

**Interim Condensed Financial Statements  
Three Months Ended 30th June 2022**

**The Kandy Hotels Company (1938) PLC**  
A Member of the Galle Face Group

# **The Kandy Hotels Company (1938) PLC**

## **CORPORATE INFORMATION**

### **Stock Exchange Listing**

The Ordinary Shares of the Company are listed on the  
Colombo Stock Exchange of Sri Lanka

### **Directors**

Sanjeev Gardiner - Chairman  
Charitha Ratwatte  
Lakshman Samarasinghe  
Priyantha Maddumage  
Ranjith Gunatilleke  
Nahil Wijesuriya  
Chandra Mohotti  
Nilanga Dela  
Shalike Karunasena (Alternate Director to Mr. Priyantha Maddumage)

### **Secretaries**

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

### **Auditors**

Ernst & Young  
Chartered Accountants  
839/2, Peradeniya Road, Kandy

### **Registered Office**

The Kandy Hotels Company (1938) PLC  
No. 327, Union Place, Colombo 02  
Company Registration No. PQ 201

### **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.queenshotel.lk](http://www.queenshotel.lk)/[www.hotelsuisse.lk](http://www.hotelsuisse.lk)

**THE KANDY HOTELS COMPANY (1938) PLC**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Group		Company		Variance Group %
	Three Months Ended 30th June		Three Months Ended 30th June		
	2022 Rs. '000'	2021 Rs. '000'	2022 Rs. '000'	2021 Rs. '000'	
<b>Revenue</b>	61,306	29,135	61,306	29,135	110%
Cost of sales	(32,305)	(15,584)	(32,305)	(15,584)	107%
<b>Gross profit</b>	29,002	13,551	29,002	13,551	114%
Administrative expenses	(50,157)	(34,329)	(50,081)	(34,199)	46%
Selling & distribution expenses	(2,839)	(515)	(2,839)	(515)	451%
<b>Results from operating activities</b>	<b>(23,994)</b>	<b>(21,293)</b>	<b>(23,918)</b>	<b>(21,163)</b>	13%
Finance expenses	(24,731)	(13,280)	(24,731)	(13,280)	86%
Finance income	27,239	18,085	27,239	18,085	51%
Net finance income	2,508	4,805	2,508	4,805	-48%
Share of loss of Joint venture	-	(17,801)	-	-	0%
<b>Loss before taxation</b>	<b>(21,486)</b>	<b>(34,289)</b>	<b>(21,411)</b>	<b>(16,358)</b>	-78%
Income tax	(6,536)	3,219	(6,536)	3,219	-303%
<b>Loss for the period</b>	<b>(28,023)</b>	<b>(31,070)</b>	<b>(27,947)</b>	<b>(13,139)</b>	-23%
Other comprehensive income	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for the period, net of tax</b>	<b>(28,023)</b>	<b>(31,070)</b>	<b>(27,947)</b>	<b>(13,139)</b>	-23%
<b>Losses per share for the period (Rs.)</b>	<b>(0.05)</b>	<b>(0.05)</b>	<b>(0.05)</b>	<b>(0.02)</b>	

Entire profit and total comprehensive income is attributable to equity holders of the parent.

Note : The above figures for the twelve months ended 30th June 2022 are provisional and subject to Audit.  
 Figures in brackets indicate deductions.

All values are in Rupees Thousands unless otherwise stated.

