

**Interim Financial Statement
Period Ended 30th June 2019**

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 30 th June		Three Months Ended 30 th June		Three Months Ended 30 th June		Three Months Ended 30 th June		Group
	2019 (Rs.'000')	2018 (Rs.'000')	2019 (Rs.'000')	2018 (Rs.'000')	2019 (Rs.'000')	2018 (Rs.'000')	2019 (Rs.'000')	2018 (Rs.'000')	%
Revenue (Note 04)	191,906	281,616	191,906	281,616	2,283	1,947	2,283	1,947	(32)
Cost of sales	(70,918)	(97,217)	(70,918)	(97,217)	(2,194)	(1,933)	(2,194)	(1,933)	27
Gross profit	120,988	184,399	120,988	184,399	89	13	89	13	(34)
Other income	4,755	263	4,755	263	1,184	-	1,184	-	1706
Distribution expenses	(9,755)	(16,861)	(9,755)	(16,861)	-	-	-	-	(42)
Administration expenses	(203,773)	(225,714)	(203,773)	(225,714)	(2,812)	(2,518)	(2,812)	(2,518)	(10)
Other operating expenses	(138)	(129)	(138)	(129)	-	-	-	-	0
Profit / (loss) from operations	(87,924)	(58,042)	(87,924)	(58,042)	(1,539)	(2,505)	(1,539)	(2,505)	51
Finance income	7,525	9,212	7,525	9,212	4,843	4,425	4,843	4,425	(18)
Finance cost	(62,115)	(52,714)	(62,115)	(52,714)	(20,481)	(18,552)	(20,481)	(18,552)	18
Net finance cost	(54,590)	(43,503)	(54,590)	(43,503)	(15,638)	(14,127)	(15,638)	(14,127)	25
Share of profit/(loss) of equity accounted investees, net of tax	(28,734)	(23,540)	(28,734)	(23,540)	-	-	-	-	22
Profit/ (loss) before taxation	(171,248)	(125,084)	(171,248)	(125,084)	(17,177)	(16,632)	(17,177)	(16,632)	(37)
Tax expense	3,112	(6,540)	3,112	(6,540)	-	-	-	-	(148)
Profit/(loss) for the period	(168,136)	(131,624)	(168,136)	(131,624)	(17,177)	(16,632)	(17,177)	(16,632)	(28)
Profit/(Loss) attributable to:									
Equity holders of the company	(137,922)	(109,363)	(137,922)	(109,363)	(17,177)	(16,632)	(17,177)	(16,632)	(26)
Non controlling interest	(30,213)	(22,261)	(30,213)	(22,261)	-	-	-	-	36
Profit for the period	(168,136)	(131,624)	(168,136)	(131,624)	(17,177)	(16,632)	(17,177)	(16,632)	(28)
Basic Earnings/(loss) per share (Rs.)	(0.77)	(0.64)	(0.77)	(0.64)	(0.10)	(0.10)	(0.10)	(0.10)	(20)

Note : The above figures for the period ended 30th June 2019 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 30 th June		Three Months Ended 30 th June		Three Months Ended 30 th June		Three Months Ended 30 th June	
	2019 (Rs. '000')	2018 (Rs. '000')	2019 (Rs. '000')	2018 (Rs. '000')	2019 (Rs. '000')	2018 (Rs. '000')	2019 (Rs. '000')	2018 (Rs. '000')
Profit/ (loss) for the period	(168,136)	(131,624)	(168,136)	(131,624)	(17,177)	(16,632)	(17,177)	(16,632)
Other comprehensive income								
Items that will never be reclassified to profit or loss								
Other comprehensive income	-	-	-	-	-	-	-	-
Items that are or may be reclassified to profit or loss								
Effect of translation of foreign operations	(56,759)	4,434	-	9,880	-	-	-	-
Total comprehensive income for the period, net of tax	(224,895)	(127,190)	(168,136)	(121,744)	(17,177)	(16,632)	(17,177)	(16,632)
Profit/(loss) attributable to:								
Equity holders of the company	(112,230)	(122,302)	(137,922)	(109,363)	(17,177)	(16,632)	(17,177)	(16,632)
Non controlling interest	(55,906)	(9,322)	(30,213)	(22,261)	-	-	-	-
Profit for the period	(168,136)	(131,624)	(168,136)	(131,624)	(17,177)	(16,632)	(17,177)	(16,632)
Total Comprehensive Income attributable to :								
Owners of the company	(168,989)	(117,868)	(137,922)	(99,483)	(17,177)	(16,632)	(17,177)	(16,632)
Non controlling interest	(55,906)	(9,322)	(30,213)	(22,261)	-	-	-	-
Total comprehensive income for the period	(224,895)	(127,190)	(168,136)	(121,744)	(17,177)	(16,632)	(17,177)	(16,632)

