



# MAKING HEALTHFUL LIVING HAPPEN

## CEO's Review

Hemas Holdings PLC reported a consolidated Group revenue of Rs. 13.0 billion, a decline of 1.6% during the first quarter of the financial year 2020/21, compared with the same period last year. Group EBIT at Rs. 415 million for the period is Rs. 395 million higher than the previous financial year. Earnings of Rs. 269 million for the quarter were an improvement of Rs. 695 million. In understanding our financial performance, relative to last year, it is important to note that Q1 FY 2019/20 was negatively impacted by the aftermath of the 21<sup>st</sup> April terrorist attacks, with the COVID-19 pandemic impacting Q1 FY2020/21.

Of importance is month on month performance during Q1 FY20/21, as a measure of the impact of COVID-19 on the Group. Our performance was significantly negative in April; however, our core Consumer and Healthcare businesses have shown continued recovery in May and June. In the month of June, our performance in these sectors, which account for more than 90% of our revenues, was broadly in line with our original plans. Other sectors, particularly Leisure where we recorded an operating loss of Rs. 277 million, have not shown the same resilience.

Overall Hemas is ahead of our initial COVID impacted expectations due to a relentless determination to keep our core Consumer and Healthcare business operating and providing our essential products and services to our customers across the country. The businesses that account for the majority of our revenues and profitability have recovered strongly. We have maintained tight control on costs and cashflows and as a result, have significantly improved our cashflow from operations during the quarter. The health and safety of our team remains a primary consideration, and we are investing in expertise and protective equipment to minimize risks. Our teams have done an excellent job in managing the impact of the slowdown in economic activity and supply chain disruptions while addressing the operating challenges to factories, hospitals, hotels and sales and distribution operations. We have made strong progress through the quarter. However, significant and unpredictable COVID-19 related business risks remain.

### Consumer

Our Consumer sector reported a revenue of Rs. 3.8 billion during the quarter over Rs. 4.6 billion in the corresponding year, a decline of 16.6%. Similarly, the sector operating loss of Rs. 48 million is a Rs. 64 million decline over last year's profit of Rs. 16 million. This weaker performance in the Consumer sector is mainly attributable to Home and Personal Care (HPC) International and Atlas, while our domestic HPC business grew. COVID-19 had a negative impact on Atlas with schools closed throughout the quarter. A phased re-opening plan commenced in the first week of July. HPC International experienced contraction in the first two months of the pandemic due to hair oil not being an essential category. As a result, a volume decline was experienced across both Bangladesh and West Bengal.

Our newly launched health focused personal wash brand *Shield*, soap and hand sanitizer, has been well received in the HPC Domestic market. The products' strong anti-bacterial and germ-killing capability resonates with consumers focussed on soap and sanitizer as a first line of defense during the pandemic. During the quarter, we have seen significant performance variance across categories, with personal wash, home care and oral care all performing strongly. HPC Domestic has increased production and sales during the quarter and we are now at near-normal levels.

## **Healthcare**

Hemas Healthcare sector has been at the forefront of meeting the multiple challenges of the COVID-19 pandemic. Our Pharmaceutical Distribution business operated at normal levels, despite significant logistical challenges, as we responded to the Government's call to ensure essential pharmaceutical products were available across the country. Our e-Commerce venture in online prescription fulfilment, Healthnet, experienced a significant spike in demand during the quarter.

Overall our healthcare businesses recorded revenues of Rs. 8.6 billion, with operating profits of Rs. 647 million. Growth within the sector was driven by the recently added distribution agency in the nutrition space. No major supply shortages were experienced.

Morison was impacted by the lockdown, with the factory being unable to run at its optimum capacity levels during the first few weeks of the pandemic. However, production increased during the quarter as we prioritized meeting the Government's pharmaceutical supply requirements. Overall revenues and operating profits improved by 27.8% and 12.0% compared to the same period last year. The new manufacturing facility at Homagama has been delayed due to the lockdown. Construction and installation work has re-commenced and we anticipate commercial production starting in April 2021.

At both Pharmaceutical Distribution and Morisons we have made progress in improving working capital by reducing debtor levels.

As ever our Hospitals teams have ensured that high quality health services have been available 24\*7 throughout the pandemic. Both Thalawathugoda and Wattala hospitals experienced a decline in patient footfall and elective surgeries reduced during lockdown, resulting in lower inpatient and outpatient revenue. Again we have seen month on month recovery. During the quarter we incurred additional costs of Rs. 50 million to ensure required supplies of personal protective equipment were available.

## **Leisure**

With the divestment of the Group's interest in Travel and Aviation segments, Leisure comprises our hotel investments of Serendib Hotels PLC and Anantara Peace Haven Tangalle. The Group's Leisure business was significantly impacted during the quarter with the suspension of operation of our hotels due to lockdown and the closure of the airports. While airports are yet to re-open, our hotels re-commenced operations in July. Two of our properties are operating as paid quarantine facilities, while others are serving the domestic tourism market.