**THE KANDY HOTELS COMPANY (1938) PLC**  
**STATEMENT OF FINANCIAL POSITION**

As at	Group			Company		
	30.06.2022 Rs. '000'	30.06.2021 Rs. '000'	31.03.2022 Rs. '000'	30.06.2022 Rs. '000'	30.06.2021 Rs. '000'	31.03.2022 Rs. '000'
<b>ASSETS</b>						
<b>Non Current Assets</b>						
Property, plant & equipment	8,556,792	7,445,653	8,572,371	8,556,792	7,445,653	8,572,371
Intangible assets	10,919	15,606	12,086	10,919	15,606	12,086
Investment in subsidiary	-	-	-	176,421	352,843	176,421
Investment in joint venture	-	90,183	-	-	-	-
Investment in equity securities	600,000	525,000	600,000	600,000	525,000	600,000
	<b>9,167,711</b>	<b>8,076,442</b>	<b>9,184,456</b>	<b>9,344,132</b>	<b>8,339,102</b>	<b>9,360,877</b>
<b>Current Assets</b>						
Inventories	35,774	33,838	33,685	35,774	33,838	33,685
Trade and other receivables	28,770	45,809	30,816	28,770	45,809	30,816
Amounts due from related parties	1,206,443	1,088,998	1,167,916	1,206,443	1,088,998	1,167,916
Cash and cash equivalents	2,672	61,592	21,250	2,917	61,563	21,250
	<b>1,273,659</b>	<b>1,230,237</b>	<b>1,253,667</b>	<b>1,273,904</b>	<b>1,230,208</b>	<b>1,253,667</b>
<b>TOTAL ASSETS</b>	<b>10,441,370</b>	<b>9,306,679</b>	<b>10,438,123</b>	<b>10,618,036</b>	<b>9,569,310</b>	<b>10,614,544</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
Stated capital	16,750	16,750	16,750	16,750	16,750	16,750
Reserves	7,812,483	6,870,055	7,834,303	7,684,416	6,751,363	7,706,237
Retained earnings	811,828	824,125	818,039	1,117,049	1,206,066	1,123,185
<b>Total Equity</b>	<b>8,641,060</b>	<b>7,710,930</b>	<b>8,669,093</b>	<b>8,818,215</b>	<b>7,974,179</b>	<b>8,846,172</b>
<b>Non-Current Liabilities</b>						
Interest bearing borrowings	557,187	545,691	527,787	557,187	545,691	527,787
Retirement benefit obligations	3,968	5,173	3,802	3,968	5,173	3,802
Deferred taxation	860,394	730,454	860,394	860,394	730,454	860,394
Government grants	-	-	-	-	-	-
	<b>1,421,548</b>	<b>1,281,318</b>	<b>1,391,982</b>	<b>1,421,548</b>	<b>1,281,318</b>	<b>1,391,982</b>
<b>Current Liabilities</b>						
Interest bearing borrowings	245,966	168,551	258,929	245,966	168,551	258,739
Trade and other payables	92,782	92,886	82,947	92,652	92,527	82,838
Amounts due to related companies	14,126	30,781	15,487	13,768	30,521	15,130
Contract liabilities	8,068	4,761	8,401	8,068	4,761	8,401
Income tax payable	14,529	17,426	7,993	14,529	17,426	7,993
Government grants	3,289	-	3,289	3,289	-	3,289
Bank overdrafts	-	25	-	-	25	-
	<b>378,760</b>	<b>314,430</b>	<b>377,047</b>	<b>378,272</b>	<b>313,811</b>	<b>376,390</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>10,441,370</b>	<b>9,306,679</b>	<b>10,438,123</b>	<b>10,618,036</b>	<b>9,569,310</b>	<b>10,614,544</b>
<b>Net Assets per Share (Rs.)</b>	<b>14.96</b>	<b>13.35</b>	<b>15.01</b>	<b>15.27</b>	<b>13.81</b>	<b>15.32</b>

Note : The above figures for the date of 30th June 2022 are provisional and subject to Audit.  
All values are in Rupees Thousands unless otherwise stated.

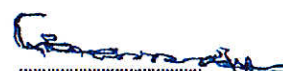
I certify that the Financial Statements comply with the requirements of the Companies Act No 07 of 2007.