Note : The above figures for the period ended 30th June 2019 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 FINANCIAL POSITION



As at	Group			Company		
	30.06.2019 (Rs.'000')	30.06.2018 (Rs.'000')	31.03.2019 (Rs.'000')	30.06.2019 (Rs.'000')	30.06.2018 (Rs.'000')	31.03.2019 (Rs.'000')
ASSETS						
Non - Current Assets						
Property, plant & equipment	8,356,962	8,665,378	8,384,654	32	8	35
Intangible assets	30,966	509,283	32,507	-	-	-
Leasehold right over land	-	331,421	590	-	-	-
Investments in subsidiaries	-	-	-	909,348	909,348	909,348
Investments in joint venture	999,790	457,187	1,028,524	329,497	329,497	329,497
Investment property	-	-	-	146,760	156,565	146,760
Deferred conversion fee	-	181,717	-	-	-	-
	9,387,717	10,144,986	9,446,275	1,385,638	1,395,418	1,385,640
Current Assets						
Inventories	81,825	85,429	88,739	-	-	-
Trade & other receivables	146,881	306,350	278,475	4,609	5,900	9,712
Amounts due from related companies	763,604	275,672	735,860	407,607	343,402	362,169
Income tax recoverable	1,356	-	1,356	-	-	-
Assets held for sale	86,178	75,172	86,178	86,178	86,178	86,178
Short term investments	450,217	-	-	-	-	-
Cash & cash equivalents	387,821	251,748	832,200	1,572	1,620	24
	1,917,882	994,371	2,022,808	499,967	437,100	458,083
TOTAL ASSETS	11,305,599	11,139,357	11,469,082	1,885,604	1,832,518	1,843,723
EQUITY AND LIABILITIES						
Equity						
Stated capital	362,611	362,611	362,611	362,611	362,611	362,611
Reserves	4,626,715	4,686,256	4,645,033	379,013	379,013	379,013
Accumulated profit /(loss)	1,575,891	1,251,067	1,692,416	90,736	126,156	107,912
Total equity attributable to equityholders of the company	6,565,217	6,299,934	6,700,060	832,359	867,780	849,536
Non controlling interest	1,900,208	2,090,235	1,932,259	-	-	-
	1,900,208	2,090,235	1,932,259	-	-	-
Total Equity	8,465,425	8,390,169	8,632,318	832,359	867,780	849,536
Non - Current Liabilities						
Interest bearing borrowings more than one year	1,239,308	1,124,796	807,375	-	-	-
Employee benefits	19,214	18,123	18,270	6,999	6,629	7,000
Deferred tax liabilities	623,970	632,124	621,788	-	-	-
Lease rent equalisation account	-	82,680	-	-	-	-
Lease liability more than one year	22,386	-	-	-	-	-
	1,904,877	1,857,723	1,447,433	6,999	6,629	7,000
Current Liabilities						
Trade and other payables	253,667	304,983	292,674	10,337	10,578	9,209
Lease liability within one year	5,736	-	-	-	-	-
Interest bearing borrowings due within one year	66,480	167,284	274,392	-	-	-
Non interest bearing borrowings due within one year	-	1,802	-	-	1,522	-
Amounts due to related companies	171,647	203,878	188,411	101,809	93,629	90,809
Contract Liabilities	10,556	4,872	4,331	-	-	-
Related party interest bearing borrowings	-	-	-	934,086	848,933	886,348
Income tax payable	11,106	7,392	8,408	14	1,582	13
Bank overdrafts	416,105	201,254	621,115	-	1,865	806
	935,297	891,465	1,389,331	1,046,246	958,109	987,186
TOTAL EQUITY AND LIABILITIES	11,305,599	11,139,357	11,469,082	1,885,604	1,832,518	1,843,723
Net Assets per Share (Rs.)	36.47	34.99	37.22	4.62	4.82	4.72

Note : The above figures for the period ended 30th June 2019 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.

