



Strategic Investments Focus

Investment in renewable energy projects

Operational Review

Power

Hemas marked its entry into the Power sector when Heladhanavi Ltd (a joint venture with Lakdhanavi Ltd) signed a 10-year power purchase agreement with the Ceylon Electricity Board to supply power to the national grid. The 100MW Thermal Power Plant in Puttalam commenced commercial operations in October 2004, and is currently in its third year of operation. During the year under review the power plant has contributed 664Mn units to the national grid.

percentage of power generated from renewable sources such as hydro, wind, bio mass etc. As such, the long-term focus of Hemas would be to actively pursue investment opportunities in the area of renewable energy and to make a significant contribution towards the national policy and ultimately the consumer.

Property

Hemas Developments (Pte) Ltd, a fully owned subsidiary of Hemas Holdings, is the owner and operator of Hemas House, an eleven

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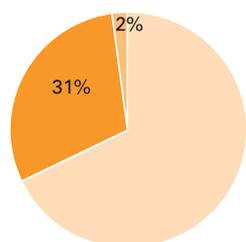
For the year under review, the Power sector recorded a turnover of Rs 3.6Bn and net profits of Rs 303Mn, reflecting a top-line growth of 25.9% and a bottom-line growth of 15.3%. The high growth in profits is mainly attributable to lower operational and finance expenses.

Thermal power continues to bridge the demand gap for power and the status quo would most likely remain over the medium-term. However, the long-term national policy points to an increase in the

storied office complex with modern facilities. Hemas House continues to maintain 100% occupancy by a prestigious clientele of local and international companies.

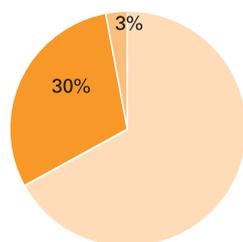
Situated in a prime location at Braybrooke Place, the locality has seen rapid development with several high rise buildings under construction. This has resulted in a significant appreciation in the market value over the last few years. Given its prime location and the ongoing efforts by management to maintain and add value, the building is expected to be fully occupied in the ensuing years thus generating a stable of cash flows.

Segment Revenue vs Group



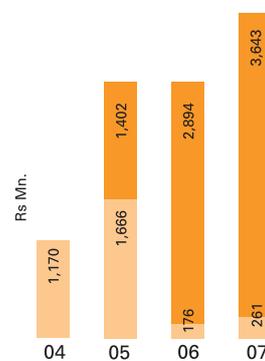
Strategic Investments - Power
Strategic Investments - Others

Segment Profit vs Group



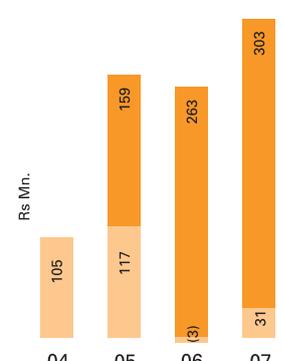
Strategic Investments - Power
Strategic Investments - Others

Revenue



Strategic Investments - Power
Strategic Investments - Others

Net Profit after Taxation



Strategic Investments - Power
Strategic Investments - Others