Leisure reported revenues of Rs. 42 million. Following stringent cost containment measures taken by the management, the sector reported an operating loss of Rs. 277 million.

## **Mobility**

Hemas Mobility sector revenues decreased by 34.4% compared to Q1 last year, with revenues of Rs. 456 million. Operating profit declined by 65% over last year. The decline in performance is attributable to weakened trade and transshipment volumes impacting shipping agency volumes and the closure of the airport limiting airline aviation activity to cargo operations only. During the quarter, Hemas restructured its shareholding in one of the shipping agencies and recorded a disposal loss of Rs. 89 million. Our Logistics arm reported a profitability improvement of Rs. 11 million.

## **Future Outlook**

The Group has delivered resilient performance in the quarter, despite the profound impact of the ongoing COVID-19 crisis. Overall, our Healthcare and Consumer businesses have shown strong month on month recovery and by June were achieving pre-COVID activity levels. Leisure remains a challenge.

We recognize the on-going risks that the pandemic represents to the Group, whether through a second wave, a contracting economy or supply chain or other constraints. We are adopting a dual strategy recognising that increased consumer consciousness towards health and hygiene is an opportunity for Hemas and also aggressively focusing on cost management and cash conservation in order to navigate through these unpredictable times.

This will be my final quarterly review as Group CEO, as I retire on 30<sup>th</sup> September and Kasturi takes on the role of leading one of Sri Lanka's best companies. I would like to take this opportunity to thank all of the many Hemas stakeholders I have interacted with over the years for their help, guidance, challenge and humour. I have been privileged to work with exceptional teams in unprecedented times. Together we have come through many unpredicted challenges to deliver remarkable outcomes.

I wish Kasturi and Hemas every success in the future and am confident that this great company will go from strength to strength.



**Steven Enderby**

Group Chief Executive Officer

August 13, 2020

Colombo

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Three Months Ended 30 June		
	2020	2019	Change %
<b>Revenue from Contracts with Customers</b>	<b>12,991,264</b>	13,198,428	-1.6%
Cost of Sales	(9,478,503)	(8,964,892)	5.7%
<b>Gross Profit</b>	<b>3,512,761</b>	4,233,536	-17.0%
Other Operating Income	251,271	91,899	173.4%
Selling and Distribution Expenses	(1,287,117)	(1,538,088)	-16.3%
Administrative Expenses	(2,000,331)	(2,716,009)	-26.4%
Share of Results of Equity Accounted Investees	(61,725)	(51,592)	19.6%
<b>Operating Profit</b>	<b>414,859</b>	19,746	2001.0%
Finance Cost	(235,264)	(240,769)	-2.3%
Finance Income	51,249	80,808	-36.6%
<b>Profit/ (Loss) Before Tax</b>	<b>230,844</b>	(140,215)	264.6%
Income Tax Expense	(133,498)	(401,240)	-66.7%
<b>Profit/ (Loss) for the Period</b>	<b>97,346</b>	(541,455)	118.0%
<b>Attributable to:</b>			
Equity Holders of the Parent	269,378	(425,894)	163.3%
Non-Controlling Interests	(172,032)	(115,561)	48.9%
	<b>97,346</b>	(541,455)	118.0%

	LKR	LKR
<b>Earnings Per Share</b>		
Basic	0.45	(0.71)
Annualised	1.81	(2.84)
Diluted	0.45	(0.71)
<b>Dividend Per Share</b>	-	1.45

All values are in LKR'000s, unless otherwise stated.  
The above figures are provisional and subject to audit.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three Months Ended 30 June	
	2020	2019
Profit/ (Loss) for the Period	97,346	(541,455)
<b>Other Comprehensive Income</b>		
<b>Other Comprehensive Income to be Reclassified to Profit or Loss in Subsequent Periods</b>		
Net Movement on Cash Flow Hedges	45,042	2,050
Income Tax Effect	(1,777)	(574)
Exchange Differences on Translation of Foreign Operations	(6,836)	(2,861)
	36,429	(1,385)
<b>Other Comprehensive Income not to be Reclassified to Profit or Loss in Subsequent Periods</b>		
Net Loss on Financial Assets at FVOCI (Equity)	(146)	(17)
	(146)	(17)
<b>Other Comprehensive Income for the Period, Net of Tax</b>	36,283	(1,402)
<b>Total Comprehensive Income for the Period, Net of Tax</b>	133,629	(542,857)
<b>Attributable to:</b>		
Equity Holders of the Parent	303,376	(429,744)
Non-Controlling Interests	(169,747)	(113,113)
	133,629	(542,857)

