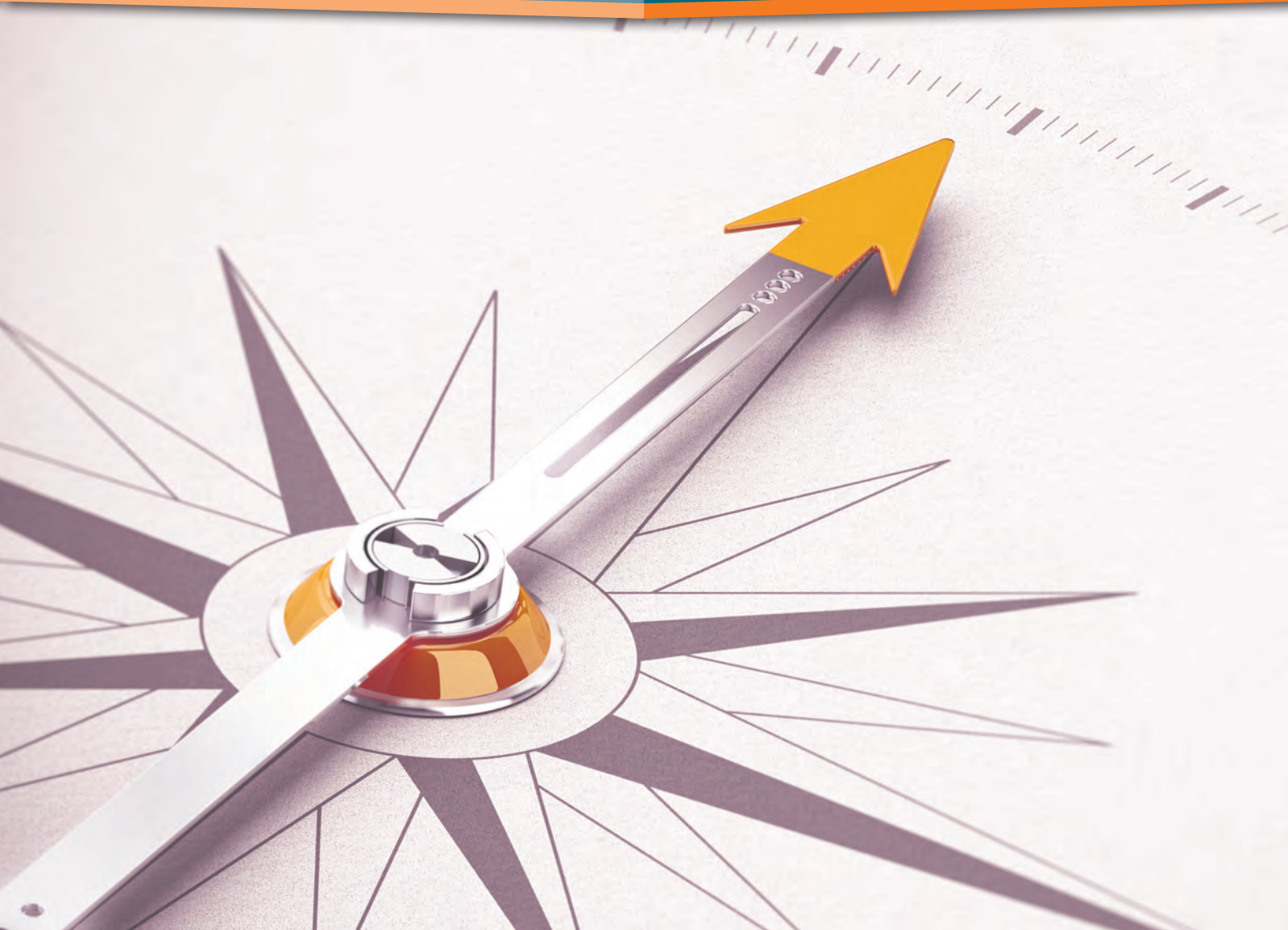




INTERIM REPORT Q4 - 2016/17

EXPLORE. ENGAGE.



CEO's Review

Hemas Holdings PLC (HHL) and its subsidiaries achieved consolidated revenues of Rs.43.4Bn, year-on-year (YoY) growth of 14.3% for the twelve months ended March 31, 2017. During this period, operating profit reached Rs.4.8Bn and PAT Rs.3.8Bn, growth of 21.3% and 28.3% respectively. Overall, the Group has grown strongly over last year; however, a multitude of factors such as increasing VAT rates, the introduction of VAT at hospitals, new pharmaceutical pricing regulation, and increasing inflation have impacted profitability during the second half of the year. Despite this, we have seen limited signs of recovery during Q4, achieving revenue growth of 18.4% and PAT growth of 36.8% compared with the same period last year.

The Group's home and personal care business delivered revenues of Rs.16.0Bn, a 12.0% increase over the previous financial year. Operating profits were Rs.2.1Bn, 17.3% YoY growth. During the year, we have further developed our consumer offerings by introducing our new Velvet bath and body range and relaunching our leading hair care brand Kumarika. We also commissioned a new soap plant at our Sri Lankan manufacturing facility. Local growth is predominantly driven by market share improvement in our personal care and personal wash portfolio. Further, relatively benign commodity prices during the first half of the year contributed towards the sector gross margin improvement. Investments were made in increased marketing activities in Bangladesh in order to extend the reach attained through our own distribution channels and to counter competition. Further, we entered the feminine hygiene category during January in Bangladesh.

