

# FIT TO WIN

## **Financial Year 2021/22 – First Nine Months Performance**

### **Chief Executive Officer's Review**

Hemas Holdings PLC (HHL) delivered a strong and a resilient first nine months amidst a challenging operating environment. The cumulative Group revenue stood at Rs.57.7 billion, an increase of 20.5 per cent over last year. The underlying cumulative operating profit of Rs.4.9 billion, excluding all disposed entities, reported an increase of 4.3 per cent over last year in spite of profitability pressure experienced across most parts of the business due to input cost inflation and challenges around foreign exchange liquidity. Underlying Group earnings excluding dividend tax stood at Rs. 3.3 billion, an increase of 7.2 per cent over last year.

During the quarter, Group revenue grew by 21.9 per cent over last year. The Group underlying operating profit and earnings of Rs.2.3 billion and Rs. 1.3 billion saw a year-on-year increase of 5.7 per cent and 2.4 per cent respectively. The Group's Healthcare businesses, in particular, contributed to the improved performance.

The Group divested its interest in Spectra Logistics for a total consideration of Rs.1.3 billion in October 2021 and the gain realised in the sale amounted to Rs.295.3 million.

### **Consumer Brands**

The pandemic coupled with the macroeconomic headwinds continued to influence consumer behaviour, sales mix and market channel dynamics. As we experienced lower infection rates, the quarter under review was a near 'normal' quarter with minimal disruptions to trade and operations. With the rising inflationary pressure, basket value was skewed towards food and essentials, impacting shopper patterns for non-essential items. The quarter continued to witness escalation in commodity prices by over 50 per cent against last year. Global supply chain disruptions coupled with import restrictions in Sri Lanka underpinned by forex liquidity challenges exerted pressure on profitability margins.

Operating conditions in Bangladesh improved during the first two months into the quarter. However, daily COVID infection rates were rising towards the latter part of the quarter.

During the quarter, all schools were reopened, and the three-month prolonged trade union strike was called off by the teachers and principals. Further, tuition classes were allowed to operate with a 50 per cent capacity for O/L and A/L classes. As a result, the quarter witnessed an increased demand.

The Consumer Brands sector recorded a cumulative revenue of Rs.22.5 billion, a growth of 17.0 per cent over last year. However, sector cumulative earnings of Rs.1.6 billion witnessed a year-on-year decline of 14.8 per cent due to profitability pressure as stated above.

During the quarter, the Consumer Brands sector registered a revenue of Rs.9.7 billion, an increase of 22.2 per cent compared with the corresponding quarter in FY 2021. Home and Personal care (HPC) segment continued the growth momentum witnessed last year, whilst improved performance in Atlas contributed positively towards the profitability. However, rising raw material prices led to a decline in overall sector earnings by 18.2 per cent.

### **Home and Personal Care**

HPC Sri Lanka delivered a steady volume-led growth across both modern and general trade channels compared to last year. Similarly, the recent launches and relaunches have been gaining good traction. Cumulative revenue from new launches stood at 16.1 per cent over 13.5 per cent recorded last year.

Sector profitability continues to be impacted due to steep increases in raw material cost along with cost impact due to foreign exchange liquidity pressures. In an ongoing effort to reduce the burden to consumer from the inflationary impact, we have adopted multiple strategies whilst continuing to prudently manage cost to recover margins.

HPC Bangladesh witnessed double digit cumulative revenue and profitability growth due to improved market conditions in the first two months. The business also experienced a similar trend in volume growth in comparison to the last quarter whilst new launches continue to gain momentum in the market. Revenue contribution from new launches stood at 16.9 per cent against a 5.7 per cent reported last year.

## ***Learning Segment***

Atlas Axillia continued to gain market share across all key categories including books, school and colour products over last year with double digit volume growth through premiumization by way of design and technology. Market share within the premium books category was doubled with the relaunch of the *Innovate* Brand.

## **Healthcare**

Market demand for healthcare services and medicines experienced a sudden surge with the COVID cases escalating. More outpatient visits were registered as restrictions on mobility eased across the island. Medical tourism witnessed improved performance with borders opening up and more patients opting for elective surgeries. Further, acceleration of digital adoption across the healthcare sector saw an increase in demand for digital healthcare platforms.

The Sector reported a cumulative revenue of Rs.33.7 billion, a growth of 23.7 per cent over last year whilst sector profit of Rs.2.7 billion was a 21.2 per cent growth over last year.

The Sector posted a revenue of Rs.11.5 billion whilst operating profit and earnings stood at Rs.886.7 million and Rs.651.5 million respectively for the quarter. Performance was broad based with all sectors growing competitively over last year. The growth in profitability was primarily driven by the robust performance in Hospitals. However, profit margins continued to be impacted due to challenges around forex liquidity.

## ***Pharmaceuticals***

Pharmaceutical businesses delivered a stable revenue growth year to date. Price controls on medicine coupled with scarcity in foreign exchange reserves have hampered medicine imports into the country. This has led to medicine supply shortages within the industry whilst adding to profitability pressure.

Additionally, reduction in buy back volumes compared to assigned quantities under the guaranteed buy back agreement with the Ministry of Health Sri Lanka, continued to impact the overall performance. Excluding buyback agreements, Pharmaceutical manufacturing arm, Morison reported a steady cumulative growth of 35.2 per cent in revenue, driven by increased private market sales.

Whilst we urge the government to lay out a strategy for equitable allocation of buy back on local manufacturers, we are looking at opportunities to accelerate contract manufacturing, exports and other alternative opportunities to de-risk Morison from the volatility of the buyback agreements.

Due to the challenges in the operating environment in Myanmar, we have entered into a sale and purchase agreement with our joint venture partner to sell HHL's stake in Myanmar. As a result, we will be exiting the operations in Myanmar, effectively from the fourth quarter onwards.

## ***Hospitals***

Hospitals witnessed an average increase in admission volumes by 10.6 per cent over last year for the first nine months.

The third quarter of the year saw robust growth as the focus on non-COVID-19 patients was increased, especially Non Communicable Diseases (NCDs), which pose a substantial risk to the health of the people. Further, an outbreak of dengue was another contributor to the increased admissions during the quarter.

Thalawathugoda and Wattala recorded an overall occupancy of 66.7 per cent and 61.3 per cent respectively for the quarter. Additionally, demand for diagnostics experienced a surge in volumes in our laboratory network. Increased surgical admission volumes further strengthened the EBITDA margin by registering a growth of 10 percentage points against last year.

## **Mobility**

Year-to-date total throughput and transshipment volumes of Port of Colombo increased by 8.9 per cent and 7.4 per cent in comparison to same period last year.

Maritime business faced challenges as vessels continued to skip Sri Lanka to recover the schedules. Year-to-date adverse impact of the volume drop was partially negated by the accelerated freight rates witnessed globally.

The Aviation Cargo business continued its robust performance, while the Passenger arm of the Aviation business saw significant improvement during the quarter with Dubai gaining traction as a tourist destination and European Union relaxing immigration rules for students travelling for educational purposes.