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## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30 June		As at 31 March
	2020	2019	2020
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	19,997,342	18,667,113	20,032,726
Investment Properties	1,647,591	1,647,591	1,647,591
Right-of-Use Assets	2,087,200	1,640,937	2,028,296
Intangible Assets	3,424,764	3,458,193	3,439,125
Investment in Joint Ventures	630,560	832,028	701,461
Investment in Associates	141,203	15,442	-
Lease Receivables	160,012	-	172,486
Other Non-Current Financial Assets	531,508	1,010,529	540,670
Deferred Tax Asset	193,958	130,150	164,426
	<b>28,814,138</b>	<b>27,401,983</b>	<b>28,726,781</b>
<b>Current Assets</b>			
Inventories	13,956,262	12,079,664	13,559,991
Trade and Other Receivables	13,884,054	17,429,231	16,093,960
Tax Recoverable	251,996	428,007	240,567
Lease Receivables	56,127	-	58,385
Other Current Financial Assets	74,567	292,972	83,761
Cash and Short-Term Deposits	5,998,626	7,690,019	5,616,972
	<b>34,221,632</b>	<b>37,919,893</b>	<b>35,653,636</b>
<b>Total Assets</b>	<b>63,035,770</b>	<b>65,321,876</b>	<b>64,380,417</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Stated Capital	7,734,054	7,734,054	7,734,054
Other Capital and Revenue Reserves	225,287	200,961	216,800
Other Components of Equity	1,423,203	1,678,642	1,389,205
Retained Earnings	18,843,611	17,206,492	18,574,233
<b>Equity Attributable to Equity Holders of the Parent</b>	<b>28,226,155</b>	<b>26,820,149</b>	<b>27,914,292</b>
Non-Controlling Interests	3,180,553	3,673,494	3,560,170
<b>Total Equity</b>	<b>31,406,708</b>	<b>30,493,643</b>	<b>31,474,462</b>
<b>Non-Current Liabilities</b>			
Interest-Bearing Loans and Borrowings	4,860,850	2,417,009	4,738,157
Other Non-Current Financial Liabilities	2,155,012	1,855,876	2,206,681
Deferred Tax Liability	1,695,109	1,807,125	1,733,238
Employee Benefit Liability	1,035,975	995,667	1,018,623
	<b>9,746,946</b>	<b>7,075,677</b>	<b>9,696,699</b>
<b>Current Liabilities</b>			
Trade and Other Payables	17,899,607	16,833,281	17,937,272
Dividend Payable	-	864,263	-
Income Tax Liabilities	330,946	403,004	512,791
Interest-Bearing Loans and Borrowings	2,251,335	5,812,467	3,363,156
Bank Overdraft	1,400,228	3,839,541	1,396,037
	<b>21,882,116</b>	<b>27,752,556</b>	<b>23,209,256</b>
<b>Total Equity and Liabilities</b>	<b>63,035,770</b>	<b>65,321,876</b>	<b>64,380,417</b>
<b>Net Assets per share - (LKR)</b>	<b>47.36</b>	<b>45.00</b>	<b>46.83</b>

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



**Zalmi Fazeel**

Chief Financial Officer

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



**Husein Esufally**  
Chairman  
Colombo  
13 August 2020



**Steven Enderby**  
Chief Executive Officer

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Parent							Non - Controlling Interests	Total Equity
	Stated Capital	Other Capital & Revenue Reserves	Revaluation Reserve	Foreign Currency Translation Reserve	Other Component of Equity Fair Value Reserve of Financial Assets at FVOCI	Cash Flow Hedge Reserve	Retained Earnings	Total	
<b>As at 1 April 2019</b>	7,734,054	185,449	1,760,794	147,414	(116,049)	(109,667)	18,496,649	28,098,644	31,869,722
Loss for the Period	-	-	-	-	-	-	(425,894)	(425,894)	(541,455)
Other Comprehensive Income	-	-	-	(4,519)	(17)	686	-	(3,850)	(1,402)
<b>Total Comprehensive Income</b>	-	-	-	(4,519)	(17)	686	(425,894)	(429,744)	(542,857)
Final Dividend - 2018/19	-	-	-	-	-	-	(864,263)	(864,263)	(864,263)
Subsidiary Dividend to Non-Controlling Interest	-	-	-	-	-	-	-	(62,250)	(62,250)
Share Based Payments	-	15,512	-	-	-	-	-	15,512	15,512
Reclassification of Non-Controlling Interest to be Acquired	-	-	-	-	-	-	-	91,666	91,666
Adjustment in Respect of Changes in Group Holding	-	-	-	-	-	-	-	(13,887)	(13,887)
<b>As at 30 June 2019</b>	7,734,054	200,961	1,760,794	142,895	(116,066)	(108,981)	17,206,492	26,820,149	30,493,643
<b>As at 1 April 2020</b>	7,734,054	216,800	1,781,625	121,847	(259,597)	(254,670)	18,574,233	27,914,292	31,474,462
Profit for the Period	-	-	-	-	-	-	269,378	269,378	97,346
Other Comprehensive Income	-	-	-	(6,836)	(146)	40,980	-	33,998	36,283
<b>Total Comprehensive Income</b>	-	-	-	(6,836)	(146)	40,980	269,378	303,376	133,629
Subsidiary Dividend to Non-Controlling Interest	-	-	-	-	-	-	-	(120,960)	(120,960)
Share Based Payments	-	8,487	-	-	-	-	-	8,487	8,487
Reclassification of Non-Controlling Interest to be Acquired	-	-	-	-	-	-	-	51,287	51,287
Adjustment in Respect of Changes in Group Holding	-	-	-	-	-	-	-	(140,197)	(140,197)
<b>As at 30 June 2020</b>	7,734,054	225,287	1,781,625	115,011	(259,743)	(213,690)	18,843,611	28,226,155	31,406,708