Our healthcare sector registered a total revenue of Rs.18.8Bn, a growth of 16.7% for the full year. Operating profit and PAT grew at 15.9% and 17.3%, to achieve Rs.2.1Bn and Rs.1.4Bn respectively. During the last two quarters, our healthcare sector witnessed challenges arising from new pharmaceutical price regulation and the introduction of VAT on specified hospital services. Our pharmaceutical distribution operation recorded good volume growth over last year, however, we experienced depressed margins resulting from price controls. Our hospitals along with the laboratory network delivered solid growth over last year with its latest investments in bed expansion in Hemas Hospital Wattala and a range of new surgical specialties and medical equipment. All three hospitals registered Q4 standalone positive profitability at the PAT level for the first time.

J. L. Morison recorded YoY topline growth of 6.7% and operating profit growth of 21.8% for the year ended March 31, 2017. Our Rx Pharma portfolio continued to do well benefiting from new product launches. We continue to focus on building our Rx and OTC portfolio and have exited from the agricultural supply operations which have been part of J. L. Morison's prior to our acquisition of the business. As a result, underlying revenue for the FY 2016/17 excluding agricultural operations grew by 13.7% and EBIT by 28.0%. In support of its future growth and innovation, J.L. Morison announced plans to set up a new research and manufacturing facility located within the SLINTEC Nano technology park in Homagama at an estimated cost of USD 13.5Mn.

Our Leisure, Travel and Aviation (LTA) business recorded a total revenue of Rs.4.3Bn, reflecting 1.3% YoY growth for the twelve months ended March 31, 2017. Hotels sector performance stagnated with a topline of Rs.1.8Bn during the year 2016/17. Fall in segmental profitability during the year was compounded by losses at Anantara Peace Haven Tangalle Resort which is in its first full year of operations. During Q4, we unified ownership of all our leisure investment property, travel and aviation businesses outside Serendib Hotels, under one single entity, Leisure Asia, 100% owned by HHL. Despite the impact of the runway closure at Katunayake, our representation division did well to enhance their market share. During the year, our travel sector went live with their new ERP system designed to enhance our ability to respond to evolving traveler needs.

Hemas Logistics and Maritime recorded a topline growth of 103.4% over last year recording a topline of Rs.1.9Bn. This growth has been driven by our new maritime agency, Evergreen. The acquisition of this agency gives us a stronger position in the logistics and maritime space. During the year, the logistics arm of Hemas showed improved results, mainly driven by the 3PL operations. Hemas is further strengthening its presence in the logistics space by constructing a new state-of-the-art Logistics Park to consolidate warehousing, improve capacity and provide a range of new services to clients. This new investment is through a joint venture with GAC and our investment will be USD 5.2Mn.

Despite a challenging macroeconomic context and an unprecedented period of tax and regulatory change in private sector healthcare, our teams have worked well to deliver strong operating results in 2016/17. We enter 2017/18 with a number of new initiatives under development as we continue to pursue our vision of enriching the lives of all Hemas stakeholders.



Steven Enderby
Group Chief Executive Officer

Colombo
May 16, 2017

Consolidated Statement of Profit or Loss

Rs. '000	Three Months Ended		Change	Twelve Months Ended		Change
	31.03.2017	31.03.2016	%	31.03.2017	31.03.2016	%
Revenue	11,472,639	9,689,563	18.4	43,404,452	37,976,564	14.3
Cost of Sales	(6,789,612)	(5,870,317)	15.7	(26,662,611)	(23,848,411)	11.8
Gross Profit	4,683,027	3,819,246	22.6	16,741,841	14,128,153	18.5
Other Operating Income	116,019	138,501	(16.2)	432,012	356,174	21.3
Selling and Distribution Expenses	(1,160,632)	(938,630)	23.7	(4,748,921)	(3,924,761)	21.0
Administrative Expenses	(2,126,350)	(1,833,784)	16.0	(7,517,328)	(6,511,311)	15.5
Share of Results of Joint Ventures & Associates	(23,708)	(25,952)	(8.6)	(123,803)	(104,326)	18.7
Operating Profit	1,488,356	1,159,381	28.4	4,783,801	3,943,929	21.3
Finance Cost	(112,550)	(145,747)	(22.8)	(519,252)	(512,027)	1.4
Finance Income	205,581	194,317	5.8	822,345	642,467	28.0
Profit Before Tax	1,581,387	1,207,951	30.9	5,086,894	4,074,369	24.9
Income Tax Expenses	(363,610)	(317,784)	14.4	(1,333,044)	(1,148,399)	16.1
Profit for the period	1,217,777	890,167	36.8	3,753,850	2,925,970	28.3
Attributable to:						
Equity Holders of the Parent	1,084,078	744,237	45.7	3,491,478	2,653,208	31.6
Non-Controlling Interests	133,699	145,930	(8.4)	262,372	272,762	(3.8)
	1,217,777	890,167	36.8	3,753,850	2,925,970	28.3
Earnings Per Share (Rs.)	1.89	1.30		6.10	4.71	
Diluted Earnings Per Share (Rs.)	1.89	1.32		6.09	4.71	
Dividend per share (Rs.)	-	-		1.40	1.10	

Consolidated Statement of Comprehensive Income

Rs. '000	Three Months Ended		Twelve Months Ended	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Profit for the period	1,217,777	890,167	3,753,850	2,925,970
Other Comprehensive Income				
Other Comprehensive Income to be reclassified to Profit or Loss in subsequent periods				
Net (Loss)/ Gain on Available-for-Sale Financial Assets	133,323	4,798	131,869	(6,109)
Net Movement on Cash Flow Hedges	(9,843)	(12,922)	5,141	(56,759)
Exchange Differences on Translation of Foreign Operations	(4,213)	2,425	22,460	27,386
Share of Other Comprehensive Income of Joint Venture / Associates	269	-	269	-
Other Comprehensive Income not to be reclassified to Profit or Loss in subsequent periods				
Actuarial (Loss)/Gain on Defined Benefit Plans	(24,750)	30,620	(24,750)	30,620
Revaluation of Land and Building	-	1,078,827	-	1,078,827
Income Tax on Other Comprehensive Income	(10,878)	(84,954)	(10,878)	(84,954)
Share of Other Comprehensive Income of Joint Venture / Associates	(565)	-	(565)	-
Other Comprehensive Income for the period, net of tax	83,343	1,018,794	123,546	989,011
Total Comprehensive Income for the period, net of tax	1,301,120	1,908,961	3,877,396	3,914,981
Attributable to:				
Equity Holders of the Parent	1,183,047	1,535,229	3,622,756	3,437,078
Non-Controlling Interests	118,073	373,732	254,640	477,903
	1,301,120	1,908,961	3,877,396	3,914,981

The above figures are provisional and subject to audit.