Mobility Sector posted a cumulative revenue of Rs.1.5 billion, a growth of 9.0 per cent against FY 2021, whilst the underlying revenue, excluding logistic operations grew by 34.8 per cent to Rs. 940.5 million. Similarly, the overall earnings and underlying earnings increased by over 100 per cent to reach Rs. 667.0 million and Rs. 392.2 million respectively against same period last year.

During the quarter, underlying revenue grew by 49.8 per cent to Rs. 363.0 whilst underlying earnings stood at Rs.192.1 million.

Following the divestment of HHL's interest in Spectra Logistics in October 2021, Mobility sector will continue to focus on the logistics segment, in a model which enables us to leverage on existing capabilities.

#### **Our Commitment to ESG**

During the quarter the Group's carbon footprint per million Rupees of revenue decreased by 12.5 per cent and water withdrawal per million Rupees of revenue decreased by 4.3 per cent over last quarter. Group companies will continue to work towards reducing their environment impact by striving to achieve its established Environmental Goals which mandates a reduction in energy and water consumptions. In line with the Group strategy to reduce our carbon footprint, businesses with significant operations have started the process of moving towards greater utilization of renewable sources of energy

As a part of our partnership with the Ministry of Environment's initiative "Not a Rule but a Discipline", Group facilitated the placement of over 2,000 recycling bins at Government institutions and schools to collect disposable plastic pens and toothbrushes. The expected collection of this initiative is approximately 90,000 kg of plastic waste per year. Doing our part to ensure a healthier nation, the Group launched 'Say Yes to Life,' a campaign to create awareness and support the early management of diabetes in our communities. The Group also tied up with the Ministry of Health to screen and stratify diabetics

among Sri Lankans of all ages in line with World Health Organization guidelines.

#### **Outlook**

Against a challenging operating environment, I am encouraged by the progress we have made in the first nine months into the year.

In the near-term, the operating environment will continue to remain challenging. In this scenario, we will manage our business with agility, and continue to grow our footprint whilst maintaining our focus in managing margins. We remain confident of the medium to long term potential of the Consumer and Healthcare sector in Sri Lanka and Hemas' ability to deliver a consistent growth. Further, we continue to invest in uplifting digital capability within the organisation.

Further, we strengthened the focus in continuing to expand our footprint beyond Sri Lanka, as we drive our internationalisation strategy.



**Kasturi C. Wilson**

Group Chief Executive Officer  
February 02, 2022  
Colombo

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Three Months Ended 31 December			Nine Months Ended 31 December		
	2021	2020	Change %	2021	2020	Change %
<b>Continuing Operations</b>						
<b>Revenue from Contracts with Customers</b>	21,545,185	17,676,394	21.9%	57,722,138	47,910,015	20.5%
Cost of Sales	(15,453,467)	(12,162,518)	27.1%	(41,599,850)	(33,395,756)	24.6%
<b>Gross Profit</b>	6,091,718	5,513,876	10.5%	16,122,288	14,514,259	11.1%
Other Operating Income	408,495	89,366	357.1%	642,100	413,873	55.1%
Selling and Distribution Expenses	(1,814,227)	(1,386,556)	30.8%	(4,903,508)	(4,326,769)	13.3%
Administrative Expenses	(2,097,006)	(2,029,034)	3.3%	(6,473,828)	(5,636,874)	14.8%
Share of Results of Equity Accounted Investees (Net of Tax)	26,943	(92,632)	129.1%	(132,932)	(221,060)	-39.9%
<b>Operating Profit</b>	2,615,923	2,095,020	24.9%	5,254,120	4,743,429	10.8%
Finance Cost	(171,792)	(133,924)	28.3%	(426,062)	(514,350)	-17.2%
Finance Income	83,965	47,120	78.2%	204,017	169,719	20.2%
<b>Profit Before Tax from Continuing Operations</b>	2,528,096	2,008,216	25.9%	5,032,075	4,398,798	14.4%
Income Tax Expense	(693,579)	(547,150)	26.8%	(1,502,063)	(1,149,933)	30.6%
<b>Profit for the Period from Continuing Operations</b>	1,834,517	1,461,066	25.6%	3,530,012	3,248,865	8.7%
<b>Discontinued Operations</b>						
Loss After Tax from Discontinued Operations	-	(527,433)	100.0%	-	(817,911)	100.0%
<b>Profit for the Period</b>	1,834,517	933,633	96.5%	3,530,012	2,430,954	45.2%
<b>Attributable to:</b>						
Equity Holders of the Parent	1,604,290	837,775	91.5%	3,185,715	2,393,118	33.1%
Non-Controlling Interests	230,227	95,858	140.2%	344,297	37,836	810.0%
	1,834,517	933,633	96.5%	3,530,012	2,430,954	45.2%

	LKR	LKR	LKR	LKR
<b>Earnings Per Share</b>				
Basic	2.69	1.41	5.34	4.01
Diluted	2.69	1.41	5.34	4.01
<b>Earnings Per Share (Continuing Operation)</b>				
Basic	2.69	2.17	5.34	5.02
Diluted	2.69	2.17	5.34	5.02
<b>Dividend Per Share</b>	2.90	0.40	4.35	0.40

All values are in LKR'000s, unless otherwise stated.  
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## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three Months Ended 31 December		Nine Months Ended 31 December	
	2021	2020	2021	2020
Profit for the Period	1,834,517	933,633	3,530,012	2,430,954
<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	(50,991)	(8,434)	10,399	(17,141)
Income Tax Effect	-	(2,364)	2,641	(4,497)
Exchange Differences on Translation of Foreign Operations	(1,548)	10,620	33,297	(10,800)
	(52,539)	(178)	46,337	(32,438)
<b>Other Comprehensive Income not to be Reclassified to Profit or Loss in Subsequent Periods</b>				
Net Profit /(Loss) on Financial Assets at FVOCI (Equity)	15,504	(4,721)	26,410	(4,523)
	15,504	(4,721)	26,410	(4,523)
<b>Other Comprehensive Income for the Period, Net of Tax</b>	(37,035)	(4,899)	72,747	(36,961)
<b>Total Comprehensive Income for the Period, Net of Tax</b>	1,797,482	928,734	3,602,759	2,393,993
<b>Attributable to:</b>				
Equity Holders of the Parent	1,567,256	832,765	3,232,582	2,353,304
Non-Controlling Interests	230,226	95,969	370,177	40,689
	1,797,482	928,734	3,602,759	2,393,993

