898</b>	<b>(135,901)</b>	<b>15,901</b>	<b>(26,121)</b>	<b>(15,427)</b>	<b>(26,397)</b>	<b>140</b>
<b>Basic Earnings/(loss) per share (Rs.)</b>	<b>(0.01)</b>	<b>(0.24)</b>	<b>0.16</b>	<b>(0.79)</b>	<b>0.09</b>	<b>(0.15)</b>	<b>(0.09)</b>	<b>(0.15)</b>	<b>120</b>

Note : The above figures for the nine months ended 31<sup>st</sup> December 2018 are provisional and subject to Audit.

Figures in brackets indicate deductions.

All values are in Rupees Thousands unless otherwise stated.

**CEYLON HOTELS CORPORATION PLC**  
**STATEMENT OF COMPREHENSIVE INCOME**



	Group				Company			
	Three Months Ended 31 <sup>st</sup> December		Nine Months Ended 31 <sup>st</sup> December		Three Months Ended 31 <sup>st</sup> December		Nine Months Ended 31 <sup>st</sup> December	
	2018 (Rs. '000')	2017 (Rs. '000')	2018 (Rs. '000')	2017 (Rs. '000')	2018 (Rs. '000')	2017 (Rs. '000')	2018 (Rs. '000')	2017 (Rs. '000')
Profit/ (loss) for the period	12,243	(39,324)	53,898	(135,901)	15,901	(26,121)	(15,427)	(26,397)
<b>Other comprehensive income</b>								
Other comprehensive income	8,207	(327)	56,759	5,446	-	-	-	-
<b>Other comprehensive income for the period, net of tax</b>	<b>20,450</b>	<b>(39,651)</b>	<b>110,657</b>	<b>(130,455)</b>	<b>15,901</b>	<b>(26,121)</b>	<b>(15,427)</b>	<b>(26,397)</b>
<b>Profit/(loss) attributable to:</b>								
Equity holders of the company	(2,407)	(30,002)	28,206	(142,540)	15,901	(26,121)	(15,427)	(26,397)
Non controlling interest	14,650	(9,322)	25,692	6,639	-	-	-	-
<b>Profit for the period</b>	<b>12,243</b>	<b>(39,324)</b>	<b>53,898</b>	<b>(135,901)</b>	<b>15,901</b>	<b>(26,121)</b>	<b>(15,427)</b>	<b>(26,397)</b>
<b>Total Comprehensive Income attributable to :</b>								
Owners of the company	5,800	(30,329)	84,965	(137,094)	15,901	(26,121)	(15,427)	(26,397)
Non controlling interest	14,650	(9,322)	25,692	6,639	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>20,450</b>	<b>(39,651)</b>	<b>110,657</b>	<b>(130,455)</b>	<b>15,901</b>	<b>(26,121)</b>	<b>(15,427)</b>	<b>(26,397)</b>

Note : The above figures for the nine months ended 31<sup>st</sup> December 2018 are provisional and subject to Audit.

Figures in brackets indicate deductions.

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**CEYLON HOTELS CORPORATION PLC**  
**STATEMENT OF FINANCIAL POSITION**