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## COMPANY STATEMENT OF PROFIT OR LOSS

	Three Months Ended 30 June		
	2020	2019	Change %
<b>Revenue from Contracts with Customers</b>	<b>211,852</b>	205,509	3.1%
Cost of Sales	-	-	0.0%
<b>Gross Profit</b>	<b>211,852</b>	205,509	3.1%
Other Operating Income	<b>100,000</b>	1,710,686	-94.2%
Administrative Expenses	<b>(143,309)</b>	(241,893)	-40.8%
<b>Operating Profit</b>	<b>168,543</b>	1,674,302	-89.9%
Finance Cost	<b>(17,108)</b>	(48,819)	-65.0%
Finance Income	<b>6,840</b>	9,443	-27.6%
<b>Profit Before Tax</b>	<b>158,275</b>	1,634,926	-90.3%
Income Tax Expense	<b>(4,694)</b>	(5,978)	-21.5%
<b>Profit for the Period</b>	<b>153,581</b>	1,628,948	-90.6%

## COMPANY STATEMENT OF COMPREHENSIVE INCOME

	Three Months Ended 30 June	
	2020	2019
Profit for the Period	<b>153,581</b>	1,628,948
<b>Other Comprehensive Income</b>		
Net Gain/ (Loss) on Financial Assets at FVOCI	<b>15</b>	(18)
<b>Other Comprehensive Income for the Period, Net of Tax</b>	<b>15</b>	(18)
<b>Total Comprehensive Income for the Period, Net of Tax</b>	<b>153,596</b>	1,628,930

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## COMPANY STATEMENT OF FINANCIAL POSITION

	As at 30 June		As at 31 March
	2020	2019	2020
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	112,463	150,385	118,835
Investment Properties	699,300	657,950	699,300
Right-of-Use Assets	38,940	-	51,920
Intangible Assets	92,625	68,508	99,897
Investment in Subsidiaries	17,330,481	17,498,412	17,330,481
Other Non-Current Financial Assets	149,015	243,028	148,999
	18,422,824	18,618,283	18,449,432
<b>Current Assets</b>			
Trade and Other Receivables	348,336	488,035	244,303
Tax Recoverable	20,434	16,551	29,360
Other Current Financial Assets	239,318	320,816	199,711
Cash and Short-Term Deposits	342,251	2,011,101	347,738
	950,339	2,836,503	821,112
<b>Total Assets</b>	<b>19,373,163</b>	<b>21,454,786</b>	<b>19,270,544</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Stated Capital	7,734,054	7,734,054	7,734,054
Other Capital and Revenue Reserves	446,638	422,312	438,151
Other Components of Equity	(148,957)	(51,503)	(148,972)
Retained Earnings	9,898,165	9,967,905	9,744,584
<b>Total Equity</b>	<b>17,929,900</b>	<b>18,072,768</b>	<b>17,767,817</b>
<b>Non-Current Liabilities</b>			
Deferred Tax Liability	134,677	134,935	138,528
Employee Benefit Liability	48,777	49,901	45,776
	183,454	184,836	184,304
<b>Current Liabilities</b>			
Trade and Other Payables	475,149	520,307	480,645
Dividend Payable	-	864,263	-
Interest-Bearing Loans and Borrowings	729,510	1,801,500	834,525
Bank Overdraft	55,150	11,112	3,253
	1,259,809	3,197,182	1,318,423
<b>Total Equity and Liabilities</b>	<b>19,373,163</b>	<b>21,454,786</b>	<b>19,270,544</b>
<b>Net Assets per share - (LKR)</b>	<b>30.08</b>	<b>30.32</b>	<b>29.81</b>

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**Zalmi Fazeel**  
Chief Financial Officer

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



**Husein Esufally**  
Chairman  
Colombo  
13 August 2020



**Steven Enderby**  
Chief Executive Officer

## COMPANY STATEMENT OF CHANGES IN EQUITY

	Stated Capital	Other Capital Reserves	Other Components of Equity Fair Value Reserve of Financial Assets at FVOCI	Retained Earnings	Total Equity
<b>As at 1 April 2019</b>	7,734,054	406,800	(51,485)	9,203,220	17,292,589
Profits for the Period	-	-	-	1,628,948	1,628,948
Other Comprehensive Income	-	-	(18)	-	(18)
<b>Total Comprehensive Income</b>	-	-	(18)	1,628,948	1,628,930
Share Based Payments	-	15,512	-	-	15,512
Final Dividend - 2018/19	-	-	-	(864,263)	(864,263)
<b>As at 30 June 2019</b>	<b>7,734,054</b>	<b>422,312</b>	<b>(51,503)</b>	<b>9,967,905</b>	<b>18,072,768</b>
<b>As at 1 April 2020</b>	7,734,054	438,151	(148,972)	9,744,584	17,767,817
Profit for the Period	-	-	-	153,581	153,581
Other Comprehensive Income	-	-	15	-	15
<b>Total Comprehensive Income</b>	-	-	15	153,581	153,596
Share Based Payments	-	8,487	-	-	8,487
<b>As at 30 June 2020</b>	<b>7,734,054</b>	<b>446,638</b>	<b>(148,957)</b>	<b>9,898,165</b>	<b>17,929,900</b>