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## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 December		As at 31 March
	2021	2020	2021
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	15,875,648	16,336,624	17,539,695
Investment Properties	1,942,099	1,647,591	1,942,099
Right-of-Use Assets	1,167,626	1,854,573	1,878,697
Intangible Assets	3,293,594	3,249,580	3,289,618
Investment in Equity Accounted Investees	351,696	567,428	556,526
Lease Receivables	107,671	155,701	139,939
Other Non-Current Financial Assets	229,059	472,700	208,979
Deferred Tax Asset	97,806	181,258	144,281
	23,065,199	24,465,455	25,699,834
<b>Current Assets</b>			
Inventories	16,402,453	16,772,136	15,450,580
Trade and Other Receivables	18,601,056	16,879,095	13,654,581
Tax Recoverable	257,007	184,963	156,553
Lease Receivables	61,053	64,497	65,053
Other Current Financial Assets	54,474	81,599	109,678
Cash and Short-Term Deposits	13,332,571	6,282,937	8,458,109
	48,708,614	40,265,227	37,894,554
<b>Total Assets</b>	<b>71,773,813</b>	<b>64,730,682</b>	<b>63,594,388</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Stated Capital	7,776,111	7,743,803	7,776,111
Other Capital and Revenue Reserves	210,572	230,980	180,806
Other Components of Equity	2,218,353	1,390,963	2,160,926
Retained Earnings	22,328,614	20,540,352	21,777,539
<b>Equity Attributable to Equity Holders of the Parent</b>	<b>32,533,650</b>	<b>29,906,098</b>	<b>31,895,382</b>
Non-Controlling Interests	601,654	1,457,074	1,542,904
<b>Total Equity</b>	<b>33,135,304</b>	<b>31,363,172</b>	<b>33,438,286</b>
<b>Non-Current Liabilities</b>			
Interest-Bearing Loans and Borrowings	3,210,740	3,471,421	3,195,867
Other Non-Current Financial Liabilities	277,744	2,408,955	277,518
Deferred Tax Liability	1,384,812	1,388,178	1,363,032
Employee Benefit Liability	1,037,386	987,034	1,032,978
	5,910,682	8,255,588	5,869,395
<b>Current Liabilities</b>			
Trade and Other Payables	24,908,644	18,597,019	17,947,195
Income Tax Liabilities	866,052	620,076	602,547
Other Financial Liabilities	1,924,395	-	1,973,244
Interest-Bearing Loans and Borrowings	4,567,455	4,827,591	3,259,651
Bank Overdraft	461,281	1,067,236	504,070
	32,727,827	25,111,922	24,286,707
<b>Total Equity and Liabilities</b>	<b>71,773,813</b>	<b>64,730,682</b>	<b>63,594,388</b>
<b>Net Assets per share - (LKR)</b>	<b>54.54</b>	<b>50.16</b>	<b>53.47</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  
February 02, 2022



**Kasturi Chellaraja Wilson**  
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	Fair Value Reserve of Financial Assets at FVOCI	Cash Flow Hedge Reserve	Retained Earnings		
<b>As at 1 April 2020</b>	7,734,054	216,800	1,781,625	121,847	(259,597)	(254,670)	18,574,233	3,560,170	31,474,462
Profit for the Period	-	-	-	-	-	-	2,393,118	37,836	2,430,954
Other Comprehensive Income	-	-	-	(10,800)	(4,523)	(24,491)	-	2,853	(36,961)
<b>Total Comprehensive Income</b>	-	-	-	(10,800)	(4,523)	(24,491)	2,393,118	40,689	2,393,993
Interim Dividend - 2020/21	-	-	-	-	-	-	(238,417)	-	(238,417)
Subsidiary Dividend to Non-Controlling Interest	-	-	-	-	-	-	-	(160,043)	(160,043)
Exercise of Shares	8,039	-	-	-	-	-	-	8,039	8,039
Share Based Payments	1,710	14,180	-	-	-	-	-	-	15,890
Reclassification of Non-Controlling Interest to be Acquired	-	-	-	-	-	-	-	(134,673)	(134,673)
Adjustment in Respect of Changes in Group Holding	-	-	41,572	-	-	-	(188,582)	(1,849,069)	(1,996,079)
<b>As at 31 December 2020</b>	<b>7,743,803</b>	<b>230,980</b>	<b>1,823,197</b>	<b>111,047</b>	<b>(264,120)</b>	<b>(279,161)</b>	<b>20,540,352</b>	<b>1,457,074</b>	<b>31,363,172</b>
<b>As at 1 April 2021</b>	<b>7,776,111</b>	<b>180,806</b>	<b>2,637,592</b>	<b>173,403</b>	<b>(342,165)</b>	<b>(307,904)</b>	<b>21,777,539</b>	<b>1,542,904</b>	<b>33,438,286</b>
Profit for the Period	-	-	-	-	-	-	3,185,715	344,297	3,530,012
Other Comprehensive Income	-	-	-	14,239	26,410	6,218	-	25,880	72,747
<b>Total Comprehensive Income</b>	-	-	-	14,239	26,410	6,218	3,185,715	370,177	3,602,759
Final Dividend - 2020/21	-	-	-	-	-	-	(864,992)	-	(864,992)
Interim Dividend - 2021/22	-	-	-	-	-	-	(1,729,983)	-	(1,729,983)
Subsidiary Dividend to Non-Controlling Interest	-	-	-	-	-	-	-	(413,314)	(413,314)
Share Based Payments	-	29,766	-	-	-	-	-	-	29,766
Reclassification of Non-Controlling Interest to be Acquired	-	-	-	-	-	-	-	66,089	66,089
Adjustment in Respect of Changes in Group Holding	-	-	(2,249)	-	-	12,809	(39,665)	(964,202)	(993,307)
<b>As at 31 December 2021</b>	<b>7,776,111</b>	<b>210,572</b>	<b>2,635,343</b>	<b>187,642</b>	<b>(315,755)</b>	<b>(288,877)</b>	<b>22,328,614</b>	<b>601,654</b>	<b>33,135,304</b>

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## COMPANY STATEMENT OF PROFIT OR LOSS

	Three Months Ended 31 December			Nine Months Ended 31 December		
	2021	2020	Change %	2021	2020	Change %
<b>Revenue from Contracts with Customers</b>	218,557	223,050	-2.0%	664,987	647,093	2.8%
Cost of Sales	-	-	-	-	-	-
<b>Gross Profit</b>	218,557	223,050	-2.0%	664,987	647,093	2.8%
Other Operating Income	1,510,470	117,926	1180.9%	2,263,288	272,734	729.9%
Administrative Expenses	(241,963)	(494,370)	-51.1%	(808,127)	(838,364)	-3.6%
<b>Operating Profit/ (Loss)</b>	1,487,064	(153,394)	1069.4%	2,120,148	81,463	2502.6%
Finance Cost	(17,364)	(13,801)	25.8%	(37,141)	(46,958)	-20.9%
Finance Income	4,551	3,736	21.8%	12,003	23,010	-47.8%
<b>Profit/ (Loss) Before Tax</b>	1,474,251	(163,459)	1001.9%	2,095,010	57,515	3542.5%
Income Tax Expense	(217,138)	(6,061)	3482.5%	(339,636)	(20,236)	1578.4%
<b>Profit/ (Loss) for the Period</b>	1,257,113	(169,520)	841.6%	1,755,374	37,279	4608.7%