As at	Group			Company		
	31.12.2018 (Rs.'000')	31.12.2017 (Rs.'000')	31.03.2018 (Rs.'000')	31.12.2018 (Rs.'000')	31.12.2017 (Rs.'000')	31.03.2018 (Rs.'000')
<b>ASSETS</b>						
<b>Non - Current Assets</b>						
Property, plant & equipment	8,428,492	8,724,050	8,701,844	-	507	24
Intangible assets	37,752	486,990	515,508	-	-	-
Leasehold right over land	1,180	324,850	324,270	-	-	-
Investments in subsidiaries	-	-	-	909,348	909,648	909,348
Investments in equity accounted investees	1,004,926	422,288	459,548	329,497	302,788	329,497
Investment property	-	-	-	156,565	156,565	156,565
Deferred conversion fee	-	177,441	177,446	-	-	-
	<b>9,472,351</b>	<b>10,135,619</b>	<b>10,178,617</b>	<b>1,395,410</b>	<b>1,369,508</b>	<b>1,395,434</b>
<b>Current Assets</b>						
Inventories	104,206	94,042	81,890	-	-	-
Trade & other receivables	213,384	331,230	348,031	5,528	5,863	5,154
Amounts due from related companies	547,649	188,293	248,627	394,478	362,654	344,376
Income tax recoverable	1,356	-	1,287	-	-	-
Assets held for sale	86,178	86,178	86,178	86,178	86,178	86,178
Cash & cash equivalents	875,739	324,796	324,508	139	320	1,621
	<b>1,828,513</b>	<b>1,024,539</b>	<b>1,090,521</b>	<b>486,323</b>	<b>455,015</b>	<b>437,328</b>
<b>TOTAL ASSETS</b>	<b>11,300,864</b>	<b>11,160,158</b>	<b>11,269,138</b>	<b>1,881,733</b>	<b>1,824,523</b>	<b>1,832,763</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
Stated capital	362,611	370,326	362,611	362,611	370,325	362,611
Reserves	4,629,842	4,966,433	4,694,254	379,013	380,085	379,013
Accumulated profit /(loss)	1,497,058	1,267,351	1,347,682	137,321	156,839	152,747
<b>Total equity attributable to equityholders of the company</b>	<b>6,489,511</b>	<b>6,604,110</b>	<b>6,404,546</b>	<b>878,945</b>	<b>907,249</b>	<b>894,371</b>
Non controlling interest	2,120,598	2,151,773	2,112,496	-	-	-
	<b>2,120,598</b>	<b>2,151,773</b>	<b>2,112,496</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Equity</b>	<b>8,610,109</b>	<b>8,755,883</b>	<b>8,517,043</b>	<b>878,945</b>	<b>907,249</b>	<b>894,371</b>
<b>Non - Current Liabilities</b>						
Interest bearing borrowings	969,210	1,185,743	1,078,960	-	-	-
Employee benefits	18,578	19,454	16,541	6,525	5,929	6,535
Deferred tax liabilities	608,859	254,230	630,156	-	-	-
Lease rent equalisation account	-	69,014	69,016	-	-	-
	<b>1,596,647</b>	<b>1,528,441</b>	<b>1,794,672</b>	<b>6,525</b>	<b>5,929</b>	<b>6,535</b>
<b>Current Liabilities</b>						
Trade and other payables	362,657	327,994	273,110	9,397	17,667	9,180
Interest bearing borrowings due within one year	207,010	202,842	263,229	-	-	-
Non interest bearing borrowings due within one year	-	1,802	1,802	-	1,522	1,522
Amounts due to related companies	264,149	97,178	168,154	110,218	86,659	89,016
Related party interest bearing borrowings	-	-	-	854,670	805,249	830,526
Income tax payable	21,698	10,659	14,668	2,412	-	1,582
Bank overdrafts	238,594	235,360	236,459	19,567	248	31
	<b>1,094,108</b>	<b>875,835</b>	<b>957,423</b>	<b>996,263</b>	<b>911,345</b>	<b>931,857</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>11,300,864</b>	<b>11,160,158</b>	<b>11,269,138</b>	<b>1,881,733</b>	<b>1,824,523</b>	<b>1,832,763</b>
<b>Net Assets per Share (Rs.)</b>	36.05	36.68	35.57	4.88	5.04	4.97

Note : The above figures for the nine months ended 31<sup>st</sup> December 2018 are provisional and subject to Audit.  
Figures in brackets indicate deductions.  
All values are in Rupees Thousands unless otherwise stated.

I certify that the Financial Statements comply with the requirements of the Companies Act No. 07 of 2007.

Sgd.

.....  
**P Sivatheesh**  
Financial Controller  
Ceylon Hotels Corporation Group

Sgd.

.....  
**Lakshman Samarasinghe**  
Chairman

Sgd.