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P Sivatheesh

Financial Controller

Ceylon Hotels Corporation Group

Sgd.

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Lakshman Samarasinghe

Chairman

Sgd.

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Shalike Karunasena

Director

09th August 2019

CEYLON HOTELS CORPORATION PLC
STATEMENT OF CHANGES IN EQUITY - COMPANY



For the Period ended 30th June 2019

	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 01st April 2018	362,611	8,128	-	204,167	166,718	142,788	884,412
Profit / (loss) for the year	-	-	-	-	-	(36,046)	(36,046)
Other comprehensive income	-	-	-	-	-	1,171	1,171
Total Comprehensive Income	-	-	-	-	-	(34,875)	(34,875)
Balance as at 31st March 2019	362,611	8,128	-	204,167	166,718	107,912	849,536
Profit / (loss) for the year	-	-	-	-	-	(17,177)	(17,177)
Total Comprehensive Income	-	-	-	-	-	(17,177)	(17,177)
Balance as at 30th June 2019	362,611	8,128	-	204,167	166,718	90,736	832,359

For the Period ended 30th June 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 01st April 2017	198,500	8,128	-	205,239	166,718	355,060	933,645
Profit / (loss) for the year	-	-	-	-	-	(30,340)	(30,340)
Other Comprehensive Income							
Other comprehensive income	-	-	-	(1,072)	-	(148)	(1,220)
Total Comprehensive Income	-	-	-	(1,072)	-	(30,488)	(31,560)
Transaction with owners of the company, recognized directly in equity							
Script dividend paid	164,111	-	-	-	-	(171,825)	(7,715)
Total transaction with owners of the company	164,111	-	-	-	-	(171,825)	(7,715)
Balance as at 31st March 2018	362,611	8,128	-	204,167	166,718	152,747	894,371
Adjustment on initial application of SLFRS 09	-	-	-	-	-	(9,959)	(9,959)
Adjusted Balance as at 01st April 2018	362,611	8,128	-	204,167	166,718	142,788	884,412
Profit / (Loss) for the period	-	-	-	-	-	(16,632)	(16,632)
Other comprehensive income	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	-	-	(16,632)	(16,632)
Balance as at 30th June 2018	362,611	8,128	-	204,167	166,718	126,156	867,780

Note : The above figures for the period ended 30th June 2019 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 - GROUP



For the Period ended 30th June 2019

	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')
Adjusted Balance as at 01st April 2018	362,611	8,128	4,508,270	10,776	167,080	1,342,552	6,399,417	2,112,496	8,511,913
Profit / (loss) for the year	-	-	-	-	-	205,718	205,718	4,995	210,713
Other comprehensive income	-	-	-	78,045	-	(194)	77,850	20,934	98,784
Total Comprehensive Income	-	-	-	78,045	-	205,524	283,569	25,929	309,497
Transaction with owners of the company, recognized directly in equity									
Transfer to retained earnings	-	-	(69,230)	-	-	69,230	-	-	-
Ordinary share dividend paid to minority	-	-	-	-	-	-	-	(17,591)	(17,591)
Dividends-(15% Cumulative preference shares)	-	-	-	-	-	-	-	(11)	(11)
Disposal of subsidiary	-	-	-	(58,036)	-	75,110	17,074	(188,564)	(171,490)
Total transaction with owners of the company	-	-	(69,230)	(58,036)	-	144,340	17,074	(206,166)	(189,092)
Balance as at 31st March 2019	362,611	8,128	4,439,040	30,785	167,080	1,692,416	6,700,060	1,932,259	8,632,318
Adjustment on initial application of SLFRS 16	-	-	-	-	-	3,079	3,079	(1,837)	1,242
Adjusted Balance as at 01st April 2019	362,611	8,128	4,439,040	30,785	167,080	1,695,495	6,703,139	1,930,422	8,633,561
Profit / (loss) for the year	-	-	-	-	-	(137,922)	(137,922)	(30,213)	(168,136)
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	-	-	(137,922)	(137,922)	(30,213)	(168,136)
Transaction with owners of the company, recognized directly in equity									
Transfer to retained earnings	-	-	(18,319)	-	-	18,319	-	-	-
Total transaction with owners of the company	-	-	(18,319)	-	-	18,319	-	-	-
Balance as at 30th June 2019	362,611	8,128	4,420,722	30,785	167,080	1,575,891	6,565,217	1,900,208	8,465,425