## COMPANY STATEMENT OF COMPREHENSIVE INCOME

	Three Months Ended 31 December		Nine Months Ended 31 December	
	2021	2020	2021	2020
Profit/ (Loss) for the Period	1,257,113	(169,520)	1,755,374	37,279
<b>Other Comprehensive Income</b>				
Net Gain/ (Loss) on Financial Assets at FVOCI	2,827	(857)	4,790	(776)
<b>Other Comprehensive Income for the Period, Net of Tax</b>	2,827	(857)	4,790	(776)
<b>Total Comprehensive Income for the Period, Net of Tax</b>	1,259,940	(170,377)	1,760,164	36,503

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## COMPANY STATEMENT OF FINANCIAL POSITION

	As at 31 December		As at 31 March
	2021	2020	2021
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	67,566	82,446	74,919
Investment Properties	728,800	699,300	728,800
Right-of-Use Assets	70,279	12,980	-
Intangible Assets	57,773	77,189	81,564
Investment in Subsidiaries	17,464,718	16,609,368	16,569,869
Other Non-Current Financial Assets	17,779	158,962	12,987
	<b>18,406,915</b>	<b>17,640,245</b>	<b>17,468,139</b>
<b>Current Assets</b>			
Trade and Other Receivables	316,464	354,488	241,464
Tax Recoverable	1,291	17,342	1,291
Other Current Financial Assets	4,082	360,152	372,453
Cash and Short-Term Deposits	63,405	183,234	213,340
	<b>385,242</b>	<b>915,216</b>	<b>828,548</b>
<b>Total Assets</b>	<b>18,792,157</b>	<b>18,555,461</b>	<b>18,296,687</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Stated Capital	7,776,111	7,743,803	7,776,111
Other Capital and Revenue Reserves	431,923	452,331	402,157
Other Components of Equity	(290,932)	(149,748)	(295,722)
Retained Earnings	8,693,126	9,543,446	9,532,727
<b>Total Equity</b>	<b>16,610,228</b>	<b>17,589,832</b>	<b>17,415,273</b>
<b>Non-Current Liabilities</b>			
Deferred Tax Liability	117,787	146,728	119,426
Employee Benefit Liability	68,803	37,928	78,004
	<b>186,590</b>	<b>184,656</b>	<b>197,430</b>
<b>Current Liabilities</b>			
Trade and Other Payables	565,650	417,427	408,984
Income Tax Liabilities	210,470	-	-
Interest-Bearing Loans and Borrowings	1,215,827	332,085	275,000
Bank Overdraft	3,392	31,461	-
	<b>1,995,339</b>	<b>780,973</b>	<b>683,984</b>
<b>Total Equity and Liabilities</b>	<b>18,792,157</b>	<b>18,555,461</b>	<b>18,296,687</b>
<b>Net Assets per share - (LKR)</b>	<b>27.84</b>	<b>29.51</b>	<b>29.19</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  
February 02, 2022



**Kasturi Chellaraja Wilson**  
Chief Executive Officer

## COMPANY STATEMENT OF CHANGES IN EQUITY

	Stated Capital	Other Capital Reserves	Other Components Of Equity	Retained Earnings	Total Equity
			Fair Value Reserve of Financial Assets at FVOCI		
<b>As at 1 April 2020</b>	7,734,054	438,151	(148,972)	9,744,584	17,767,817
Profit for the Period	-	-	-	37,279	37,279
Other Comprehensive Income	-	-	(776)	-	(776)
<b>Total Comprehensive Income</b>	-	-	(776)	37,279	36,503
Share Based Payments	1,710	14,180	-	-	15,890
Exercise of ESOS	8,039	-	-	-	8,039
Interim Dividend 2020/21	-	-	-	(238,417)	(238,417)
<b>As at 31 December 2020</b>	<b>7,743,803</b>	<b>452,331</b>	<b>(149,748)</b>	<b>9,543,446</b>	<b>17,589,832</b>
<b>As at 1 April 2021</b>	7,776,111	402,157	(295,722)	9,532,727	17,415,273
Exercise of share options	-	-	-	1,755,374	1,755,374
Profit for the Period	-	-	4,790	-	4,790
Other Comprehensive Income	-	-	4,790	-	4,790
<b>Total Comprehensive Income</b>	-	-	4,790	1,755,374	1,760,164
Share Based Payments	-	29,766	-	-	29,766
Final Dividend - 2020/21	-	-	-	(864,992)	(864,992)
Interim Dividend - 2021/22	-	-	-	(1,729,983)	(1,729,983)
<b>As at 31 December 2021</b>	<b>7,776,111</b>	<b>431,923</b>	<b>(290,932)</b>	<b>8,693,126</b>	<b>16,610,228</b>

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

## STATEMENT OF CASH FLOWS

Nine Months Ended 31 December	Group		Company	
	2021	2020	2021	2020
<b>Operating Activities</b>				
Profit Before Taxation from Continuing Operations	5,032,075	4,398,798	2,095,010	57,515
(Loss) Before Taxation from Discontinued Operations	-	(831,749)	-	-
<b>Adjustments for,</b>				
Depreciation	810,022	958,400	16,173	17,556
Amortisation of Right-of-Use Assets	232,691	230,633	42,167	38,940
(Gain)/ Loss on Disposal of Property, Plant and Equipment, Investment Properties	(22,531)	(4,984)	(10,460)	2,674
(Gain)/Loss on Sale of Non-Current Investments	(295,313)	362,008	-	262,602
Provision for Share Based Payment Expense	29,766	15,877	7,039	2,374
(Reversal) / Provision for Impairment of Trade and Other Receivables	123,539	(76,562)	4,209	(62,189)
Provision for Obsolete Stocks	30,558	63,261	-	-
Amortisation of Intangible Assets	54,701	64,959	24,165	22,709
Finance Cost	405,343	514,350	37,141	46,958
Finance Income	(204,017)	(169,719)	(12,003)	(23,010)
Share of Results of Equity Accounted Investees (Net of Tax)	132,932	221,060	-	-
Investment Income	-	-	(2,251,468)	(217,880)
Movement in Employee Benefit Liability	130,209	140,897	11,250	9,000
<b>Operating Cash Flows before Working Capital Changes</b>	<b>6,459,975</b>	<b>5,887,229</b>	<b>(36,777)</b>	<b>157,249</b>
<b>Working Capital Adjustments</b>				
(Increase) in Inventories	(1,028,274)	(3,311,310)	-	-
(Increase) in Trade and Other Receivables	(5,523,021)	(1,193,448)	(54,664)	(73,729)
Increase/(Decrease) in Trade and Other Payables	7,321,340	1,153,656	156,664	(63,234)
Increase in Other Non-Current Financial Liabilities	-	67,600	-	-
<b>Cash Generated from Operations</b>	<b>7,230,020</b>	<b>2,603,727</b>	<b>65,223</b>	<b>20,286</b>
Finance Cost Paid	(292,541)	(390,527)	(33,664)	(43,776)
Finance Income Received	202,114	166,194	11,908	22,867
Income Tax Paid	(1,334,290)	(990,552)	(130,805)	-
Employee Retirement Benefit Paid	(99,905)	(84,546)	(20,452)	(16,849)
<b>Net Cash Flows From/(Used in) Operating Activities</b>	<b>5,705,398</b>	<b>1,304,296</b>	<b>(107,790)</b>	<b>(17,472)</b>
<b>Investing Activities</b>				
Purchase of Property, Plant and Equipment	(1,224,106)	(1,214,665)	(11,512)	(1,747)
Investment in Intangible Assets	(73,379)	(33,549)	(375)	-
Net Movement in Financial Assets	84,510	20,703	366,648	(160,550)
Dividend received from Equity Accounted Investees	72,000	45,000	-	-
Acquisition of /Investment in Subsidiaries	-	-	(894,850)	(404,390)
Disposal of Subsidiaries	1,427,440	421,520	-	891,660
Investment Income Received	-	-	2,251,468	217,880
Proceeds on Disposal of Property, Plant and Equipment/ Intangible Assets / Investment Properties	68,304	136,861	13,152	17,907
<b>Net Cash Flows From/(Used in) Investing Activities</b>	<b>354,769</b>	<b>(624,130)</b>	<b>1,724,531</b>	<b>560,761</b>
<b>Financing Activities</b>				
Interest-Bearing Loans and Borrowings (Net)	1,846,309	932,089	824,907	(505,621)
Proceed from Exercise of ESOS	-	8,039	-	8,039
Proceeds to Non-Controlling Interest	(13,619)	(285,547)	-	-
Dividends Paid to Equity Holders of the Parent	(2,594,975)	(238,417)	(2,594,975)	(238,417)
Dividends Paid to Non-Controlling Interest	(413,314)	(160,043)	-	-
<b>Net Cash Flows From/(Used in) Financing Activities</b>	<b>(1,175,599)</b>	<b>256,121</b>	<b>(1,770,068)</b>	<b>(735,999)</b>
Net Increase/(Decrease) in Cash and Cash Equivalents	4,884,568	936,287	(153,327)	(192,712)
Net Foreign Exchange Difference	32,684	58,480	-	-
Cash and Cash Equivalents at the Beginning of the Period	7,954,038	4,220,934	213,340	344,486
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>12,871,290</b>	<b>5,215,701</b>	<b>60,013</b>	<b>151,774</b>