.....  
**Shalike Karunasena**  
Director

11<sup>th</sup> February 2019

**CEYLON HOTELS CORPORATION PLC**  
**STATEMENT OF CHANGES IN EQUITY - GROUP**



For the Period ended 31<sup>st</sup> December 2018

	Stated Capital (Rs.'000')	Capital Reserves (Rs.'000')	Revaluation Reserves (Rs.'000')	Translation Reserve (Rs.'000')	General Reserves (Rs.'000')	Accumulated Losses (Rs.'000')	Total (Rs.'000')	Minority Interest (Rs.'000')	Total Equity (Rs.'000')
<b>Balance as at 01<sup>st</sup> April 2017</b>	198,500	8,128	4,836,583	8,084	167,080	1,628,172	6,846,546	2,057,384	8,903,930
Profit / (loss) for the period	-	-	-	-	-	(56,213)	(56,213)	45,018	(11,195)
Other comprehensive income	-	-	(247,255)	3,141	-	829	(243,285)	(107,091)	(350,376)
<b>Total Comprehensive Income</b>	-	-	(247,255)	3,141	-	(55,384)	(299,498)	(62,073)	(361,571)
<b>Transaction with owners of the company, recognized directly in equity</b>									
Transfer to retained earnings	-	-	(71,514)	-	-	71,514	-	-	-
Effect of changes in holding percentage without change in control	-	-	(9,545)	(448)	-	(124,795)	(134,787)	134,787	-
Ordinary share dividend paid to minority	-	-	-	-	-	-	-	(17,591)	(17,591)
Script dividend paid	164,111	-	-	-	-	(171,825)	(7,715)	-	(7,715)
Dividends-(15% Cumulative preference shares)	-	-	-	-	-	-	-	(11)	(11)
<b>Total transaction with owners of the company</b>	164,111	-	(81,059)	(448)	-	(225,106)	(142,502)	117,185	(25,317)
<b>Balance as at 31<sup>st</sup> March 2018</b>	362,611	8,128	4,508,270	10,776	167,080	1,347,682	6,404,546	2,112,496	8,517,043
Profit / (loss) for the period	-	-	-	56,759	-	28,206	84,965	25,692	110,657
<b>Total Comprehensive Income</b>	-	-	-	56,759	-	28,206	84,965	25,692	110,657
<b>Transaction with owners of the company, recognized directly in equity</b>									
Transfer to retained earnings	-	-	(53,636)	(67,536)	-	121,171	-	-	-
Ordinary Share dividend paid to minority	-	-	-	-	-	-	-	(17,591)	(17,591)
<b>Total transaction with owners of the company</b>	-	-	(53,636)	(67,536)	-	121,171	-	(17,591)	(17,591)
<b>Balance as at 31<sup>st</sup> December 2018</b>	362,611	8,128	4,454,634	-	167,080	1,497,058	6,489,511	2,120,598	8,610,109

For the Period ended 31<sup>st</sup> December 2017

	Stated Capital (Rs.'000')	Capital Reserves (Rs.'000')	Revaluation Reserves (Rs.'000')	Translation Reserve (Rs.'000')	General Reserves (Rs.'000')	Accumulated Losses (Rs.'000')	Total Equity (Rs.'000')	Minority Interest (Rs.'000')	Total Equity (Rs.'000')
<b>Balance as at 01<sup>st</sup> April 2016</b>	1,220,426	8,128	4,759,319	(263)	167,080	(17,691)	6,136,999	1,639,046	7,776,044
Profit / (loss) for the period	-	-	-	-	-	(99,834)	(99,834)	52,294	(47,540)
Other comprehensive income	-	-	628,500	8,346	-	1,788	638,634	244,641	883,275
<b>Total Comprehensive Income</b>	-	-	628,500	8,346	-	(98,046)	538,800	296,935	835,735
<b>Transaction with owners of the company, recognized directly in equity</b>									
Transfer to/(from) Reserves	-	-	(173,189)	-	-	173,189	-	-	-
Effect of changes in holding percentage without change in control	-	-	(378,047)	-	-	548,794	170,748	166,743	337,490
Ordinary share dividend paid to minority	-	-	-	-	-	-	-	(45,301)	(45,301)
Reduction in stated capital	(1,021,925)	-	-	-	-	1,021,925	-	(38)	(38)
<b>Total transaction with owners of the company</b>	(1,021,925)	-	(551,236)	-	-	1,743,908	170,748	121,404	292,151
<b>Balance as at 31<sup>st</sup> March 2017</b>	198,501	8,128	4,836,583	8,084	167,080	1,628,171	6,846,546	2,057,384	8,903,930
Profit / (loss) for the period	-	-	-	5,446	-	(142,540)	(137,094)	6,639	(130,455)
<b>Total Comprehensive Income</b>	-	-	-	5,446	-	(142,540)	(137,094)	6,639	(130,455)
<b>Transaction with owners of the company, recognized directly in equity</b>									
Effect of changes in holding percentage without change in control	-	-	(10,003)	-	-	(95,339)	(105,342)	105,342	-
Transfer to / (from) Reserves	-	-	(48,884)	-	-	48,884	-	-	-
Script Dividend paid	171,825	-	-	-	-	(171,825)	-	-	-
Ordinary share dividend paid to minority	-	-	-	-	-	-	-	(17,593)	(17,593)
<b>Total transaction with owners of the company</b>	171,825	-	(58,887)	-	-	(218,280)	(105,342)	87,749	(17,593)
<b>Balance as at 31<sup>st</sup> December 2017</b>	370,326	8,128	4,777,696	13,530	167,080	1,267,351	6,604,110	2,151,773	8,755,883