Consolidated Statement of Financial Position

As at	31.03.2017	31.03.2016
Rs. '000		
Non-Current Assets		
Property, Plant and Equipment	13,525,589	12,764,329
Investment Properties	1,472,928	1,735,779
Leasehold Rights / Prepaid Lease Rentals	828,405	115,751
Intangible Assets	954,060	852,339
Investment in Joint Ventures	1,102,479	1,323,506
Investment in Associates	1,636	359,064
Other Non Current Financial Assets	907,207	420,392
Deferred Tax Asset	57,400	47,829
	18,849,704	17,618,989
Current Assets		
Inventories	6,288,357	5,232,312
Trade and Other Receivables	9,904,009	7,462,326
Tax Recoverable	181,104	39,724
Other Current Financial Assets	103,377	84,861
Cash and Short Term Deposits	11,992,000	11,888,963
	28,468,847	24,708,186
Total Assets	47,318,551	42,327,175
Equity		
Stated Capital	5,741,038	5,722,837
Other Capital and Revenue Reserves	104,938	58,542
Other Components of Equity	2,158,057	2,022,644
Retained Earnings	16,907,218	14,187,670
Equity attributable to equity holders of the parent	24,911,251	21,991,693
Non-Controlling Interests	3,217,800	2,661,619
Total Equity	28,129,051	24,653,312
Non-Current Liabilities		
Interest Bearing Loans and Borrowings	2,648,547	3,241,655
Other Non Current Financial Liabilities	10,178	4,247
Deferred Tax Liability	490,437	424,484
Employee Benefit Liability	650,125	566,044
	3,799,287	4,236,430
Current Liabilities		
Trade and Other Payables	12,179,714	10,542,074
Income Tax Payable	486,263	523,074
Interest Bearing Loans and Borrowings	1,351,173	1,370,454
Bank Overdraft	1,373,063	1,001,831
	15,390,213	13,437,433
Total Equity and Liabilities	47,318,551	42,327,175
Net Asset per share - (Rs.)	43.50	38.41

The above figures are provisional and subject to audit.

These financial statements are in compliance with the requirements of the Companies Act No. 07 of 2007.



Sanjewa Samaranayake

Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements. Signed for and on behalf of the Board by,



Husein Esufally

Chairman

Colombo

May 16, 2017



Steven Enderby

Chief Executive Officer

Consolidated Statement of Changes in Equity

	Stated Capital	Other Capital & Revenue Reserves	Other Component of Equity				Retained Earnings	Total	Non Controlling Interests	Total Equity
			Revaluation Reserve	Exchange Reserve	Available for Sale Reserve	Cash Flow Hedge Reserve				
<i>Rs. '000</i>										
Balance as at 1 April 2015	1,600,603	35,681	1,249,962	(2,288)	6,831	37,534	12,730,653	15,658,976	2,263,623	17,922,599
Super Gain Tax	-	-	-	-	-	-	(572,762)	(572,762)	(32,131)	(604,893)
Profit for the Year	-	-	-	-	-	-	2,653,208	2,653,208	272,762	2,925,970
Other Comprehensive Income	-	-	736,711	27,102	(6,070)	(27,138)	21,134	751,739	237,272	989,011
Total Comprehensive Income	-	-	736,711	27,102	(6,070)	(27,138)	2,101,580	2,832,185	477,903	3,310,088
Rights Issue	4,122,234	-	-	-	-	-	-	4,122,234	-	4,122,234
Transaction Cost on Issue of Shares	-	-	-	-	-	-	(66,749)	(66,749)	-	(66,749)
Dividends Paid	-	-	-	-	-	-	(629,800)	(629,800)	(100,969)	(730,769)
Share Based Payments	-	22,861	-	-	-	-	-	22,861	-	22,861
Reinstatement of Fully Depreciated Assets	-	-	-	-	-	-	47,482	47,482	-	47,482
Write Back of Unclaimed Dividend	-	-	-	-	-	-	1,180	1,180	1,477	2,657
Adjustment in Respect of Changes In Group Holding	-	-	-	-	-	-	3,324	3,324	19,585	22,909
Balance as at 31 March 2016	5,722,837	58,542	1,986,673	24,814	761	10,396	14,187,670	21,991,693	2,661,619	24,653,312
Profit for the Year	-	-	-	-	-	-	3,491,478	3,491,478	262,372	3,753,850
Other Comprehensive Income	-	-	(11,134)	24,593	132,423	3,202	(17,806)	131,278	(7,732)	123,546
Total Comprehensive Income	-	-	(11,134)	24,593	132,423	3,202	3,473,672	3,622,756	254,640	3,877,396
Dividends Paid	-	-	-	-	-	-	(801,619)	(801,619)	(192,459)	(994,078)
Transfers	-	-	(13,671)	-	-	-	13,671	-	-	-
Exercise of Share Option	18,201	-	-	-	-	-	-	18,201	-	18,201
Share Based Payments	-	46,396	-	-	-	-	-	46,396	-	46,396
Adjustment in Respect of Changes in Group Holding	-	-	-	-	-	-	33,824	33,824	494,000	527,824
Balance as at 31 March 2017	5,741,038	104,938	1,961,868	49,407	133,184	13,598	16,907,218	24,911,251	3,217,800	28,129,051