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## SEGMENTAL INFORMATION

Three Months Ended 31 December	Consumer Brands		Healthcare		Mobility		Others*		Group	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>Continuing Operation</b>										
<b>Revenue from Contract with Customers</b>										
Segmental Revenue - Gross	9,749,489	8,030,149	12,544,291	9,886,480	368,283	541,151	298,957	299,366	22,961,020	18,757,146
Intra Segmental Revenue	(51,878)	(97,037)	(1,060,337)	(621,763)	(5,245)	(10,438)	(34,816)	(34,013)	(1,152,276)	(763,251)
Segment Revenue	9,697,611	7,933,112	11,483,954	9,264,717	363,038	530,713	264,141	265,353	21,808,744	17,993,895
Inter Segmental Revenue	-	-	(7,145)	-	-	(72,612)	(256,414)	(244,889)	(263,559)	(317,501)
<b>Total Revenue from Contract with Customers</b>	<b>9,697,611</b>	<b>7,933,112</b>	<b>11,476,809</b>	<b>9,264,717</b>	<b>363,038</b>	<b>458,101</b>	<b>7,727</b>	<b>20,464</b>	<b>21,545,185</b>	<b>17,676,394</b>
<b>Results</b>										
<b>Segmental Results</b>										
Finance Cost	(67,621)	(16,550)	(87,906)	(90,361)	(8,186)	(18,117)	(8,079)	(8,896)	(171,792)	(133,924)
Finance Income	31,704	28,109	23,133	11,277	24,569	3,799	4,559	3,935	83,965	47,120
Share of Results of Equity Accounted Investees (Net of Tax)	-	-	-	-	2,009	3,377	24,934	(96,009)	26,943	(92,632)
<b>Profit/(Loss) before Tax from Continuing Operations</b>	<b>1,265,413</b>	<b>1,528,741</b>	<b>821,942</b>	<b>578,731</b>	<b>601,066</b>	<b>128,995</b>	<b>(160,325)</b>	<b>(228,251)</b>	<b>2,528,096</b>	<b>2,008,216</b>
Income Tax	(236,848)	(314,138)	(139,125)	(167,482)	(87,279)	(31,960)	(230,327)	(33,570)	(693,579)	(547,150)
<b>Profit/(Loss) for the Period from Continuing Operations</b>	<b>1,028,565</b>	<b>1,214,603</b>	<b>682,817</b>	<b>411,249</b>	<b>513,787</b>	<b>97,035</b>	<b>(390,652)</b>	<b>(261,821)</b>	<b>1,834,517</b>	<b>1,461,066</b>
Loss After Tax from Discontinued Operations	-	-	-	-	-	-	-	(527,433)	-	(527,433)
<b>Profit/(Loss) for the Period</b>	<b>1,028,565</b>	<b>1,214,603</b>	<b>682,817</b>	<b>411,249</b>	<b>513,787</b>	<b>97,035</b>	<b>(390,652)</b>	<b>(789,254)</b>	<b>1,834,517</b>	<b>933,633</b>
<b>Attributable to:</b>										
Equity Holders of the Parent	879,753	1,075,579	651,511	412,874	463,678	66,307	(390,652)	(716,985)	1,604,290	837,775
Non-Controlling Interests	148,812	139,024	31,306	(1,625)	50,109	30,728	-	(72,269)	230,227	95,858
	<b>1,028,565</b>	<b>1,214,603</b>	<b>682,817</b>	<b>411,249</b>	<b>513,787</b>	<b>97,035</b>	<b>(390,652)</b>	<b>(789,254)</b>	<b>1,834,517</b>	<b>933,633</b>

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\*Results of remaining businesses of Leisure segment has been reclassified to "Others" segment, pursuant to the disposal of Serendib Hotels PLC and Its Subsidiaries which represented material component of Leisure Segment.