Note : The above figures for the nine months ended 31<sup>st</sup> December 2018 are provisional and subject to Audit.

Figures in brackets indicate deductions.

All values are in Rupees Thousands unless otherwise stated.

**CEYLON HOTELS CORPORATION PLC**  
**STATEMENT OF CHANGES IN EQUITY - COMPANY**



For the Period ended 31<sup>st</sup> December 2018

	Stated Capital (Rs.'000')	Capital Reserves (Rs.'000')	Revaluation Reserves (Rs.'000')	AFS Reserve (Rs.'000')	General Reserves (Rs.'000')	Accumulated Losses (Rs.'000')	Total Equity (Rs.'000')
Balance as at 01 <sup>st</sup> April 2017	198,500	8,128	-	205,239	166,718	355,060	933,646
Profit / (loss) for the period	-	-	-	-	-	(30,340)	(30,340)
Actuarial gain / (loss)	-	-	-	(1,072)	-	(148)	(1,220)
<b>Total Comprehensive Income</b>	-	-	-	(1,072)	-	(30,488)	(31,560)
<b>Transaction with owners of the company, recognized directly in equity</b>							
Script dividend paid	164,111	-	-	-	-	(171,825)	(7,715)
<b>Total transaction with owners of the company</b>	164,111	-	-	-	-	(171,825)	(7,715)
Balance as at 31 <sup>st</sup> March 2018	362,611	8,128	-	204,167	166,718	152,747	894,371
Profit / (loss) for the period	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	-	-	(15,427)	(15,427)
Balance as at 31 <sup>st</sup> December 2018	362,611	8,128	-	204,167	166,718	137,321	878,945

For the Period ended 31<sup>st</sup> December 2017

	Stated Capital (Rs.'000')	Capital Reserves (Rs.'000')	Revaluation Reserves (Rs.'000')	AFS Reserve (Rs.'000')	General Reserves (Rs.'000')	Accumulated Losses (Rs.'000')	Total Equity (Rs.'000')
Balance as at 01 <sup>st</sup> April 2016	1,220,426	8,128	107,758	205,239	166,718	(1,021,957)	686,312
Net profit / (loss) for the period	-	-	-	-	-	247,606	247,606
<b>Other Comprehensive Income</b>							
Actuarial gain / (loss)	-	-	-	-	-	(273)	(273)
<b>Total Comprehensive Income</b>	-	-	-	-	-	247,334	247,334
<b>Transaction with owners of the company, recognized directly in equity</b>							
Transfer to retained earnings	-	-	(107,758)	-	-	107,758	-
Reduction in share capital	(1,021,926)	-	-	-	-	1,021,926	-
<b>Total transaction with owners of the company</b>	(1,021,926)	-	(107,758)	-	-	1,129,684	-
Balance as at 31 <sup>st</sup> March 2017	198,500	8,128	-	205,239	166,718	355,060	933,646
Profit / (Loss) for the Period	-	-	-	-	-	(26,397)	(26,397)
<b>Total Comprehensive Income</b>	-	-	-	-	-	(26,397)	(26,397)
<b>Transaction with owners of the company, recognized directly in equity</b>							
Script dividend paid	171,825	-	-	-	-	(171,825)	-
<b>Total transaction with owners of the company</b>	171,825	-	-	-	-	(171,825)	-
Balance as at 31 <sup>st</sup> December 2017	370,325	8,128	-	205,239	166,718	156,839	907,249