For the Period ended 30th June 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 Equity (Rs.'000')	Minority Interest (Rs.'000')	Total Equity (Rs.'000')
Balance as at 01st April 2017	198,500	8,128	4,836,583	8,084	167,080	1,628,172	6,846,546	2,057,384	8,903,931
Profit / (loss) for the year	-	-	-	-	-	(56,213)	(56,213)	45,018	(11,195)
Other comprehensive income	-	-	(247,255)	3,141	-	829	(243,285)	(107,091)	(350,376)
Total Comprehensive Income	-	-	(247,255)	3,141	-	(55,384)	(299,498)	(62,073)	(361,571)
Transaction with owners of the company, recognized directly in equity									
Transfer to/(from) Reserves	-	-	(71,514)	-	-	71,514	-	-	-
Effect of changes in holding percentage without change in control	-	-	(9,545)	(448)	-	(124,795)	(134,787)	134,787	-
Script dividend paid	164,111	-	-	-	-	(171,825)	(7,715)	-	(7,715)
Ordinary share dividend paid to minority	-	-	-	-	-	-	-	(17,591)	(17,591)
Dividends-(15% Cumulative preference shares)	-	-	-	-	-	-	-	(11)	(11)
Total transaction with owners of the company	164,111	-	(81,059)	(448)	-	(225,106)	(142,502)	117,185	(25,317)
Balance as at 31st March 2018	362,611	8,128	4,508,270	10,776	167,080	1,347,682	6,404,547	2,112,496	8,517,043
Adjustment on initial application of SLFRS 09	-	-	-	-	-	(5,130)	(5,130)	-	(5,130)
Adjusted Balance as at 01st April 2018	362,611	8,128	4,508,270	10,776	167,080	1,342,552	6,399,417	2,112,496	8,511,913
Profit / (loss) for the year	-	-	-	-	-	(109,363)	(109,363)	(22,261)	(131,624)
Other comprehensive income	-	-	-	9,880	-	-	9,880	-	9,880
Total Comprehensive Income	-	-	-	9,880	-	(109,363)	(99,483)	(22,261)	(121,744)
Transaction with owners of the company, recognized directly in equity									
Transfer to retained earnings	-	-	(17,879)	-	-	17,879	-	-	-
Total transaction with owners of the company	-	-	(17,879)	-	-	17,879	-	-	-
Balance as at 30th June 2018	362,611	8,128	4,490,392	20,656	167,080	1,251,067	6,299,934	2,090,235	8,390,169

Note : The above figures for the period ended 30th June 2019 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 CASH FLOWS