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## STATEMENT OF CASH FLOWS

Three Months Ended 30 June	Group		Company	
	2020	2019	2020	2019
<b>Operating Activities</b>				
Profit/ (Loss) before taxation	230,844	(140,215)	158,275	1,634,926
<b>Adjustments for,</b>				
Depreciation	306,860	393,769	6,548	8,768
Amortisation of Right-of-Use Assets	71,819	-	12,980	-
(Gain)/ Loss on Disposal of Property, Plant and Equipment, Investment Properties	(3,089)	(18,270)	-	(286)
Net (Gain)/Loss on Sale of Non-Current Investments	(11,331)	-	-	-
Provision for Share Based Payment Expense	8,487	15,512	1,846	3,870
Provision for Impairment of Trade and Other Receivables	128,755	119,019	12,175	23,779
Provision for Obsolete Stocks	40,436	13,154	-	-
Amortisation of Intangible Assets	18,902	19,766	7,572	4,765
Exchange (Gain)/Loss on Foreign Currency Borrowings	(5,749)	2,050	-	-
Finance Cost	235,264	240,769	17,108	48,819
Finance Income	(51,249)	(80,808)	(6,840)	(9,443)
Share of Results of Joint Ventures & Associates	61,725	51,592	-	-
Investment Income	-	-	(100,000)	(1,709,468)
Movement in Employee Benefit Liability	36,315	45,484	3,000	2,508
<b>Operating Cash Flows before Working Capital Changes</b>	<b>1,067,989</b>	<b>661,822</b>	<b>112,664</b>	<b>8,238</b>
<b>Working Capital Adjustments</b>				
(Increase)/Decrease in Inventories	(436,707)	(891,870)	-	-
(Increase)/Decrease in Trade and Other Receivables	1,731,871	825,757	(109,330)	(152,846)
Increase/(Decrease) in Trade and Other Payables	108,701	(2,086,566)	(5,498)	14,387
Increase/(Decrease) in Other Non-Current Financial Liabilities	(383)	(8,155)	-	-
<b>Cash Generated from Operations</b>	<b>2,471,471</b>	<b>(1,499,012)</b>	<b>(2,164)</b>	<b>(130,221)</b>
Finance Cost Paid	(205,686)	(219,481)	(15,665)	(48,819)
Finance Income Received	49,704	79,954	6,776	9,443
Income Tax Paid	(387,284)	(315,493)	-	(1,823)
Employee Retirement Benefit Paid	(11,332)	(18,776)	-	-
<b>Net Cash Flows From/(Used in) Operating Activities</b>	<b>1,916,873</b>	<b>(1,972,808)</b>	<b>(11,053)</b>	<b>(171,420)</b>
<b>Investing Activities</b>				
Purchase of Property, Plant and Equipment	(296,816)	(564,301)	(175)	(11,758)
Investment in Intangible Assets	(4,722)	(9,007)	-	(326)
Net Movement in Financial Assets	31,758	(157,444)	(40,000)	-
Investment in Joint Ventures/ Associate	-	(1,400)	-	-
Acquisition of /Investment in Subsidiaries	-	10,966	-	-
Disposal of Subsidiaries	(76,214)	-	-	-
Investment Income Received	-	-	100,000	1,709,468
Proceeds on Disposal of Property, Plant and Equipment/ Intangible Assets / Investment Properties	20,239	28,133	-	3,252
<b>Net Cash Flows From/(Used in) Investing Activities</b>	<b>(325,755)</b>	<b>(693,053)</b>	<b>59,825</b>	<b>1,700,636</b>
<b>Financing Activities</b>				
Interest-Bearing Loans and Borrowings (Net)	(1,097,285)	2,287,713	(106,457)	(53,140)
Proceeds from Non-Controlling Interest	6,500	-	-	-
Dividends Paid to Non-Controlling Interest	(120,960)	(62,250)	-	-
<b>Net Cash Flows From/(Used in) Financing Activities</b>	<b>(1,211,745)</b>	<b>2,225,463</b>	<b>(106,457)</b>	<b>(53,140)</b>
Net Increase/(Decrease) in Cash and Cash Equivalents	379,373	(440,398)	(57,685)	1,476,076
Net Foreign Exchange Difference	(1,910)	(440)	-	-
Cash and Cash Equivalents at the Beginning of the Period	4,220,935	4,291,316	344,786	523,913
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>4,598,398</b>	<b>3,850,478</b>	<b>287,101</b>	<b>1,999,989</b>

All values are in LKR'000s, unless otherwise stated.  
The above figures are provisional and subject to audit.