## SEGMENTAL INFORMATION

Nine Months Ended 31 December	Consumer Brands		Healthcare		Mobility		Others*		Group	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>Continuing Operation</b>										
<b>Revenue from Contract with Customers</b>										
Segmental Revenue - Gross	22,791,665	19,442,712	36,745,917	28,969,118	1,685,678	1,684,549	906,875	891,022	62,130,135	50,987,401
Intra Segmental Revenue	(292,116)	(213,652)	(3,014,856)	(1,753,110)	(23,285)	(68,550)	(107,085)	(100,876)	(3,437,342)	(2,136,188)
Segment Revenue	22,499,549	19,229,060	33,731,061	27,216,008	1,662,393	1,615,999	799,790	790,146	58,692,793	48,851,213
Inter Segmental Revenue	-	-	(69,071)	-	(117,717)	(199,330)	(783,867)	(741,868)	(970,655)	(941,198)
<b>Total Revenue from Contract with Customers</b>	<b>22,499,549</b>	<b>19,229,060</b>	<b>33,661,990</b>	<b>27,216,008</b>	<b>1,544,676</b>	<b>1,416,669</b>	<b>15,923</b>	<b>48,278</b>	<b>57,722,138</b>	<b>47,910,015</b>
<b>Results</b>										
<b>Segmental Results</b>	<b>2,186,305</b>	<b>2,606,587</b>	<b>2,716,406</b>	<b>2,240,832</b>	<b>1,039,748</b>	<b>377,344</b>	<b>(555,407)</b>	<b>(260,274)</b>	<b>5,387,052</b>	<b>4,964,489</b>
Finance Cost	(86,605)	(80,130)	(279,618)	(336,524)	(37,554)	(74,535)	(22,285)	(23,161)	(426,062)	(514,350)
Finance Income	91,524	87,881	60,151	29,313	42,379	18,961	9,963	33,564	204,017	169,719
Share of Results of Equity Accounted Investees (Net of Tax)	-	-	-	-	16,825	21,572	(149,757)	(242,632)	(132,932)	(221,060)
<b>Profit/(Loss) before Tax from Continuing Operations</b>	<b>2,191,224</b>	<b>2,614,338</b>	<b>2,496,939</b>	<b>1,933,621</b>	<b>1,061,398</b>	<b>343,342</b>	<b>(717,486)</b>	<b>(492,503)</b>	<b>5,032,075</b>	<b>4,398,798</b>
Income Tax	(401,439)	(554,751)	(484,555)	(420,912)	(235,097)	(106,672)	(380,972)	(67,598)	(1,502,063)	(1,149,933)
<b>Profit/(Loss) for the Period from Continuing Operations</b>	<b>1,789,785</b>	<b>2,059,587</b>	<b>2,012,384</b>	<b>1,512,709</b>	<b>826,301</b>	<b>236,670</b>	<b>(1,098,458)</b>	<b>(560,101)</b>	<b>3,530,012</b>	<b>3,248,865</b>
Loss After Tax from Discontinued Operations	-	-	-	-	-	-	-	(817,911)	-	(817,911)
<b>Profit/(Loss) for the Period</b>	<b>1,789,785</b>	<b>2,059,587</b>	<b>2,012,384</b>	<b>1,512,709</b>	<b>826,301</b>	<b>236,670</b>	<b>(1,098,458)</b>	<b>(1,378,012)</b>	<b>3,530,012</b>	<b>2,430,954</b>
<b>Attributable to:</b>										
Equity Holders of the Parent	1,607,544	1,887,366	2,009,582	1,537,529	667,047	129,982	(1,098,458)	(1,161,759)	3,185,715	2,393,118
Non-Controlling Interests	182,241	172,221	2,802	(24,820)	159,254	106,688	-	(216,253)	344,297	37,836
	<b>1,789,785</b>	<b>2,059,587</b>	<b>2,012,384</b>	<b>1,512,709</b>	<b>826,301</b>	<b>236,670</b>	<b>(1,098,458)</b>	<b>(1,378,012)</b>	<b>3,530,012</b>	<b>2,430,954</b>

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\*Results of remaining businesses of Leisure segment has been reclassified to "Others" segment, pursuant to the disposal of Serendib Hotels PLC and Its Subsidiaries which represented material component of Leisure Segment.

## SEGMENTAL INFORMATION

As at	Consumer Brands		Healthcare		Mobility		Others*		Group	
	31.12.2021	31.03.2021	31.12.2021	31.03.2021	31.12.2021	31.03.2021	31.12.2021	31.03.2021	31.12.2021	31.03.2021
<b>ASSETS</b>										
<b>Non-Current Assets</b>										
Property, Plant and Equipment	4,196,159	4,175,136	9,021,160	8,601,091	27,841	2,089,421	116,069	132,487	13,361,229	14,998,135
Right of Use Assets	211,516	178,376	894,371	934,971	89,538	730,503	98,436	34,170	1,293,861	1,878,020
Investment Property	-	-	-	-	-	-	4,493,966	4,484,900	4,493,966	4,484,900
Other Non Current Financial Assets	26,886	32,192	180,572	268,603	900,000	-	133,183	394,129	1,240,641	694,924
Other Non Current Assets	3,152,165	3,148,353	1,596,146	1,544,096	48,698	3,047,565	24,560,192	23,830,950	29,357,201	31,570,964
<b>Segmental Non Current Assets</b>	<b>7,586,726</b>	<b>7,534,057</b>	<b>11,692,249</b>	<b>11,348,761</b>	<b>1,066,077</b>	<b>5,867,489</b>	<b>29,401,846</b>	<b>28,876,636</b>	<b>49,746,898</b>	<b>53,626,943</b>
Deferred Tax Assets									97,803	144,281
Eliminations/Adjustments									(26,779,502)	(28,071,390)
<b>Total Non Current Assets</b>	<b>7,586,726</b>	<b>7,534,057</b>	<b>11,692,249</b>	<b>11,348,761</b>	<b>1,066,077</b>	<b>5,867,489</b>	<b>29,401,846</b>	<b>28,876,636</b>	<b>23,065,199</b>	<b>25,699,834</b>
<b>Current Assets</b>										
Other Current Financial Assets	21,659	45,011	739,762	673,871	1,366,202	684,089	1,401,513	1,400,699	3,529,136	2,803,670
Segmental Current Assets	16,714,860	12,831,104	24,964,109	22,493,956	8,001,716	3,291,253	1,505,901	688,962	51,186,586	39,305,274
Tax Refunds									257,008	156,553
Eliminations/Adjustments									(6,264,116)	(4,370,943)
<b>Total Current Assets</b>	<b>16,736,519</b>	<b>12,876,115</b>	<b>25,703,871</b>	<b>23,167,827</b>	<b>9,367,918</b>	<b>3,975,342</b>	<b>2,907,414</b>	<b>2,089,661</b>	<b>48,708,614</b>	<b>37,894,554</b>
<b>Total Assets</b>	<b>24,323,245</b>	<b>20,410,172</b>	<b>37,396,120</b>	<b>34,516,588</b>	<b>10,433,995</b>	<b>9,842,831</b>	<b>32,309,260</b>	<b>30,966,297</b>	<b>71,773,813</b>	<b>63,594,388</b>
<b>Non Current Liabilities</b>										
Segmental Non Current Liabilities	1,521,622	471,330	3,460,960	2,951,599	110,005	729,063	114,848	130,374	5,207,435	4,282,366
Other Non-current Financial Liabilities	145	145	1,133	1,748	1,465	625	275,000	275,000	277,743	277,517
Deferred Tax Liability									1,384,812	1,363,032
Eliminations/Adjustments									(959,308)	(53,520)
<b>Total Non Current Liabilities</b>	<b>1,521,767</b>	<b>471,475</b>	<b>3,462,093</b>	<b>2,953,347</b>	<b>111,470</b>	<b>729,688</b>	<b>389,848</b>	<b>405,374</b>	<b>5,910,682</b>	<b>5,869,395</b>
<b>Current Liabilities</b>										
Segmental Current Liabilities	9,153,366	5,207,209	18,198,253	17,457,465	7,014,433	2,711,898	1,792,779	761,602	36,158,831	26,138,175
Income Tax Liability									866,052	602,547
Eliminations/Adjustments									(4,297,056)	(2,454,015)
<b>Total Current Liabilities</b>	<b>9,153,366</b>	<b>5,207,209</b>	<b>18,198,253</b>	<b>17,457,465</b>	<b>7,014,433</b>	<b>2,711,898</b>	<b>1,792,779</b>	<b>761,602</b>	<b>32,727,827</b>	<b>24,286,707</b>
<b>Total Liabilities</b>	<b>10,675,133</b>	<b>5,678,684</b>	<b>21,660,346</b>	<b>20,410,812</b>	<b>7,125,903</b>	<b>3,441,586</b>	<b>2,182,627</b>	<b>1,166,976</b>	<b>38,638,509</b>	<b>30,156,102</b>
<b>Total Segment Assets</b>	<b>24,323,245</b>	<b>20,410,172</b>	<b>37,396,120</b>	<b>34,516,588</b>	<b>10,433,995</b>	<b>9,842,831</b>	<b>32,309,260</b>	<b>30,966,297</b>	<b>104,462,620</b>	<b>95,735,887</b>
<b>Total Segment Liabilities</b>	<b>10,675,133</b>	<b>5,678,684</b>	<b>21,660,346</b>	<b>20,410,812</b>	<b>7,125,903</b>	<b>3,441,586</b>	<b>2,182,627</b>	<b>1,166,976</b>	<b>41,644,009</b>	<b>30,698,058</b>
<b>Other Segmental Information</b>										
Acquisition Cost of Property Plant and Equipment	295,428	284,336	853,735	1,412,669	51,646	54,472	23,297	68,723	1,224,106	1,820,200
Depreciation of Segmental Assets	266,897	337,766	404,573	501,597	82,863	153,164	55,689	226,217	810,022	1,218,744
Provision for Retiring Gratuity	46,156	74,222	65,276	98,123	5,666	14,392	13,111	21,758	130,209	208,495
Impairment/Amortization of Intangibles	3,760	4,752	24,340	25,913	2,320	3,641	24,281	49,629	54,701	83,935
Amortisation of Right-of-Use Assets	69,693	72,579	125,147	139,449	31,837	51,511	6,014	30,329	232,691	293,869