For the Period Ended 30 th June	Group		Company	
	2019 (Rs. '000')	2018 (Rs. '000')	2019 (Rs. '000')	2018 (Rs. '000')
Net Profit /(loss) before taxation	(171,248)	(125,084)	(17,177)	(16,632)
Adjustments for:				
Depreciation on property, plant and equipment	48,174	47,182	3	16
Provision for retiring gratuity	1,407	1,583	94	94
Finance cost	62,115	52,714	20,481	18,552
Share of results of equity accounted investee	28,734	23,540	-	-
Interest income	(7,525)	(9,212)	(4,843)	(4,425)
Amortization of leasehold right over land	590	4,163	-	-
Amortization of intangible assets	2,852	1,483	-	-
Profit / (loss) on disposal of property, plant & equipment	-	129	-	-
Net Impact from SLFRS 16	1,271	-	-	-
Net Impairment for ECL impact under SLFRS 09	(828)	-	506	-
Other operating income	(4,755)	(263)	(1,184)	-
Operating profit before working capital changes	(39,214)	(3,765)	(2,120)	(2,395)
(Increase) / Decrease in Inventories	6,914	(3,538)	-	-
(Increase) / Decrease in Trade debtors & other receivables	131,594	32,280	5,103	(746)
(Increase)/ Decrease in Amounts due from related companies	(26,915)	(27,046)	(45,945)	(8,986)
Increase / (Decrease) in Trade creditors & other payables	(12,512)	56,853	1,128	1,398
Increase/ (Decrease) in amounts due to related companies	(16,764)	33,723	58,738	4,613
Cash generated from operations	43,103	88,507	16,904	(6,115)
Income tax paid	(500)	(10,560)	-	-
Finance expenses paid	(62,115)	(52,714)	(20,481)	(18,552)
Other operating income	4,755	263	1,184	-
Gratuity paid	(463)	-	(96)	-
Net cash inflow from operating activities	(15,221)	25,496	(2,488)	(24,667)
Cash Flow from/(used in) Investing Activities				
Acquisition of property, plant & equipment	(8,049)	(10,842)	-	-
Interest Received	7,525	9,212	4,843	4,425
Exchange equalation	2,573	(11,314)	-	-
Net Cash flow from/(used in) investing activities	2,049	(12,945)	4,843	4,425
Net Cash Inflow/(Outflow) before financing activities	(13,172)	12,552	2,354	(20,242)
Cash Flow from/(used in) financing activities				
Repayment / Increase in Interest bearing borrowings	224,021	(50,108)	-	18,407
Net Cash flow from (used in) financing activities	224,021	(50,108)	-	18,407
Net Increase/(Decrease) in cash & cash equivalents	210,849	(37,555)	2,354	(1,834)
Net Cash & cash equivalents at the beginning of the period	211,084	88,049	(782)	1,589
Net Cash & cash equivalents as at 30th June	421,933	50,494	1,572	(245)
Analysis of net Cash & cash equivalents as at 30th June				
Cash & cash equivalents	838,038	251,748	1,572	1,620
Bank overdraft	(416,105)	(201,254)	-	(1,865)
Net Cash & cash equivalents as at 30th June	421,933	50,494	1,572	(245)

Note : The above figures for the period ended 30th June 2019 are provisional and subject to Audit.
 Figures in brackets indicate deductions.
 All values are in Rupees Thousands unless otherwise stated.

CEYLON HOTELS CORPORATION PLC
NOTES TO INTERIM FINANCIAL STATEMENTS



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 31st March 2019.

2) Accounting Policies

The Accounting policies are in line with the policies published in the annual financial statements for the year ended 31st March 2019, except for the adoption of new standards effective as of 01st April 2019. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3) New accounting standards and interpretations

SLFRS 16 - Leases

SLFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company recognizes a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items.

Transition to SLFRS 16

The Company has initially applied SLFRS 16 from 01 April 2019 using the modified retrospective approach. Therefore, the cumulative effect of adopting SLFRS 16 was recognized as an adjustment to the opening balance of Retained Earnings at 01 April 2019, with no restatement of comparative information.

The following table summarizes the impact of transition to SLFRS 16 - “Leases” as at 01 April 2019.

	Rs.'000
Assets	
Right-of-use assets	13,340
Impact to Total Assets	<u><u>13,340</u></u>
Equity	
Retained earnings	1,242
	<u>1,242</u>
Liabilities	
Existing Lease Liability	(15,148)
Lease Liability as per SLFRS 16	27,245
	<u>12,097</u>
Impact to Total Equity & Liabilities	<u><u>13,340</u></u>

Right of use Assets & Lease Liabilities

The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

Impact for the period

As a result of applying SLFRS 16, the Group recognised Rs. 0.68 Mn of amortisation charges and Rs. 1.25 Mn of interest costs during the three months ended 30th June 2019 in the income statement. Therefore, the total impact on the income statement due to the application of this standard during the quarter is Rs. 1.93 Mn.