## SEGMENTAL INFORMATION

Three Months Ended 30 June	Consumer		Healthcare		Leisure		Mobility		Others		Group	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<b>Revenue from Contract with Customers</b>												
Segmental Revenue - Gross	3,885,015	4,651,008	9,064,023	6,914,590	42,323	605,928	533,383	752,800	299,818	726,142	13,824,562	13,650,468
Intra Segmental Revenue	(48,057)	(52,138)	(424,178)	(50,684)	-	-	(20,499)	(15,326)	(32,529)	(33,620)	(525,263)	(151,768)
Segment Revenue	3,836,958	4,598,870	8,639,845	6,863,906	42,323	605,928	512,884	737,474	267,289	692,522	13,299,299	13,498,700
Inter Segmental Revenue	-	-	-	-	-	-	(57,102)	(42,681)	(250,933)	(257,591)	(308,035)	(300,272)
<b>Total Revenue from Contract with Customers</b>	<b>3,836,958</b>	<b>4,598,870</b>	<b>8,639,845</b>	<b>6,863,906</b>	<b>42,323</b>	<b>605,928</b>	<b>455,782</b>	<b>694,793</b>	<b>16,356</b>	<b>434,931</b>	<b>12,991,264</b>	<b>13,198,428</b>
<b>Results</b>												
<b>Segmental Results</b>	<b>(47,684)</b>	<b>16,036</b>	<b>647,230</b>	<b>379,821</b>	<b>(206,063)</b>	<b>(130,376)</b>	<b>33,962</b>	<b>123,620</b>	<b>49,139</b>	<b>(317,763)</b>	<b>476,584</b>	<b>71,338</b>
Finance Cost	(53,696)	(18,510)	(136,282)	(119,416)	(9,717)	(16,752)	(28,504)	(37,251)	(7,065)	(48,840)	(235,264)	(240,769)
Finance Income	26,287	13,754	8,246	39,561	3,279	10,067	4,990	13,304	8,447	4,122	51,249	80,808
Share of Results of Joint Ventures & Associates	-	-	-	-	(70,901)	(51,592)	9,176	-	-	-	(61,725)	(51,592)
<b>Profit/(Loss) Before Tax</b>	<b>(75,093)</b>	<b>11,280</b>	<b>519,194</b>	<b>299,966</b>	<b>(283,402)</b>	<b>(188,653)</b>	<b>19,624</b>	<b>99,673</b>	<b>50,521</b>	<b>(362,481)</b>	<b>230,844</b>	<b>(140,215)</b>
Income Tax	307	(4,059)	(96,383)	(84,802)	14,536	2,645	(36,304)	(28,462)	(15,654)	(286,562)	(133,498)	(401,240)
<b>Profit/(Loss) for the Period</b>	<b>(74,786)</b>	<b>7,221</b>	<b>422,811</b>	<b>215,164</b>	<b>(268,866)</b>	<b>(186,008)</b>	<b>(16,680)</b>	<b>71,211</b>	<b>34,867</b>	<b>(649,043)</b>	<b>97,346</b>	<b>(541,455)</b>
<b>Attributable to:</b>												
Equity Holders of the Parent	(22,567)	38,657	469,779	232,470	(169,648)	(130,545)	(43,053)	82,567	34,867	(649,043)	269,378	(425,894)
Non-Controlling Interests	(52,219)	(31,436)	(46,968)	(17,306)	(99,218)	(55,463)	26,373	(11,356)	-	-	(172,032)	(115,561)
	<b>(74,786)</b>	<b>7,221</b>	<b>422,811</b>	<b>215,164</b>	<b>(268,866)</b>	<b>(186,008)</b>	<b>(16,680)</b>	<b>71,211</b>	<b>34,867</b>	<b>(649,043)</b>	<b>97,346</b>	<b>(541,455)</b>

All values are in LKR'000s, unless otherwise stated.

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 2020. Further, provisions of the Companies Act No. 7 of 2007 have been considered in preparing the interim financial statements.

### 2 The Board of Directors decision (with the approval in principle of the Colombo Stock Exchange) 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 and create a Employee Share Option Scheme (ESOS), was authorised by shareholders at an Extraordinary General Meeting dated 10 April 2015.

Accordingly, 3,053,750 employee share options were granted on the first Grant to the Executive Directors and Senior Executives of the company and its subsidiaries at the exercise price of LKR 82 with a vesting period of one year starting from 27 July 2015 and exercise period of 3 years starting from 27 July 2016, out of which 2,574,423 employee share options were vested during the year ended 31 March 2017.

At the second Grant 3,008,750 employee share options were granted at the exercise price of LKR 87.50 with a one year vesting period starting from 27 July 2016 and exercise period of 3 years starting from 27 July 2017, out of which 2,421,867 employee share options were vested on 27 July 2017.