Statement of Profit or Loss Company

	Three Months Ended		Change	Twelve Months Ended		Change
	31.03.2017	31.03.2016	%	31.03.2017	31.03.2016	%
<i>Rs. '000</i>						
Revenue	252,188	184,313	36.8	876,004	682,418	28.4
Cost of Sales	-	-	-	-	-	-
Gross Profit	252,188	184,313	36.8	876,004	682,418	28.4
Other Operating Income	5,614,620	24,401	22,909.8	6,065,647	323,643	1,774.2
Administrative Expenses	(283,247)	(249,559)	13.5	(946,517)	(736,528)	28.5
Operating Profit	5,583,561	(40,845)	13,770.1	5,995,134	269,533	2,124.3
Finance Cost	(58,376)	(60,988)	(4.3)	(242,393)	(221,589)	9.4
Finance Income	156,140	133,230	17.2	620,483	495,696	25.2
Profit Before Tax	5,681,325	31,397	17,995.1	6,373,224	543,640	1,072.3
Income Tax Expenses	(19,316)	(105,725)	(81.7)	(46,285)	(139,801)	(66.9)
Profit for the period	5,662,009	(74,328)	7,717.6	6,326,939	403,839	1,466.7

Statement of Comprehensive Income Company

	Three Months Ended		Twelve Months Ended	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
<i>Rs. '000</i>				
Profit for the period	5,662,009	(74,328)	6,326,939	403,839
Other Comprehensive Income				
Net (Loss)/ Gain on Available-for-Sale Financial Assets	134,414	4,958	134,406	(5,754)
Exchange Differences on Translation of Foreign Operations	-	-	-	-
Net Movement on Cash Flow Hedges	-	-	-	-
Revaluation of Land and Buildings	-	-	-	-
Actuarial Gain/(loss) on Defined Benefit Plans	(354)	2,629	(354)	2,629
Income Tax on Other Comprehensive Income	99	(736)	99	(736)
Other Comprehensive Income for the period, net of tax	134,159	6,851	134,151	(3,861)
Total Comprehensive Income for the period, net of tax	5,796,168	(67,477)	6,461,090	399,978

The above figures are provisional and subject to audit.

Statement of Financial Position (Company)

As at Rs. '000	31.03.2017	31.03.2016
Non-Current Assets		
Property, Plant and Equipment	112,079	127,324
Investment Properties	569,141	700,480
Intangible Assets	102,109	97,590
Investment in Subsidiaries	11,546,321	4,550,098
Other Non Current Financial Assets	972,694	363,048
	13,302,344	5,838,540
Current Assets		
Trade and Other Receivables	571,048	490,752
Tax Recoverable	24,862	9,071
Other Current Financial Assets	110,611	1,036,966
Cash and Short Term Deposits	4,794,005	5,949,460
	5,500,526	7,486,249
Total Assets	18,802,870	13,324,789
Equity		
Stated Capital	5,741,038	5,722,837
Other Capital Reserves	326,289	279,893
Other Components of Equity	134,672	266
Retained Earnings	10,334,008	4,808,943
Total Equity	16,536,007	10,811,939
Non-Current Liabilities		
Interest Bearing Loans and Borrowings	1,784,534	1,447,947
Deferred Tax Liability	57,139	63,066
Employee Benefit Liability	54,591	26,732
	1,896,264	1,537,745
Current Liabilities		
Trade and Other Payables	236,252	432,577
Income Tax Payable	19,347	92,560
Interest Bearing Loans and Borrowings	115,000	348,647
Bank Overdraft	-	101,321
	370,599	975,105
Total Equity and Liabilities	18,802,870	13,324,789
Net Asset per share - (Rs.)	28.87	18.88

The above figures are provisional and subject to audit.

These financial statements are in compliance with the requirements of the Companies Act No. 07 of 2007.



Sanjeewa Samaranayake

Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements. Signed for and on behalf of the Board by,



Husein Esufally

Chairman

Colombo

May 16, 2017



Steven Enderby

Chief Executive Officer

Statement of Changes in Equity (Company)

<i>Rs. '000</i>	Stated Capital	Other Capital Reserves	Other Components Of Equity Available for Sale Reserve	Retained Earnings	Total Equity
Balance as at 1 April 2015	1,600,603	257,032	6,020	5,130,187	6,993,842
Super Gain Tax	-	-	-	(31,615)	(31,615)
Profit for the period	-	-	-	403,839	403,839
Other Comprehensive Income	-	-	(5,754)	1,893	(3,861)
Total Comprehensive Income	-	-	(5,754)	374,117	368,363
Rights Issue	4,122,234	-	-	-	4,122,234
Transaction Cost of Rights Issue	-	-	-	(65,561)	(65,561)
Share Based Payments	-	22,861	-	-	22,861
Final Dividend Paid 2014/15	-	-	-	(400,782)	(400,782)
Interim Dividend Paid 2015/16	-	-	-	(229,018)	(229,018)
Balance as at 31 March 2016	5,722,837	279,893	266	4,808,943	10,811,939
Profit for the period	-	-	-	6,326,939	6,326,939
Other Comprehensive Income	-	-	134,406	(255)	134,151
Total Comprehensive Income	-	-	134,406	6,326,684	6,461,090
Exercise of Share Option	18,201	-	-	-	18,201
Share Based Payments	-	46,396	-	-	46,396
Final Dividend Paid 2015/16	-	-	-	(572,545)	(572,545)
Interim Dividend Paid 2016/17	-	-	-	(229,074)	(229,074)
Balance as at 31 March 2017	5,741,038	326,289	134,672	10,334,008	16,536,007

The above figures are provisional and subject to audit.

