

Early Warning System

IFC-42596

JKH Services

Quick Facts

Countries	Maldives, Sri Lanka
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2020-05-19
Borrower	John Keells Holdings PLC
Sectors	Construction
Investment Type(s)	Loan
Investment Amount (USD)	$ 125.00 million
Project Cost (USD)	$ 175.00 million

Project Description

According to the bank's website, "The proposed facility of US$175 million USD Senior Secured Loan to JKH (the Project”) is to fund the following investments in an optimum manner: (i) the expansion of its supermarket chain, (ii) the completion/expansion/refurbishment/ expansion of hotel properties in Sri Lanka and the Maldives, and (iii) general corporate uses associated with JKH’s retail and leisure businesses.

At the time of the appraisal, the refurbishment was ongoing at the following resorts and thus they were covered in the scope:

- Hakurra Hurra, Maldives (80 rooms to 100 rooms): construction of 20 rooms on the neighboring islands (now total 100 rooms), new over-water villas, changes in the beach facing rooms, addition of new guest facilities (i.e. pool bar, swimming pool and restaurant). Also, seagrass removal and maintenance dredging of channel and mooring area was undertaken. During the appraisal, the furnishing-finishing operations for the rooms/other facilities and equipment installation was ongoing.
- Cinnamon Bentota Beach, Sri Lanka (… to 151 rooms): Construction of the three new buildings for guest rooms and a new restaurant, and refurbishment of the main building (leading to reduction in number of rooms). During the appraisal, the finishing operations were ongoing.
- Cinnamon Dhonveli, Maldives (148 rooms to 152 rooms): This hotel was only partially closed for refurbishment. Overall, 4-5 new rooms, new arrival jetty and pavilion, new restaurant and bars have been added. During the appraisal, the finishing operations were ongoing.

The refurbishment of Bentota Beach and Maldives resorts and is completed and refurbished hotels are operational since Dec 2019. The other hotels covered in the appraisal were Trinco Blu and Cinnamon Citadel in Sri Lanka."

Investment Description

- International Finance Corporation (IFC)

Private Actors Description

According to IFC, "JKH has over 70 subsidiaries of which eight subsidiaries, namely Asian Hotels and Properties PLC, Ceylon Cold Stores PLC, Keells Food Products PLC, John Keells PLC, John Keells Hotels PLC, Tea Smallholder Factories PLC (management control), Trans Asia Hotels PLC and Union Assurance PLC, are also listed on the Colombo stock exchange. JKH has a broad shareholding, of which 99.2 % is free float."

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	John Keells Holdings PLC	Client	-

Contact Information

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ACCOUNTABILITY MECHANISM OF IFC

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