  
Nilani De Silva  
Financial Controller

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Approved & signed for and on behalf of the Board,

  
Sanjeev Gardiner  
Chairman

  
Lakshman Samarasinghe  
Director

15th August 2022

**THE KANDY HOTELS COMPANY (1938) PLC**  
**STATEMENT OF CHANGES IN EQUITY**

Period ended 30th June 2022

Group

	Stated Capital Rs. '000'	FVOCI Reserve Rs. '000'	Revaluation Reserves Rs. '000'	Retained Earnings Rs. '000'	Total Equity Rs. '000'
<b>Balance as at 01st April 2020</b>	16,750	(75,000)	6,954,430	1,013,870	7,910,050
Loss for the period	-	-	-	(167,524)	(167,524)
<b>Other comprehensive income</b>					
Actuarial gain/(loss) on retirement benefit obligation net of tax	-	-	-	(606)	(606)
Share of other comprehensive income attributable to joint venture	-	-	-	88	88
<b>Total comprehensive income/(loss) for the period</b>	-	-	-	(168,042)	(168,042)
<b>Transaction with owners of the company</b>					
Dividends-(15% Cumulative preference shares)	-	-	-	(8)	(8)
<b>Total transaction with owners of the company</b>	-	-	-	(8)	(8)
<b>Balance as at 31st March 2021</b>	16,750	(75,000)	6,954,430	845,820	7,742,000
Loss for the period	-	-	-	(31,070)	(31,070)
<b>Total comprehensive loss for the period</b>	-	-	-	(31,070)	(31,070)
Transfer to retained earnings	-	-	(9,375)	9,375	-
<b>Balance as at 30th June 2021</b>	16,750	(75,000)	6,945,055	824,125	7,710,930

<b>Balance as at 01st April 2021</b>	16,750	(75,000)	6,890,579	909,469	7,741,798
Loss for the period	-	-	-	(154,280)	(154,280)
<b>Other comprehensive income</b>					
Revaluation of property , plant and equipment (net of tax)	-	-	1,007,575	-	1,007,575
Actuarial loss on defined benefit plans (net of tax)	-	-	-	(963)	(963)
Changes in equity instruments designated at FVTOCI	-	75,000	-	-	75,000
<b>Total comprehensive loss for the period</b>	-	75,000	1,007,575	(155,243)	927,332
<b>Transaction with owners of the company</b>					
Transfer to retained earnings	-	-	(63,851)	63,851	-
Dividends-(15% Cumulative preference shares)	-	-	-	(38)	(38)
<b>Total transaction with owners of the company</b>	-	-	(63,851)	63,813	(38)
<b>Balance as at 31st March 2022</b>	16,750	-	7,834,303	818,039	8,669,093
Loss for the period	-	-	-	(28,023)	(28,023)
<b>Total comprehensive loss for the period</b>	-	-	-	(28,023)	(28,023)
<b>Transaction with owners of the company</b>					
Transfer to retained earnings	-	-	(21,821)	21,821	-
Dividends-(15% Cumulative preference shares)	-	-	-	(9)	(9)
<b>Total transaction with owners of the company</b>	-	-	(21,821)	21,811	(9)
<b>Balance as at 30th June 2022</b>	16,750	-	7,812,483	811,828	8,641,061

**THE KANDY HOTELS COMPANY (1938) PLC**  
**STATEMENT OF CHANGES IN EQUITY**

Period ended 30th June 2022

Company

	Stated Capital Rs. '000'	FVOCI Reserve Rs. '000'	Revaluation Reserves Rs. '000'	Retained Earnings Rs. '000'	Total Equity Rs. '000'
<b>Balance as at 01st April 2020</b>	16,750	(75,000)	6,826,363	1,272,721	8,040,834
Loss for the period	-	-	-	(52,901)	(52,901)
<b>Other comprehensive income</b>					
Actuarial gain/(loss) on retirement benefit obligation net of tax	-	-	-	(606)	(606)
<b>Total comprehensive loss for the period</b>	-	-	-	(53,507)	(53,507)
<b>Transaction with owners of the company</b>					
Dividends-(15% Cumulative preference shares)	-	-	-	(8)	(8)
<b>Total transaction with owners of the company</b>	-	-	-	(8)	(8)
<b>Balance as at 31st March 2021</b>	16,750	(75,000)	6,826,363	1,219,205	7,987,318
Loss for the period	-	-	-	(13,139)	(13,139)
<b>Total comprehensive loss for the period</b>	-	-	-	(13,139)	(13,139)
Transfer to retained earnings	-	-	(9,375)	9,375	-
<b>Balance as at 30th June 2021</b>	16,750	(75,000)	6,826,363	1,206,066	7,974,179