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\*Results of remaining businesses of Leisure segment has been reclassified to "Others" segment, pursuant to the disposal of Serendib Hotels PLC and Its Subsidiaries which represented material component of Leisure Segment.

## 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 2021. Further, provisions of the Companies Act No. 7 of 2007 have been considered in preparing the interim financial statements.

### 2 Employee Share Option Scheme (ESOS) - 2015

The Board of Directors, with the approval in principal of the Colombo Stock Exchange, and authorised by the shareholders at an Extraordinary General Meeting dated 10 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 the options were granted to the Executive Directors and Senior Executives of the Company and its subsidiaries as follows,

	Date Of Grant	No of Shares Granted	Grant Price (LKR)	Vesting Period	No of Shares Vested	Exercise Period
<b>Grant 1</b>	27.07.2015	3,053,750	82.00	1 Year	2,574,423	3 Years
<b>Grant 2</b>	27.07.2016	3,008,750	87.50	1 Year	2,421,867	3 Years
<b>Grant 3</b>	27.07.2017	3,420,000	149.50	1 Year	2,034,796	3 Years
<b>Grant 4</b>	27.07.2018	3,491,250	108.81	1 Year	2,032,822	3 Years
<b>Grant 5</b>	27.07.2019	4,115,000	69.00	1 Year	2,204,212	3 Years
<b>Grant 6</b>	27.07.2020	2,630,758	60.00	1 Year	1,924,065	3 Years

Under the Group's Employee Share Option Scheme (ESOS), share options of the parent are granted to executives of the Group/ Company generally with more than 12 months of service. The exercise price of the share options is equal to the 30 day volume weighted average market price of the underlying shares on the date of grant. The share options vested after period of one year from the date of grant and it depends on the performance criteria and time criteria. The fair value of the share options is estimated at the grant date using the Black Scholes option pricing model taking into account the terms and conditions upon which the share options were granted.

The exercise period for each option granted is three years. There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options.

### Employee Share Option Scheme (ESOS) - 2021

The Board of Directors, with the approval in principal of the Colombo Stock Exchange, and authorised by the shareholders at an Extraordinary General Meeting dated 30 June 2021, to create a Employee Share Option Scheme (ESOS) to offer 13,500,000 ordinary shares being 2.26% of the total issued and fully paid ordinary voting shares of the Company. The ESOS 2021 is applicable to Eligible Employees, who are employees of a company in the Hemas Group (i.e. the Company and subsidiaries of the Company as identified by the Board whose employees are eligible to participate in the Scheme)

The Grant Period under the ESOS 2021 shall commence on 20 July 2021 and end on 19 July 2026

	Date Of Grant	No of Shares Granted	Grant Price (LKR)	Vesting Period	No of Shares Vested	Exercise Period
<b>Grant 1</b>	20.07.2021	3,538,112	82.46	1 Year	N/A	5 Years

- 3 The Covid-19 pandemic continues to have an impact on the financial performance of the Group. With the continued rise in the rate of infection, the future impact of the pandemic on the economy, global demand and supply cannot be reasonably ascertained, at this time.

### 4 Event After The Reporting Date

Kyannmar Pharmaceuticals (Private) Limited, a subsidiary of Hemas Holdings PLC, divested its entire shareholding in Hemas Mandalay Pharmaceutical Limited at a total consideration of LKR 223Mn (USD 1.1Mn) on 27 January 2022.

Other than above, there were no circumstances have arisen since the reporting date, which would require adjustment to or disclosure in the financial statements.

### 5 Changes to the Group

Hemas Holdings PLC invested Rs. 886.6Mn in Morlan (Pvt) Ltd, a newly incorporated fully owned subsidiary on 29 June 2021 to acquire strategic asset related to the mobility sector.

Hemas Transportation (Private) Limited, a subsidiary of Hemas Holdings PLC, divested its entire shareholding in Spectra Logistics (Private) Limited at a total consideration of LKR 1,275Mn on 13 October 2021.