At the third Grant 3,420,000 employee share options were granted at the exercise price of LKR 149.50 with a one year vesting period starting from 27 July 2017 and exercise period of 3 years starting from 27 July 2018, out of which 2,034,796 employee share options were vested on 27 July 2018.

At the fourth Grant 3,491,250 employee share options were granted at the exercise price of LKR 108.81 with a one year vesting period starting from 27 July 2018 and exercise period of 3 years starting from 27 July 2019, out of which 2,032,822 employee share options were vested on 27 July 2019.

At the fifth Grant 4,115,000 employee share options were granted at the exercise price of LKR 69.00 with a one year vesting period starting from 27 July 2019 and exercise period of 3 years starting from 27 July 2020, out of which 2,204,212 employee share options were vested on 27 July 2020.

Further, a sixth Grant 2,639,275 employee share options were granted on 27 July 2020 at the exercise price of Rs. 60.00 with a one year vesting period starting from 27 July 2020.

### 3 Changes to the Group

Hemas Transportation (Pvt) Ltd, a subsidiary of Hemas Holdings PLC, restructured its investment in FAR Shipping Agency (Pvt) Ltd with its investment in the company being revised to that of an associate from subsidiary w.e.f 01 April 2020.

Concept Ventures (Pvt) Ltd, a subsidiary of Hemas Holdings PLC, divested 80.1% stake in Digital Healthcare Solutions (Pvt) Ltd on 29 June 2020.

The assets and liabilities disposed were as follows:  
In LKR '000

	Far Shipping Agency Lanka (Pvt) Ltd.	Digital Healthcare Solutions (Pvt) Ltd.
<b>Assets</b>		
Cash and Cash Equivalents	96,990	1,292
Other Current Financial Assets	1,186	-
Trade and Other Receivables	338,939	10,654
Deferred Tax Assets	845	851
Investment in Subsidiaries	-	1,103
Intangible Assets	192	-
Property, Plant and Equipment	2,389	874
<b>Liabilities</b>		
Bank Overdrafts	(16,751)	(1,117)
Interest Bearing Loans and Borrowings	-	(3,000)
Trade & Other Payables	(42,252)	(104,118)
Income Tax Liability	(8,783)	(74)
Employee Benefit Liability	(6,011)	(1,615)
Total Identifiable Net Assets	366,744	(95,150)
Non-Controlling Interests	(146,697)	-
Investment in Associate	(132,028)	-
(Loss)/Gain on Disposal	(86,819)	98,150
Sales Consideration	1,200	3,000
Cash and Cash Equivalent Disposed	(80,239)	(175)
Net Cash (Outflow)/Inflow on Disposal	(79,039)	2,825

### 4 The impact of the COVID-19 pandemic, on the operations of the group has been reducing month on month over the last quarter. The future impact of the pandemic on Sri Lanka's economy and global demand and supply however, cannot be accurately predicted at this time.

### 5 There have been no events subsequent to the reporting date which require disclosure in the interim financial statements.

### 6 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 2020.

## INVESTOR INFORMATION

	Three Months Ended 30 June	
	2020	2019
<b>Market Value of Shares</b>		
Closing Price on 30 June (LKR)	63.60	62.00
Highest Price During the Period (LKR)	65.00	79.50
Lowest Price During the Period (LKR)	54.00	60.00
Market Capitalisation on 30 June (LKR Mn)	37,908	36,955
<b>Ratios</b>		
Net Asset Per Share on 30 June (LKR)	47.36	45.00
Price Earnings Ratio on 30 June (Times)	35.18	(21.83)
<b>Share Trading</b>		
No of Transactions During the Period	2,184	845
No of Shares Traded During the Period	23,081,835	6,358,604
Value of Shares Traded During the Period (LKR Mn)	1,406	453
<b>Number of Shares</b>	<b>596,043,425</b>	<b>596,043,425</b>