<b>Balance as at 01st April 2021</b>	16,750	(75,000)	6,762,512	1,282,855	7,987,117
Loss for the period	-	-	-	(222,520)	(222,520)
<b>Other comprehensive income</b>					
Revaluation of property , plant and equipment (net of tax)	-	-	1,007,575	-	1,007,575
Actuarial loss on defined benefit plans (net of tax)	-	-	-	(963)	(963)
Changes in equity instruments designated at FVTOCI	-	75,000	-	-	75,000
<b>Total comprehensive loss for the period</b>	-	75,000	1,007,575	(223,484)	859,092
<b>Transaction with owners of the company</b>					
Transfer to retained earnings	-	-	(63,851)	63,851	-
Dividends-(15% Cumulative preference shares)	-	-	-	(38)	(38)
<b>Total transaction with owners of the company</b>	-	-	(63,851)	63,813	(38)
<b>Balance as at 31st March 2022</b>	16,750	-	7,706,237	1,123,185	8,846,172
Loss for the period	-	-	-	(27,947)	(27,947)
<b>Total comprehensive loss for the period</b>	-	-	-	(27,947)	(27,947)
<b>Transaction with owners of the company</b>					
Transfer to retained earnings	-	-	(21,821)	21,821	-
Dividends-(15% Cumulative preference shares)	-	-	-	(9)	(9)
<b>Total transaction with owners of the company</b>	-	-	(21,821)	21,811	(9)
<b>Balance as at 30th June 2022</b>	16,750	-	7,684,416	1,117,049	8,818,215

Note : The above figures for the twelve months ended 30th June 2022 are provisional and subject to Audit.

Figures in brackets indicate deductions.

All values are in Rupees Thousands unless otherwise stated.

**THE KANDY HOTELS COMPANY (1938) PLC**  
**STATEMENT OF CASH FLOWS**

	Group		Company	
	2022 Rs.'000'	2021 Rs.'000'	2022 Rs.'000'	2021 Rs.'000'
<b>For the Three Months ended 30th June</b>				
<b>Cash Flows from Operating Activities</b>				
Loss before tax	(21,486)	(34,289)	(21,411)	(16,358)
<b>Adjustments for:</b>				
Finance income	(27,239)	(18,085)	(27,239)	(18,085)
Finance expenses	24,731	13,280	24,731	13,280
Share of results of equity accounted investee	-	17,801	-	-
Depreciation of property, plant and equipment	17,293	15,833	17,293	15,833
Amortization of intangible assets	1,167	1,171	1,167	1,171
Provision for retirement benefit plans - gratuity	361	619	361	619
<b>Operating loss before working capital changes</b>	<b>(5,173)</b>	<b>(3,671)</b>	<b>(5,097)</b>	<b>(3,540)</b>
(Increase)/decrease in inventories	(2,090)	(249)	(2,090)	(249)
(Increase)/decrease in trade and other receivables	2,047	(9,676)	2,047	(9,676)
(Increase)/decrease in amount due from related parties	(4,870)	2,663	(4,870)	2,663
Increase/(decrease) in trade and other payables	9,491	24,120	9,470	24,003
Increase/(decrease) in amount due to related parties	(1,361)	15,383	(1,361)	15,371
<b>Cash generated from operations</b>	<b>(1,956)</b>	<b>28,571</b>	<b>(1,902)</b>	<b>28,572</b>
Finance expenses paid	(99)	(13,280)	(99)	(13,280)
Gratuity paid	(195)	-	(195)	-
<b>Net Cash from/(used) in operating activities</b>	<b>(2,251)</b>	<b>15,291</b>	<b>(2,197)</b>	<b>15,291</b>
<b>Cash flows from/(used) in investing activities</b>				
Net movement in interest bearing loans due from related parties	(6,419)	-	(6,419)	-
Purchase/(disposal) of property, plant and equipment	(1,714)	(466)	(1,714)	(466)
<b>Net Cash from/(used) in investing activities</b>	<b>(8,132)</b>	<b>(466)</b>	<b>(8,133)</b>	<b>(466)</b>
<b>Cash flows from/ (used) in financing activities</b>				
Net movement in Interest bearing borrowings	-	(5,340)	-	(5,340)
<b>Net cash generated from financing activities</b>	<b>-</b>	<b>(5,340)</b>	<b>-</b>	<b>(5,340)</b>
<b>Net Decrease in Cash and cash equivalents</b>	<b>(10,384)</b>	<b>9,485</b>	<b>(10,330)</b>	<b>9,486</b>
Cash and cash equivalents at the beginning of the period	13,055	52,082	13,246	52,052
<b>Net Cash &amp; cash equivalents as at 30th June</b>	<b>2,672</b>	<b>61,567</b>	<b>2,917</b>	<b>61,538</b>
<b>Analysis of net Cash &amp; cash equivalents as at 30th June</b>				
Cash & cash equivalents	2,672	61,592	2,917	61,563
Bank Overdrafts	-	(25)	-	(25)
<b>Net Cash &amp; cash equivalents as at 30th June</b>	<b>2,672</b>	<b>61,567</b>	<b>2,917</b>	<b>61,538</b>