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

	<b>Spectra Logistics (Private) Limited - Group</b>
<b>Assets</b>	
Cash and Cash Equivalents	51,249
Other Financial Assets	61,483
Taxation Recoverable	6,502
Trade and Other Receivables	477,282
Inventories	45,842
Deferred Tax Assets	56,850
Intangible Assets	15,309
Right-of-Use Assets	609,128
Property, Plant and Equipment	2,030,201
<b>Liabilities</b>	
Bank Overdrafts	(203,688)
Interest Bearing Loans and Borrowings	(804,806)
Trade & Other Payables	(356,479)
Employee Benefit Liability	(25,898)
Other Liabilities	(3,600)
<b>Total Identifiable Net Assets</b>	<b>1,959,375</b>
Non-Controlling Interests	(979,688)
Gain on Disposal	295,314
<b>Sales Consideration</b>	<b>1,275,001</b>
Cash and Cash Equivalent Disposed	152,439
<b>Net Cash Inflow on Disposal</b>	<b>1,427,440</b>



## NOTES TO THE FINANCIAL STATEMENTS (CONT.)

### 6 Result from Discontinued Operations Serendib Hotels PLC Group

In LKR '000

<b>Revenue from Contracts with Customers</b>
Cost of Sales
<b>Gross Profit</b>
Other Operating Income
Selling and Distribution Expenses
Administrative Expenses
<b>Operating Profit</b>
Finance Cost
Finance Income
<b>Loss Before Tax</b>
Income Tax Expense
<b>Loss for the Period</b>
Disposal loss on Serendib Hotels PLC Group
<b>Loss for the Period from Discontinued Operations</b>

#### Attributable to:

Equity Holders of the Parent
Non-Controlling Interests

#### Earning/ (Loss) per Share (Discontinued Operation)

Basic
Diluted

#### Cash Flows From / (Used in) Discontinued Operation

In LKR '000

<b>Nine Months Ended 31 December</b>
Net Cash Flows From/(Used in) Operating Activities
Net Cash Flows From/(Used in) Investing Activities
Net Cash Flows From/(Used in) Financing Activities
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>

Three Months Ended 31 December		Nine Months Ended 31 December	
2021	2020	2021	2020
-	174,004	-	368,784
-	(47,100)	-	(88,695)
-	126,904	-	280,089
-	2,810	-	14,210
-	(980)	-	(8,881)
-	(225,103)	-	(649,061)
-	(96,369)	-	(363,643)
-	(51,719)	-	(100,296)
-	2,082	-	5,529
-	(146,006)	-	(458,410)
-	(8,087)	-	13,838
-	(154,093)	-	(444,572)
-	(373,339)	-	(373,339)
-	(527,433)	-	(817,911)
-	(455,164)	-	(601,658)
-	(72,269)	-	(216,253)
-	(527,433)	-	(817,911)
LKR	LKR	LKR	LKR
-	(0.76)	-	(1.01)
-	(0.76)	-	(1.01)

### 7 Surcharge Tax

A surcharge tax has been proposed to be imposed on entities for the year of assessment 2020/2021. Since this proposal is yet to be legislated, the Group has not provided for any potential liability that could arise, in the financial statements for the period ended 31 December 2021.

### 8 Contingencies

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 2021.

## INVESTOR INFORMATION

	Three Months Ended 31 December	
	2021	2020
<b>Market Value of Shares</b>		
Closing Price on 31 December (LKR)	66.90	99.90
Highest Price During the Period (LKR)	77.00	103.00
Lowest Price During the Period (LKR)	66.00	65.00
Market Capitalisation on 31 December (LKR Mn)	39,909	59,556
<b>Ratios</b>		
Net Asset Per Share on 31 December (LKR)	54.54	50.16
Price Earnings Ratio on 31 December (Times)	9.40	18.66
<b>Share Trading</b>		
No of Transactions During the Period	16,985	17,734
No of Shares Traded During the Period	20,621,658	56,214,536
Value of Shares Traded During the Period (LKR. Mn)	1,470	4,677
<b>Number of Shares</b>	<b>596,546,025</b>	<b>596,159,925</b>

## SHARE INFORMATION

List of 20 Major Shareholders as at 31 December	2021		2020	
	No. of Shares	%	No. of Shares	%
1 A Z Holdings (Pvt) Ltd.	94,092,305	15.77	94,092,305	15.78
2 Amagroup (Pvt) Ltd.	91,427,333	15.33	88,927,333	14.92
3 Saraz Investments (Pvt) Ltd.	89,565,277	15.01	89,565,277	15.02
4 Blueberry Investments (Pvt) Ltd.	88,927,940	14.91	88,927,940	14.92
5 BBH-Kopernik Global All Cap Fund	16,019,905	2.69	16,019,905	2.69
6 HSBC Intl Nominees Ltd-JPMLU-Franklin Templeton Investment Funds	12,862,845	2.16	14,115,850	2.37
7 BBH-Kopernik Global All Cap Equity Fund	12,263,194	2.06	12,263,194	2.06
8 Phoenix Ventures (Pvt) Limited.	9,796,683	1.64	9,696,683	1.63
9 Mr. H.N. Esufally	8,291,640	1.39	5,791,640	0.97
10 Citibank Newyork S/A Norges Bank Account 2	7,146,662	1.20	11,300,575	1.90
11 Mr. I.A.H. Esufally	7,086,284	1.19	4,586,284	0.77
12 Rubber Investment Trust Ltd Account 1	6,768,333	1.13	5,630,329	0.94
13 Mr. M.A.H. Esufally	6,164,633	1.03	6,164,633	1.03
14 Ceylon Investment PLC	6,030,208	1.01	-	-
15 CB London s/a Verdipapirfondet Holberg Rurik	5,520,000	0.93	5,520,000	0.93
16 Mr. H.H. Abdulhusein	5,500,000	0.92	-	-
17 Mellon Bank N.A-United Technologies CORP	5,488,757	0.92	-	-
18 Mr. M.J.Fernando	5,448,160	0.91	5,448,160	0.91
19 Ceylon Guardian Investment Trust PLC A/c # 02	5,270,726	0.88	-	-
20 BBH - Tundra Sustainable Frontier Fund	4,001,928	0.67	-	-

Directors' Shareholding as at 31 December	2021	2020
	No. of Shares	No. of Shares
<b>DIRECTORS' INDIRECT SHAREHOLDING</b>		
A Z Holdings (Pvt) Ltd.	94,092,305	94,092,305
Amagroup (Pvt) Ltd.	91,427,333	88,927,333
Saraz Investments (Pvt) Ltd.	89,565,277	89,565,277
Blueberry Investments (Pvt) Ltd.	88,927,940	88,927,940
<b>DIRECTORS' DIRECT SHAREHOLDING</b>		
Mr. H.N. Esufally (Chairman)	8,291,640	5,791,640
Ms. K.C. Wilson (CEO)	-	-
Mr. A.N. Esufally	2,617,353	117,353
Mr. I.A.H. Esufally	7,086,284	4,586,284
Mr. M. A. H. Esufally	6,164,633	6,164,633
Mr. J. M Trivedi	-	-
Mr. A.S. Amaratunga	-	-
Dr. S.A.B Ekanayake	-	-
Mr.S.J. De Silva Wijeratne	-	-
	<b>388,172,765</b>	<b>378,172,765</b>

Public Holding as at 31 December	2021	2020
Issued Share Capital (No. of Shares)	596,546,025	596,159,925
Public Holding as a % of Issued Share Capital	34.07%	35.70%
Total Number of Shareholders	8,900	6,799
Number of Shareholders representing the Public Holding	8,885	6,784

### 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 31 December 2021	13,596,972,135	34.07%	8,885	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)  
Kasturi Chellarja Wilson (CEO)  
Imtiaz Esufally  
Murtaza Esufally  
Abbas Esufally  
Dr. Anura Ekanayake  
Amitha Saktha Amaratunga  
Jyotindra Manibhai Trivedi  
Sriyan De Silva Wijeratne  
Prabhash Subasinghe (Appointed w.e.f. 1 January 2022)

### 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