Statement of Cash Flows

For twelve months ended Rs. '000	Group		Company	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Operating Activities				
Profit before taxation	5,086,894	4,074,369	6,373,224	543,640
Adjustments for,				
Depreciation	988,068	891,512	42,868	45,031
(Gain)/Loss on Disposal of Property, Plant and Equipment / Intangible Assets / Investment Properties	(113,168)	(14,501)	(82,673)	(2,015)
(Gain)/Loss on Sale of Non-Current Investments	(3,899)	2,139	(5,157,913)	-
Provision for Share based payment expense	49,154	22,861	18,068	5,258
Provision for Impairment of Trade receivables	42,802	38,625	2,960	(5,161)
Amortisation/ Impairment of Intangible Assets	68,700	45,045	22,723	16,573
Amortisation of Leasehold Rights	6,117	12,886	-	-
Gain on Fair Value Adjustment of Investment Properties	(35,051)	(37,227)	(40,863)	(24,730)
Impairment Property, Plant and Equipment/ Leasehold Rights	-	4,015	-	-
Impairment of Investment in subsidiaries/joint ventures/Other Financial Assets	-	53,603	(4)	53,603
Exchange (Gain) / Loss on Foreign Currency Borrowings	(27,894)	8,254	-	-
Provision for obsolete stocks	19,435	39,181	-	-
Finance Cost	519,252	512,027	242,393	221,589
Finance Income	(822,345)	(642,467)	(620,483)	(495,696)
Share of results of Joint Ventures & Associates	123,803	104,326	-	-
Investment Income	-	-	(781,016)	(288,956)
Movement in Employee Benefit Liability	137,484	127,030	6,707	6,939
Working Capital Adjustments				
(Increase)/Decrease in Inventories	(1,075,480)	(1,135,909)	-	-
(Increase)/Decrease in Trade and Other Receivables	(2,312,049)	(225,619)	(30,519)	757,338
Increase/(Decrease) in Trade and Other Payables	1,537,868	1,483,528	(260,536)	45,132
Increase/(Decrease) in Other Non Current Financial Liabilities	4,431	(25,636)	-	(9,760)
Finance Cost Paid	(518,804)	(382,415)	(240,314)	(221,263)
Finance Income Received	817,023	624,094	565,649	495,418
Income Tax Paid	(1,405,586)	(659,918)	(76,907)	(29,930)
Super Gain Tax paid	-	(604,893)	-	(31,615)
Employee Retirement Benefit Paid	(81,381)	(63,965)	(857)	(942)
Net Cash flows from/(Used in) Operating Activities	3,005,374	4,250,945	(17,493)	1,080,453
Investing Activities				
Purchase of Property, Plant and Equipment	(1,827,820)	(1,100,899)	(35,317)	(48,633)
Investment in Intangible Assets	(172,509)	(134,693)	(27,242)	(86,864)
Disposal /Investment in Financial Assets	7,743	301,836	337,264	302,965
Acquisition/Investment in Joint Venture/Associate	(8,564)	(250,512)	-	-
Investment in Investment Properties	-	(18,538)	-	-
Investment in Leasehold Rights	(718,771)	(19,092)	-	-
Acquisition/Investment of subsidiaries	(14,598)	45,493	(2,364,075)	(17,562)
Proceeds from Disposal of Investments	-	-	694,458	-
Dividend Received from Joint Venture/Associate	25,200	80,700	-	-
Investment Income Received	-	-	781,016	288,956
Proceeds on Disposal of Property, Plant and Equipment/ Intangible Assets / Leasehold Property/ Investment Property	500,311	143,637	262,569	25,233
Net Cash flows from/(Used in) Investing Activities	(2,209,008)	(952,068)	(351,327)	464,095
Financing Activities				
Interest Bearing Loans and Borrowings (Net)	(584,491)	(634,355)	100,862	(383,582)
Transaction Cost of Right Issue	-	(66,749)	-	(65,561)
Proceeds from Right Issue	-	4,122,234	-	4,122,234
Proceed from exercise of Share Option	15,443	-	15,443	-
Proceeds to Non-Controlling Interests	475,836	3,222	-	-
Dividends Paid - Equity Holders of the Parent	(801,619)	(629,800)	(801,619)	(629,800)
- Non-Controlling Interests	(192,459)	(100,969)	-	-
Net Cash flows from/(Used in) Financing Activities	(1,087,290)	2,693,583	(685,314)	3,043,291
Net Increase/(Decrease) in Cash and Cash Equivalents	(290,924)	5,992,460	(1,054,134)	4,587,839
Net Foreign Exchange Difference	22,729	28,987	-	-
Cash and Cash Equivalents at the beginning of the Year	10,887,132	4,865,685	5,848,139	1,260,300
Cash and Cash Equivalents at the end of the period	10,618,937	10,887,132	4,794,005	5,848,139

The above figures are provisional and subject to audit.