Note : The above figures for the twelve months ended 30th June 2022 are provisional and subject to Audit.

Figures in brackets indicate deductions.

All values are in Rupees Thousands unless otherwise stated.

# THE KANDY HOTELS COMPANY (1938) PLC

## NOTES TO INTERIM FINANCIAL STATEMENTS

### 01) Basis of preparation

The interim condensed financial statements for the quarter ended 30th June 2022 have been prepared in accordance with Sri Lanka Accounting Standard LKAS 34 - Interim Financial Reporting. These interim financial statements should be read in conjunction with the latest published annual financial statements.

### 02) Interim Condensed Financial Statements

The financial statements for the period ended 30th June 2022, includes "the Company" referring to The Kandy Hotels Company (1938) PLC, as the holding company and "the Group" referring to the companies whose accounts have been consolidated therein.

### 03) Accounting Policies

The Accounting policies are in line with the policies published in annual financial statements.

### 04) Stated capital

The Number of shares representing the Stated Capital 577,500,000 Ordinary Shares and 50,000 fully paid Preference shares @ 15% as at 30th June 2022.

### 05) 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.

### 06) Investment in equity securities

Investment in equity securities represent 16.11% stake in United Hotels Co Ltd, which is a subsidiary of Ceylon Hotels Corporation PLC.

#### Fair value of unquoted equity Investment

The management is of the view that fair value as of 30th June 2022 would not significantly deviate from its' carrying value as at 31st March 2022.

### 07) Interest bearing loans & borrowings

Company received a capital and interest moratorium (from April 2021 to June 2022) on the existing term loan and overdrafts in accordance with the financial relief package announced by the Government of Sri Lanka to the Tourism industry, amidst of the Covid-19 pandemic. In line with the specified moratorium ending dates, Management has initiated discussions with relevant commercial banks to restructure its existing debt portfolio.



# THE KANDY HOTELS COMPANY (1938) PLC

## NOTES TO INTERIM FINANCIAL STATEMENTS

### 08) Related Party Transactions

The company carries out transactions in the ordinary course of its business with parties who are defined as related parties in LKAS 24. The details of which are reported below.

For the Period ended 30th June In LKR '000	Note	Company 2022	2021
<b>Recurrent Related Party Transactions</b>			
<b>Transactions with Parent Company</b>			
Expenses incurred by parent on behalf of the Company	C	(132)	(429)
Interest charged by the Company on related party loans	C	27,235	18,085
Settlement of expenses paid by CHC on behalf of the Company	C	255	2,663
Temporary advance	C	6,423	-
<b>Equity investment company</b>			
Expenses incurred on behalf of the Company	A	(175)	-
Reimbursement of expenses	A	264	-
<b>Affiliate</b>			
Reimbursement of expenses	A	10,977	-
Service provided (consist of management fee paid to GFH Mgt)	A	(6,053)	1,550,249

### Non recurrent Related Party Transactions

There are no non-recurrent related party transactions for the period ended 30th June 2022.