Note : The above figures for the nine months ended 31<sup>st</sup> December 2018 are provisional and subject to Audit.  
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**CEYLON HOTELS CORPORATION PLC**  
**STATEMENT OF CASH FLOWS**



For the Nine Months Ended 31 <sup>st</sup> December	Group		Company	
	2018 (Rs.'000')	2017 (Rs.'000')	2018 (Rs.'000')	2017 (Rs.'000')
<b>Net Profit /(loss) before taxation</b>	<b>69,550</b>	<b>(103,368)</b>	<b>(13,028)</b>	<b>(18,682)</b>
<b>Adjustments for:</b>				
Depreciation	138,308	139,567	24	159
Provision for gratuity	3,779	5,129	282	282
Finance cost	158,174	138,353	55,567	51,778
Share of results of equity accounted investee	122,849	(11,545)	-	-
Interest income	(120,355)	(5,526)	(13,177)	-
Amortization of leasehold right over land	1,771	8,790	-	-
Dividend received	-	-	-	(36,141)
Amotization of intangible assets	2,132	1,126	-	-
Loss on Disposal of Property, plant & equipment	7,153	254	-	-
Gain on disposal and de-recognition of investment in subsidiary	(186,650)	-	-	-
Other operating income	(8,799)	(800)	(34,535)	(3,490)
<b>Operating profit before working capital changes</b>	<b>187,912</b>	<b>171,980</b>	<b>(4,868)</b>	<b>(6,094)</b>
(Increase) / Decrease in Inventories	(22,316)	(9,850)	-	-
(Increase) / Decrease in Trade debtors & other receivables	134,577	33,289	(374)	1,386
(Increase)/ Decrease in Amounts due from related companies	(299,023)	(147,934)	(50,102)	(225,957)
Increase / (Decrease) in Trade creditors & other payables	15,223	(28,540)	217	7,499
Increase/ (Decrease) in amounts due to related companies	95,995	(64,443)	45,347	238,740
<b>Cash generated from operations</b>	<b>112,369</b>	<b>(45,498)</b>	<b>(9,780)</b>	<b>15,574</b>
Income tax paid	(22,727)	(52,197)	(1,569)	(7,838)
Finance expenses paid	(158,174)	(138,353)	(55,567)	(51,778)
Other operating income	8,799	800	34,535	3,490
Gratuity paid	(1,741)	(1,378)	(292)	(595)
<b>Net cash inflow from operating activities</b>	<b>(61,474)</b>	<b>(236,626)</b>	<b>(32,673)</b>	<b>(41,148)</b>
<b>Cash Flow from/(used in) Investing Activities</b>				
Acquisition of Property, Plant & Equipment	(33,422)	(141,242)	-	-
Acquisition of Leasehold rights over land	-	(34,289)	-	-
Net Sales proceed from disposal and de-recognition of investment in subsidiary	653,741	-	-	-
Dividend Income	-	-	-	36,141
Exchange equalization	56,759	(501)	-	-
Interest Received	120,355	5,526	13,177	-
Addition of Intangible Assets	(1,500)	(1,571)	-	-
<b>Net Cash flow from/(used in) investing activities</b>	<b>795,932</b>	<b>(172,077)</b>	<b>13,177</b>	<b>36,141</b>
<b>Net Cash Inflow/(Outflow) before financing activities</b>	<b>734,458</b>	<b>(408,703)</b>	<b>(19,496)</b>	<b>(5,007)</b>
<b>Cash Flow from/(used in) financing activities</b>				
Dividend paid to minority	(17,591)	(17,593)	-	-
Repayment / Increase in Interest bearing borrowings	(167,771)	513,409	(1,522)	-
<b>Net Cash flow from (used in) financing activities</b>	<b>(185,362)</b>	<b>495,816</b>	<b>(1,522)</b>	<b>-</b>
<b>Net Increase/(Decrease) in cash &amp; cash equivalents</b>	<b>549,095</b>	<b>87,114</b>	<b>(21,018)</b>	<b>(5,007)</b>
Net Cash & cash equivalents at the beginning of the period	88,050	2,322	1,590	5,078
<b>Net Cash &amp; cash equivalents as at 31<sup>st</sup> December</b>	<b>637,145</b>	<b>89,436</b>	<b>(19,428)</b>	<b>71</b>
<b>Analysis of net Cash &amp; cash equivalents as at 31<sup>st</sup> December</b>				
Cash & cash equivalents	875,739	324,796	139	320
Bank overdraft	(238,594)	(235,360)	(19,567)	(249)
<b>Net Cash &amp; cash equivalents as at 31<sup>st</sup> December</b>	<b>637,145</b>	<b>89,436</b>	<b>(19,428)</b>	<b>71</b>