Segmental Information

For three months ended 31 March	FMCG		Healthcare		Leisure, Travels & Aviation		Logistics & Maritime		Others		Group	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Rs. '000												
Revenue												
Segmental Revenue - Gross	3,762,590	3,200,249	4,961,483	4,273,002	1,394,166	1,487,245	583,501	264,718	1,253,040	895,215	11,954,780	10,120,429
Intra Segmental Revenue	(35,815)	(56,174)	(50,496)	(36,045)	-	-	-	(4,881)	(102,379)	(100,420)	(188,690)	(197,520)
Segmental Revenue	3,726,775	3,144,075	4,910,987	4,236,957	1,394,166	1,487,245	583,501	259,837	1,150,661	794,795	11,766,090	9,922,909
Inter Segmental Revenue	(3,150)	(3,300)	-	-	-	-	-	-	(290,301)	(230,046)	(293,451)	(233,346)
Total Revenue	3,723,625	3,140,775	4,910,987	4,236,957	1,394,166	1,487,245	583,501	259,837	860,360	564,749	11,472,639	9,689,563
Segmental Results												
Finance Cost	373,966	384,338	591,897	494,987	169,488	296,752	158,052	35,815	183,610	(63,786)	1,477,013	1,148,106
Finance Income	(64)	(13,922)	(41,658)	(45,829)	(3,350)	(4,428)	(366)	(9,067)	(67,112)	(72,501)	(112,550)	(145,747)
Change in Fair Value of Investment Properties	35,150	50,251	3,751	2,188	8,729	7,923	5,170	606	152,781	133,349	205,581	194,317
Share of Results of Joint Ventures & Associates	-	-	-	-	21,738	18,000	-	-	13,313	19,227	35,051	37,227
	-	-	-	-	(10,400)	(44,261)	(13,308)	18,309	-	-	(23,708)	(25,952)
Profit/(Loss) before Tax	409,052	420,667	553,990	451,346	186,205	273,986	149,548	45,663	282,592	16,289	1,581,387	1,207,951
Income Tax	(107,464)	(34,693)	(116,813)	(106,791)	(28,696)	(39,617)	(24,658)	10,551	(85,979)	(147,234)	(363,610)	(317,784)
Profit / (Loss) for the period	301,588	385,974	437,177	344,555	157,509	234,369	124,890	56,214	196,613	(130,945)	1,217,777	890,167
Attributable to:												
Equity Holders of the Parent	294,846	385,478	420,382	337,912	90,509	106,338	86,291	44,437	192,050	(129,928)	1,084,078	744,237
Non-Controlling Interests	6,742	496	16,795	6,643	67,000	128,031	38,599	11,777	4,563	(1,017)	133,699	145,930
	301,588	385,974	437,177	344,555	157,509	234,369	124,890	56,214	196,613	(130,945)	1,217,777	890,167

The above figures are provisional and subject to audit.

Segmental Information

	FMCG		Healthcare		Leisure, Travels & Aviation		Logistic & Maritime		Others		Group	
For twelve months ended 31 March Rs. '000	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenue												
Segmental Revenue - Gross	16,192,236	14,457,927	19,022,634	16,290,946	4,302,348	4,246,458	1,931,444	954,371	3,587,438	3,365,409	45,036,100	39,315,111
Intra Segmental Revenue	(172,142)	(156,161)	(180,357)	(148,256)	-	-	-	(4,881)	(193,875)	(175,813)	(546,374)	(485,111)
Segmental Revenue	16,020,094	14,301,766	18,842,277	16,142,690	4,302,348	4,246,458	1,931,444	949,490	3,393,563	3,189,596	44,489,726	38,830,000
Inter Segmental Revenue	(7,350)	(3,300)	-	-	-	-	-	-	(1,077,924)	(850,136)	(1,085,274)	(853,436)
Total Revenue	16,012,744	14,298,466	18,842,277	16,142,690	4,302,348	4,246,458	1,931,444	949,490	2,315,639	2,339,460	43,404,452	37,976,564
Segmental Results	2,074,149	1,768,185	2,064,632	1,780,402	502,839	699,378	451,122	95,627	(220,189)	(332,564)	4,872,553	4,011,028
Finance Cost	(64)	(13,938)	(204,940)	(192,036)	(15,009)	(21,246)	(22,186)	(33,959)	(277,053)	(250,848)	(519,252)	(512,027)
Finance Income	156,680	105,474	9,948	7,799	39,684	35,318	9,691	4,057	606,342	489,819	822,345	642,467
Change in Fair Value of Investment Properties					21,738	18,000	-	-	13,313	19,227	35,051	37,227
Share of Results of Joint Ventures & Associates					(168,126)	(202,080)	44,323	97,754	-	-	(123,803)	(104,326)
Profit/(Loss) before Tax	2,230,765	1,859,721	1,869,640	1,596,165	381,126	529,370	482,950	163,479	122,413	(74,366)	5,086,894	4,074,369
Income Tax	(539,487)	(402,237)	(444,726)	(381,034)	(84,733)	(108,344)	(78,452)	(4,258)	(185,646)	(252,526)	(1,333,044)	(1,148,399)
Profit / (Loss) for the period	1,691,278	1,457,484	1,424,914	1,215,131	296,393	421,026	404,498	159,221	(63,233)	(326,892)	3,753,850	2,925,970
Attributable to:												
Equity Holders of the Parent	1,679,706	1,452,361	1,384,595	1,187,608	167,421	215,966	335,547	128,147	(75,791)	(330,874)	3,491,478	2,653,208
Non-Controlling Interests	11,572	5,123	40,319	27,523	128,972	205,060	68,951	31,074	12,558	3,982	262,372	272,762
	1,691,278	1,457,484	1,424,914	1,215,131	296,393	421,026	404,498	159,221	(63,233)	(326,892)	3,753,850	2,925,970

The above figures are provisional and subject to audit.

Notes to the Financial Statements

1 Basis of preparation

The condensed interim financial statements have been prepared in accordance with Sri Lanka Accounting Standard LKAS- 34, Interim Financial Reporting. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2016. Further, provisions of the Companies Act No. 7 of 2007 have been considered in preparing the interim financial statements.

The previous years/periods' figures and phrases have been amended where relevant, for better presentation and to be comparable with those of the current period.