### Note :

- A)** Transactions carried out in the ordinary course of business and charged at the face value of the expenses.
- B)** Temporary advances given in the ordinary course of business and no interest is charged on the outstanding balances, Payable on demand and short term in nature.
- C)** Terms and conditions related to inter company borrowings/lendings :

Party	Repayment	Interest Rate
Lender - The Kandy Hotels Company (1938) PLC Borrower - Ceylon Hotels Corporation PLC	On Demand	AWPLR + 2% for the balance up to Rs 100 Mn and AWDR + 1% for the remaining

### 09) Contingent liabilities

There has not been any significant changes in the nature of Contingent Liabilities which were disclosed in the latest published Annual Report of the Company.

### 10) 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.

### 11) Comparative information

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

# THE KANDY HOTELS COMPANY (1938) PLC

## NOTES TO INTERIM FINANCIAL STATEMENTS

### SHARE INFORMATION

- The Public holdings as at 30th June 2022 - 120,290,003 (20.83%)
- Number of Public shareholders as at 30th June 2022 - 1,935.
- Directors shareholding as at 30th June 2022.

Directors Shareholdings		30-Jun-22	
		Preference	Ordinary
1	Mr. Sanjeev Gardiner	9,500	87,500
2	Mr. Charitha Ratwatte	Nil	175,000
3	Mr. Lakshman Samarasinghe	Nil	5,500
4	Mr. Priyantha Maddumage	Nil	Nil
5	Mr. Ranjith Gunathilleke	Nil	43,611
6	Mr. Nahil Wijesuriya	Nil	Nil
7	Mr. Chandra Mohotti	Nil	Nil
8	Mr. Nilanga Dela	Nil	Nil
9	Mr. Shalike Karunasena (Alternative Director to Mr. Priyantha Maddumage)	Nil	Nil

- Top 20 ordinary shareholders as at 30th June 2022

	Name	No. of shares	%
1	Ceylon Hotels Corporation PLC	401,567,250	69.54
2	Seylan Bank PLC/Hotel International (Pvt) Ltd	36,890,938	6.39
3	Adiuvat Investment Fund	36,582,097	6.33
4	Progruss Investments Limited	32,863,522	5.69
5	Hotel International (Private) Limited	17,906,619	3.10
6	Mr. N.V.S. Saackville	4,368,000	0.76
7	Mr. P.R.F. Collas	1,965,250	0.34
8	Mr. G.C. Goonetilleke	1,945,755	0.34
9	Mrs. L. Ratwatte	1,853,000	0.32
10	Mr. PV Gunasekera	1,750,000	0.30
11	Mrs. M.F. Gunasekera	1,750,000	0.30
12	Mrs. A.U.R. Pethiyagoda	1,500,000	0.26
13	Mr. J. Laravoire	1,496,250	0.26
14	Mr. E. Laravoire	1,496,250	0.26
15	Ms. M. Chevallaz	1,496,250	0.26
16	Mr. P. Chevallaz	1,496,250	0.26
17	Mr. A. Chevallaz	1,496,250	0.26
18	Ms. H. Sauties	1,496,250	0.26
19	Mr. J.P. Sauties	1,496,250	0.26
20	Mr. J.F.C. Badcock	1,034,250	0.18
	<b>Sub total</b>	<b>552,450,431</b>	<b>95.66</b>
	Balance held by others	25,049,569	4.34
	<b>Total number of shares</b>	<b>577,500,000</b>	<b>100.00</b>

- Market price per share for the quarter ended 30th June 2022.

	2022 (Rs.)	2021 (Rs.)
Highest Market Price	7.50	5.40
Lowest Market Price	5.10	4.50
Last Traded Price	5.60	4.9

- The float adjusted market capitalisation as at 30th June 2022 was Rs. 673,642,200/- 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, The Kandy Hotels Company (1938) PLC complies under option 5 of the Listing Rules 7.13.1 (a) with the minimum public holding requirements.