Note : The above figures for the nine months ended 31<sup>st</sup> December 2018 are provisional and subject to Audit.

Figures in brackets indicate deductions.

All values are in Rupees Thousands unless otherwise stated.





**1) Basis of preparation**

The interim condensed financial statements have been prepared in compliance with Sri Lanka Accounting Standard (SLAS) LKAS 34-Interim Financial Reporting. These interim statements should be read in conjunction with the Annual financial statements for the year ended 31<sup>st</sup> March 2018.

The Accounting policies are in line with the policies published in the annual financial statements for the year ended 31<sup>st</sup> March 2018.

**2) Investment in Subsidiaries and Joint ventures**

The Kandy Hotels Company (1938) PLC, United Hotels Company Ltd, Tissa Resort (Pvt) Ltd, CHC Foods (Pvt) Ltd, Suisse Hotel (Pvt) Ltd, Ceylon Hotel Maldives (Pvt) Ltd, are subsidiaries of the company and Ceylon Holidays Holding (Pvt) Ltd, CHC Rest Houses (Pvt) Ltd, Suisse Hotel Kandy (Pvt) Ltd, are joint ventures for the CHC Group.

Handhuvaru Ocean Holidays (Pvt) Ltd was de-recognised from "Investment in Subsidiaries" to "Investment in Joint Venture" with effect from September 2018.

**3) Stated Capital**

The number of shares representing the stated capital is 180,030,942 ordinary shares and 1,200,000 of 6% non cumulative preference shares as at 31<sup>st</sup> December 2018.

**4) Operating Segment**

A segment is a distinguishable component of an enterprise that is engaged in either providing products or services (Business Segment) or in providing products or services within a particular economic environment (Geographical Segment), which is subject to risks & rewards that are different from those of the segment. However, there are no distinguishable components to be identified as segment for the company.

**5) Contingent Liabilities**

a) There have not been any significant changes in the nature of contingent liabilities which were disclosed in the annual report for the year ended 31<sup>st</sup> March 2018.

b) The Company has issued following Corporate Guarantees on behalf of its subsidiaries:

<u>Subsidiary</u>	<u>In favor of</u>	<u>Amount - Rs.'000</u>
Kandy Hotels Co (1938) PLC	Sampath Bank PLC	600,000
United Hotels Co Ltd	Commercial Bank PLC	75,000
United Hotels Co Ltd	Cargills Bank Ltd	350,000

**6) Finance income**

Finance income includes a gain on Foreign Currency translation amounting to Rs. 74.5 Mn on Groups' Fixed Deposits held in United State Dollars.

**7) Share of loss of equity accounted investees**

Share of loss of equity accounted investees for the Nine Months period ended 31st December 2018 includes, Foreign currency translation loss of Rs. 62.5 Mn on the USD Borrowings of the Joint Venture company - Suisse Hotel Kandy (Pvt) Ltd.

**8) Gain on derecognition of investment in subsidiary**

On 06<sup>th</sup> February 2018, Its Group Company Ceylon Hotels Maldives (Pvt) Ltd (CHML) entered into a Joint venture agreement with Zhen Hua Engineering Company Limited (ZHEC), a Group company of the China Harbor Engineering Co Ltd. In terms of aforesaid joint venture CHML & ZHEC have agreed to develop a 85 to 100 room resort on Ambara Island in the Maldives. The approximate investment in this regard will be USD 50 Million. Market announcement in this regard was made on 06<sup>th</sup> February 2018.