- 2 The ten million, rated (AA-lka, by Fitch Rating Lanka Limited) unsecured redeemable debentures carrying a coupon rate of 11% p.a., payable semi-annually issued on 29th April 2014 are to be matured on 29th April 2019.
- 3 The Company paid a final dividend of Rs.1/- per share for the financial year ended 31 March 2016.
- 4 The Company paid an interim dividend of Rs. 0.40/- per share for the financial year ending 31 March 2017.
- 5 The Board of Directors decided, with the approval in principal of the Colombo Stock Exchange, and authorized by the shareholders at an Extraordinary General Meeting dated 10th April 2015, to create a Employee Share Option Scheme (ESOS) to offer 13,900,000 ordinary shares being 2.4% of the total number of shares in issue to Executive Directors and Senior Executives of the company and its subsidiaries whom the Board deems to be eligible to be awarded the shares.

Accordingly, 3,053,750 employee share options were granted to the Executive Directors and Senior Executives of the company and its subsidiaries at the exercise price of Rs.82/- with a vesting period of one year starting from 27 July 2015 and exercise period of 3 years starting from 27 August 2016, out of which 2,574,423 employee share options were vested during the current period.

Further, 3,008,750 employee share options were granted with the exercise price of Rs.87.50 with a one year vesting period starting from 27 July 2016 and exercise period of 3 years starting from 27 August 2017.

- 6 The Group ceased its significant influence had over Jada Resorts & Spa (Pvt) Ltd with the restructuring of its shareholding. As a result, the Group discontinued accounting of Jada Resorts & Spa (Pvt) Ltd on equity method effective from 1 April 2016 and it was reclassified the same under "Other Financial Asses – Available for Sale Investments" as required by the accounting standards.
- 7 The Group discontinued the accounting of FAR Agencies Lanka (Pvt) Ltd. under equity method with effect from 01 September 2016 and reclassified the same as an "Investment in Subsidiaries" and accounted based on the relevant accounting standard.
- 8 The Group has changed its internal organisation and the composition of its reportable segments. Accordingly, the Group has restated the operating segment information for the twelve months ended 31 March 2016.
- 9 During the year ended 31 March 2017, the Group made the investments and acquisitions as part of the restructuring of the Group's Leisure Travel and Aviation sector. The transactions in relations to the restructure were settled in combination of cash payment, transferring of preference share investments held by subsidiaries and issuing own shares of subsidiaries resulting a gain of Rs. 5.17Bn reported in Statement of Profit or Loss of the Company. However no gain or losses have been recognised in the consolidation financial statements resulting from the above transaction.
The required market disclosures have been made as per Colombo Stock Exchange Listing Rules where relevant.

- 10 The current status of the funds raised through the rights issue (RI) has been provided in the following table.

Objective as per Circular	Amount allocated as per circular in LKR	Proposed date of utilisation as per circular	Amount allocated from proceeds in LKR (A)	% of total proceeds	Amounts utilised in LKR (B)	% of utilisation against allocation (B / A)	Clarification if not utilised including where the funds are invested
Proceeds to be utilized to fund strategic investment opportunities in the Healthcare and FMCG Sectors.	4.1 Bn	2015/16	4.1 Bn	100%	-	-	We are retaining the Rights funds in investment grade short term instrument pending their deployment in accordance with the objective.

Events After the Reporting Period

- 11 The Board of Directors of the Company has declared a final dividend of Rs. 1.45 per share for the financial year ended 31 March 2017 as required by section 56(2) of the companies Act No 07 of 2007 , the Board of Directors has confirmed that the Company satisfies the solvency test in accordance with section 57 of the companies Act No. 07 of 2007, and has obtained a certificate from the Auditors, prior to declaring the final dividend which is to be paid on 11 July 2017.
There have been no other events subsequent to the reporting date, which require disclosure in the interim financial statements.
- 12 There have been no significant changes in the nature of the contingent liabilities which were disclosed in the Audited Financial Statements for the year ended 31 March 2016.

Investor Information

Twelve Months Ended

	2017	2016
Market Value of Shares		
Closing Price on 31 March (Rs.)	108.70	80.60
Highest Price during the Period (Rs.)	110.00	99.80
Lowest Price during the Period (Rs.)	81.00	71.00
Market Capitalization on 31 March (Rs. Mn)	62,256	46,147
Ratios		
Net Asset Per Share on 31 March (Rs.)	43.50	38.41
Price Earnings Ratio on 31 March (times)	17.83	17.39
Debt security related ratios		
Debt/Equity Ratio	19%	23%
Quick Asset Ratio	1.44	1.45
Interest Cover (times)	10.80	8.96
Interest yield as at date of last trade	-	-
Yield to maturity of trade done	-	-
Interest rate of comparable Government security (5 Year Treasury Bond rate)	12.60%	13.00%
Share Trading		
No of transactions during the Period	3,224	5,752
No of shares traded during the Period	51,533,534	33,111,693
Value of shares traded during the Period (Rs. Mn)	5,193	2,808
Number of Shares	572,733,467	572,545,133
Debentures 11% fixed - Unsecured redeemable		
Closing Price on 31 March (Rs.)	-	101.49
Highest Price during the Period (Rs.)	-	-
Lowest Price during the period (Rs.)	-	-
There has been no trading in the listed Debentures of the Company during the financial year 2016/17.		
Number of Debentures	10,000,000	10,000,000