4) Revenue

The group has recorded a drop in revenue of 32% during the quarter ended 30th June 2019. The primary reason for the decline in revenue is due to the challenging industry conditions faced in the immediate aftermath of the Eater Attacks on the 21st April 2019. Properties of the group witnessed low occupancy rates and low average daily room rates during the quarter due to the heightened security concerns, where overall tourist arrivals to the country declined by 7.5% in April 2019, 70.8% in May 2019, followed by a 57.0% drop in June 2019.

5) 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 and Handhuvaru Ocean Holidays (Pvt) Ltd are joint ventures for the CHC Group.

6) 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 30th June 2019.

7) 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.



8) 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 31st March 2019.

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	595,000
United Hotels Co Ltd	Commercial Bank PLC	75,000
United Hotels Co Ltd	Cargills Bank Ltd	692,000
Kandy Hotels Co (1938) PLC	Commercial Bank	114,000

<u>Subsidiary</u>	<u>In favor of</u>	<u>Amount - USD '000</u>
United Hotels Co Ltd	Cargills Bank Ltd	120

9) Related Party Transactions

The company carries out transactions in the ordinary course of its business and are at arm's length price with parties who are defined as related parties in LKAS 24 the details of which are reported below.

For the quarter ended 30th June	Company	
	2019	2018
In LKR '000		
i) Transactions with Subsidiary Companies		
The Kandy Hotels Company (1938) PLC (KHCL)		
Expenses paid by company on behalf of KHCL	1,638	5,211
Interest Charged by KHCL	18,779	18,469
Temporary advances paid	1,919	-
United Hotels Company Ltd (UHCL)		
Temporary advance from UHCL	16,800	-
Expenses paid by company on behalf of UHCL	9,480	4,620
Settlement of Expenses paid by company on behalf of UHCL	6,833	4,923
CHC Foods (Pvt) Ltd		
Temporary advance from CHC to CHC Food	5,500	-
Expenses paid by CHC on behalf of CHC Foods	3,682	600
Settlement of Expenses paid by CHC on behalf of CHC Foods	692	775
Tissa Resort (Pvt) Ltd		
Temporary advance to Tissa Resort (Pvt) Ltd	1,000	3,500
Expenses paid by CHC on behalf of Tissa Resort	1,580	1,154
Settlement of Expenses paid by CHC on behalf of Tissa	1,713	1,261
ii) Transactions with Joint Venture Companies		
CHC Rest Houses (Pvt) Ltd (CHC RH)		
Temporary advance to CHC RH	1,500	-
Expenses paid by CHC on behalf of CHC RH	1,783	-
Settlement of Expenses paid by CHC on behalf of CHC RH	1,475	-
Ceylon Holiday Holdings (Pvt) Ltd		
Temporary advance to Ceylon Holidays Holdings	6,750	1,650
iii) Transactions with Affiliate company		
Ceylon Hotels Holdings (Pvt) Ltd (CHH)		
Interest charged by company	4,843	4,425
Funds Transferred to CHH	8,527	-

Non recurrent Related Party Transactions

There are no non-recurrent related party transactions for the period ended 30th June 2019.

10) Interest bearing loans & borrowings

Companies of the group received a capital and interest moratorium (from April 2019 to March 2020) on the existing term loan and overdrafts in accordance with the financial relief package announced by the Government to the Tourism industry.

Accordingly there will be no capital repayment due within the 12 months period from April 2019 to March 2020.

11) 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 30th June 2019 - 51,531,383 (28.62%).
2. Number of public share holders as at 30th June 2019 - 6,951.
3. Directors Share Holding as at 30th June 2019

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

4. Top 20 Ordinary Shareholders as at 30th June 2019

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	500,059	0.28
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
Mr. D.F.G. Dalpethado	16	196,501	0.11
Rockport Limited	17	192,855	0.11
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
Sub total		173,783,105	96.53
Balance held by others		6,247,837	3.47
Total number of shares		180,030,942	100.00

5. Market Price per Share for the quarter ended 30th June 2019

	2019 (Rs.)	2018 (Rs.)
Highest Market Price	12.00	16.50
Lowest Market Price	8.50	12.50
Last Traded Price	10.60	13.20

6. The float adjusted market capitalisation as at 30th June 2019 was Rs. 546,232,659/- 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.