The conditions precedent set out in the Joint Venture Agreement was fulfilled during September 2018. Accordingly, the joint venture entity - Handhuvaru Ocean Holidays (Pvt) Ltd, which previously classified and recognized as a subsidiary of the CHC Group has now been reclassified and recognized as a Joint venture entity.

**9) Subsequent events**

There were no material events taken place after the Balance Sheet date which would require adjustments or disclosure in the Interim Financial Statement.

**CEYLON HOTELS CORPORATION PLC**  
**SHARE INFORMATION**



1. The Public Share Holding as at 31<sup>st</sup> December 2018- 28.62%.
2. Number of public share holders as at 31<sup>st</sup> December 2018 - 6,957.
3. Directors Share Holding as at 31<sup>st</sup> December 2018

Name of Director	Ledger	CDS	Total
Lakshman Samarasinghe - Chairman	137	5,453	5,590
Sanjeev Gardiner	Nil	Nil	Nil
Priyantha Maddumage	Nil	1	1
Kuvera De Zoysa	Nil	Nil	Nil
Mangala Boyagoda	Nil	Nil	Nil
Kamantha Amarasekera	Nil	Nil	Nil
Wasantha Wimalaweera	Nil	Nil	Nil
Ajith Devasurendra	Nil	Nil	Nil
Ranil Pathirana	Nil	Nil	Nil
Shalike Karunasena	Nil	Nil	Nil

4. Top 20 Ordinary Shareholders as at 31<sup>st</sup> December 2018

Name	Position	No of Shares	%
National Development Bank PLC/ Ceylon Hotels Holdings (Pvt) Ltd	1	60,245,919	33.46
Ceylon Hotel Holdings (Pvt) Ltd	2	37,994,096	21.10
Employees Provident Fund	3	21,519,334	11.95
Rosewood (Pvt) Limited- Account No. 1	4	18,763,003	10.42
Seylan Bank PLC/ARRC Capital (Pvt) Ltd (Collateral)	5	10,791,878	5.99
Seylan Bank Ltd/The Galle Face Hotel Co .Ltd	6	10,365,500	5.76
Bank of Ceylon - No 2 A/C	7	5,008,269	2.78
National Savings Bank	8	3,975,017	2.21
Associated Electrical Corporation Limited	9	1,053,883	0.59
Hotel International (Pvt) Ltd	10	1,048,230	0.58
Mrs. C.A.D.S. Woodward	11	757,708	0.42
Mr. K. N. Karunaratne	12	461,018	0.26
Sithlanka (Pvt) Ltd	13	447,706	0.25
Seylan Bank PLC/ARRC Capital (Pvt) Ltd	14	267,178	0.15
Sunshine Holdings PLC	15	234,662	0.13
Rockport Limited	16	192,855	0.11
Mr. D.F.G. Dalpethado	17	181,749	0.10
Mr. S. Abishek	18	148,572	0.08
Mr. S.M. Hassan Mohamed	19	139,146	0.08
Cocoshell Activated Carbon Co. Ltd	20	133,589	0.07
<b>Sub total</b>		<b>173,729,312</b>	<b>96.50</b>
Balance held by others		6,301,630	3.50
<b>Total number of shares</b>		<b>180,030,942</b>	<b>100.00</b>

5. Market Price per Share for the quarter ended 31<sup>st</sup> December 2018

	<b>2018</b>	2017
	<b>(Rs.)</b>	(Rs.)
Highest Market Price	<b>14.00</b>	19.50
Lowest Market Price	<b>11.00</b>	14.50
Last Traded Price	<b>12.00</b>	15.50

6. The float adjusted market capitalisation as at 31<sup>st</sup> December 2018 was Rs. 618,298,267/- with reference to the rule no. 7.6 (iv) of the listing rules of the Colombo Stock Exchange. As the float adjusted market capitalisation is less than Rs. 2.5 billion, Ceylon Hotels Corporation PLC complies under option 5 of the Listing Rules 7.13.1 (a) with the minimum public holding requirements.