Share Information

LIST OF 20 MAJOR SHAREHOLDERS	31.03.2017		31.03.2016	
	No. of Shares	%	No. of Shares	%
1 A Z Holdings (Pvt) Ltd.	90,762,875	15.85	90,762,875	15.85
2 Saraz Investments (Pvt) Ltd.	86,396,035	15.08	86,396,035	15.08
3 Blueberry Investments (Pvt) Ltd.	85,781,250	14.98	85,781,250	14.98
4 Amagroup (Pvt) Ltd.	85,780,665	14.98	85,780,665	14.98
5 HSBC Intl Nominees Ltd-JPMLU-Franklin Templeton Investment Funds	44,673,822	7.80	55,368,238	9.67
6 HSBC International Nominees Ltd. -JPMCB- Templeton Global Investment Trust-Templeton Emerging Markets S	14,964,257	2.61	14,964,257	2.61
7 HSBC Intl Nom Ltd-SSBT-First State Investments ICVC-Stewart Investors Indian Subcontinent Fund.	11,962,613	2.09	11,962,613	2.09
8 Citi Bank New York S/A Norges Bank Account 2	8,988,919	1.57	-	-
9 HSBC Intl Nom Ltd-SSBT-First State Investments ICVC-Stewart Investors Asia Pacific Sustainability Fund.	8,286,047	1.45	-	-
10 HSBC Intl. Nominees Ltd. -JPMCB- Scottish ORL SML TR GTI 6018	8,006,561	1.40	8,006,561	1.40
11 HSBC Intl Nom Ltd-SSBT- First State Investments ICVC-Stewart Investors Asia Pacific Fund	7,126,658	1.24	-	-
12 Pemberton Asian Opportunities Fund	7,000,000	1.22	10,000,000	1.75
13 Mr. M.A.H. Esufally	5,946,500	1.04	5,946,500	1.04
14 Mr. H.N. Esufally	5,586,705	0.98	5,586,705	0.98
15 Mr. I.A.H. Esufally	4,424,000	0.77	4,424,000	0.77
16 HSBC Intl Nom Ltd-JPMCB- Pacific Assets Trust PLC	4,344,132	0.76	4,344,132	0.76
17 HSBC Intl Nom Ltd-Morgan Stanley and Co. Intl PLC	4,258,300	0.74	-	-
18 HSBC Intl. Nom. LTD-State Street Luxembourg c/o SSBT- Alliancebernstein Next 50 Emerging Markets(MASTE)	3,949,115	0.69	3,949,115	0.69
19 HSBC Intl Nom Ltd-BBH Grandeur Peak Emerging Markets Opportunities Fund	3,804,326	0.66	3,804,326	0.66
20 HSBC Intl Nom Ltd-SSBT-First State Investments ICVC-Stewart Investors Global Emerging Markets SUSTAI.	3,317,420	0.58	-	-
	31.03.2017		31.03.2016	
DIRECTORS' SHAREHOLDING	No. of Shares		No. of Shares	
DIRECTORS' INDIRECT SHAREHOLDING				
A Z Holdings (Pvt) Ltd.	90,762,875		90,762,875	
Saraz Investments (Pvt) Ltd.	86,396,035		86,396,035	
Blueberry Investments (Pvt) Ltd.	85,781,250		85,781,250	
Amagroup (Pvt) Ltd.	85,780,665		85,780,665	
DIRECTORS' DIRECT SHAREHOLDING				
Mr. H.N. Esufally (Chairman)	5,586,705		5,586,705	
Mr. A.N. Esufally	2,283,585		2,283,585	
Mr. I.A.H. Esufally	4,424,000		4,424,000	
Mr. M. A. H. Esufally	5,946,500		5,946,500	
Mr. R. Gopalakrishnan	-		-	
Dr S.A.B Ekanayake	-		-	
Mr. D.S. Weerakkody	-		-	
Mr. S.M Enderby (Chief Executive Officer)	-		-	
Mr. W.M.De F. Arsakularatne	-		-	
Mr. A.S. Amaratunga	-		-	
	366,961,615		366,961,615	
	31.03.2017		31.03.2016	
PUBLIC HOLDING	No. of Shares		No. of Shares	
Issued Share Capital	572,733,467		572,545,133	
Less: Directors' Direct and Indirect Shareholding	366,961,615		366,961,615	
Close Family Members	2,750,000		2,750,000	
Public Holding	203,021,852		202,833,518	
Public Holding as a % of Issued Share Capital	35.45%		35.43%	
Total Number of Shareholders	4,221		4,525	
Number of persons holdings Shares Excluded when computing Public Holding %	12		12	
Number of Shareholders representing the Public Holding	4,209		4,513	

Corporate Information

Legal Form

Quoted Public Company with limited liability listed on the Colombo Stock Exchange on 15 October 2003.

Date of Incorporation

10 December 1948

Date of Re-Registration

30 May 2007

New Registration Number

PQ 6

Accounting year end

31 March

Registered Office

Hemas House
No. 75, Braybrooke Place, Colombo 2.

Website

www.hemas.com

Auditors

Ernst & Young
Chartered Accountants
No. 201, De Saram Place, Colombo 10.

Directors

Husein Esufally (Chairman)
Steven Enderby (CEO)
Imtiaz Esufally
Murtaza Esufally
Abbas Esufally
Ramabadran Gopalakrishnan
Dr Anura Ekanayake
Dinesh Weerakkody
Malinga Arsakularatne
Amitha Saktha Amaratunga

Secretaries

Hemas Corporate Services (Pvt) Ltd.
No.75, Braybrooke Place, Colombo 02.
Telephone: 4 731731 (hunting)
Facsimile: 4 731777

Registrars

SSP Corporate Services (Pvt) Ltd.
101, Inner Flower Road, Colombo 03.

Lawyers to the Company

D.L. & F De Saram, Attorneys-at-law
No. 47, Alexandra Place, Colombo 7.

Bankers

Commercial Bank of Ceylon PLC
Deutsche Bank AG
Hong Kong & Shanghai Banking Corp. Ltd.
Hatton National Bank PLC
Standard Chartered Bank
Nations Trust Bank PLC
People's Bank
National Development Bank PLC
Sampath Bank PLC