## SHARE INFORMATION

List of 20 Major Shareholders as at 30 June	2020		2019	
	No. of Shares	%	No. of Shares	%
1 A Z Holdings (Pvt) Ltd.	94,092,305	15.79	94,092,305	15.79
2 Saraz Investments (Pvt) Ltd.	89,565,277	15.03	89,565,277	15.03
3 Blueberry Investments (Pvt) Ltd.	88,927,940	14.92	88,927,940	14.92
4 Amagroup (Pvt) Ltd.	88,927,333	14.92	88,927,333	14.92
5 HSBC Intl Nominees Ltd-JPMLU-Franklin Templeton Investment Funds	31,709,070	5.32	34,134,070	5.73
6 Citi Bank New York S/A Norges Bank Account 2	17,815,148	2.99	17,815,148	2.99
7 BBH-Kopernik Global All Cap Fund	11,712,513	1.97	9,846,711	1.65
8 Phoenix Ventures (Pvt) Limited.	9,235,804	1.55	5,985,804	1.00
9 HSBC International Nominees Ltd. -JPMCB- Templeton Global Investment Trust- Templeton Emerging Markets Small Cap Fund	8,694,274	1.46	15,513,186	2.60
10 BNYMSANV Re-First State Investments ICVC-Stewart Investors Indian Subcontinent Sustainability Fund.	8,510,807	1.43	12,401,434	2.08
11 CB London s/a Verdipapirfondet Holberg Rurik	7,371,000	1.24	8,899,078	1.49
12 HSBC Intl Nom Ltd-JPMCB- Pacific Assets Trust PLC	7,043,079	1.18	7,043,079	1.18
13 BBH-Kopernik Global All Cap Equity Fund	6,710,972	1.13	5,477,055	0.92
14 Mr. M.A.H. Esufally	6,164,633	1.03	6,164,633	1.03
15 BNYMSANV Re-First State Investments ICVC-Stewart Investors Asia Pacific Sustainability Fund.	6,085,356	1.02	6,085,356	1.02
16 Mr. H.N. Esufally	5,791,640	0.97	5,791,640	0.97
17 Sri Lanka Insurance Corporation Ltd - Life Fund	5,657,326	0.95	-	-
18 Mr. M.J.Fernando	5,448,160	0.91	-	-
19 Rubber Investment Trust Ltd Account 1	5,382,525	0.90	-	-
20 Mr. I.A.H. Esufally	4,586,284	0.77	4,586,284	0.77

Directors' Shareholding as at 30 June	2020	2019
	No. of Shares	No. of Shares
<b>DIRECTORS' INDIRECT SHAREHOLDING</b>		
A Z Holdings (Pvt) Ltd.	94,092,305	94,092,305
Saraz Investments (Pvt) Ltd.	89,565,277	89,565,277
Blueberry Investments (Pvt) Ltd.	88,927,940	88,927,940
Amagroup (Pvt) Ltd.	88,927,333	88,927,333
<b>DIRECTORS' DIRECT SHAREHOLDING</b>		
Mr. H.N. Esufally (Chairman)	5,791,640	5,791,640
Mr. A.N. Esufally	117,353	2,367,353
Mr. I.A.H. Esufally	4,586,284	4,586,284
Mr. M. A. H. Esufally	6,164,633	6,164,633
Mr. J. M Trivedi	-	-
Mr. R. Gopalakrishnan	-	-
Mr. A.S. Amaratunga	-	-
Mr. S.M. Enderby (Chief Executive Officer)	-	-
Dr. S.A.B Ekanayake	-	-
Prof. N.R. De Silva	-	-
	<b>378,172,765</b>	<b>380,422,765</b>

Public Holding as at 30 June	2019	2018
Issued Share Capital (No. of Shares)	596,043,425	596,043,425
Public Holding as a % of Issued Share Capital	35.7%	35.7%
Total Number of Shareholders	4,802	4,255
Number of Shareholders representing the Public Holding	4,787	4,242

### Minimum Public Holding Requirement as per Listing Rules 7.13.1

	Float Adjusted Market Capitalisation - (LKR)	Public Holding Percentage	No of Shareholders	Option
Minimum Public Holding as at 30 June 2020	13,533,285,173	35.7%	4,787	1



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## CORPORATE INFORMATION

### Legal Form

A limited Liability Company incorporated in Sri Lanka and listed on the Colombo Stock Exchange on 15th October 2003.

### Date of Incorporation

10 December 1948

### Date of Registration

30 May 2007

### Company Registration Number

PQ 6

### Accounting year end

31 March

### Registered Office

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

### Website

www.hemas.com

### Telephone

+ 94 11 4731731

### Auditors

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

### Directors

Husein Esufally (Chairman)  
Steven Enderby (CEO)  
Kasturi Chellaraja Wilson (Deputy CEO) - Appointed w.e.f. 01 July 2020  
Intiaz Esufally  
Murtaza Esufally  
Abbas Esufally  
Ramabadran Gopalakrishnan  
Dr. Anura Ekanayake  
Amitha Saktha Amaratunga  
Jyotindra Manibhai Trivedi  
Prof. Nilanthi Renuka De Silva

### Secretaries

Hemas Corporate Services (Pvt) Ltd.  
No. 75, Braybrooke Place, Colombo 02.  
Telephone: +94 11 4731731 (hunting)  
Facsimile: +94 11 4731777

### Registrars

SSP Corporate Services (Pvt) Ltd.  
No. 101, Inner Flower Road, Colombo 03.  
Telephone: +94 11 2573894, +94 11 2576871  
Email: sspsec@sltnet.lk

### Lawyers to the Company

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

### Investor Relations

Hemas Holdings PLC  
Hemas House, No 75, Braybrooke Place,  
Colombo 2  
Telephone: +94 11 4731731  
Email: ir@hemas.com

### Bankers

Commercial Bank of Ceylon PLC  
Deutsche Bank AG  
The Hongkong & 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  
DFCC Bank PLC  
Citi Bank N.A.  
Bank of Ceylon

