

HAYCARB PLC

Co. Reg. No. PQ 59

No.400, Deans Road, Colombo-10, Sri Lanka



Interim Report

Six months ended 30th September 2014

**Quarter-2
(2014/15)**

Corporate Information

NAME OF COMPANY

Haycarb PLC

(A quoted public company with limited liability, incorporated in Sri Lanka in 1973)

COMPANY REGISTRATION NUMBER

PQ 59

STOCK EXCHANGE LISTING

The ordinary shares of the company are listed with the Colombo Stock Exchange of Sri Lanka

DIRECTORS

Mohan Pandithage (Chairman)

Rajitha Kariyawasan (Managing Director)

Arjun Senaratna

Ranjeevan Seevaratnam - Retired on 25/06/2014

Dhammika Perera

Sarath Ganegoda

Ms Jeevani Abeyratne

Dushantha Ranaraja

Nimal Perera

Dr Sarath Abayawardana

Sujeewa Rajapakse

Ms Shyamalie Weerasooriya (Alternate director to Mr. Dhammika Perera) - Resigned on 31/05/2014

SUBSIDIARIES ASSOCIATE AND JOINT VENTURE

Carbokarn Co. Limited (Bangkok, Thailand)

CK Regen Systems Co. Limited (Bangkok, Thailand)

Shizuka Company Limited (Ratchaburi, Thailand)

Eurocarb Products Limited (Bristol, England)

Haycarb Holdings Australia (Pty) Limited (Victoria, Australia)

Haycarb Holdings Bitung Limited (Tortola, British Virgin Islands)

Haycarb USA Inc. (Woodlands, Texas, U.S.A)

PT Mapalus Makawanua Charcoal Industry (Bitung, Indonesia)

Puritas (Pvt) Limited

Recogen (Pvt) Limited

Ultracarb (Pvt) Limited

Haycarb Value Added Products (Pvt) Limited

PT. Haycarb Palu Mitra (Palu, Indonesia)

Carbotels (Pvt) Limited - Associate

Lakdiyatha (Pvt) Limited - Joint venture

Puricarb Pte.Ltd. (Singapore)

SECRETARIES

Hayleys Group Services (Pvt) Limited

400, Deans Road, Colombo 10, Sri Lanka.

Telephone +94 11 2696335

Fax: +94 11 2627645

E-mail: info.sec@hayleys.com

REGISTERED OFFICE

Hayley Building

400, Deans Road, Colombo 10, Sri Lanka.

Telephone: +94 11 2677364, 2687565, 2691289, 2677363

Fax: +94 11 2699630

E - mail : general@haycarb.com

Website: <http://www.haycarb.com>

Haycarb PLC

INCOME STATEMENTS

Audited
year ended
31.03.14
Rs.'000

For the period ended

		6 months to		Change %	3 months to	
		30.09.14 Rs.'000	30.09.13 Rs.'000		30.09.14 Rs.'000	30.09.13 Rs.'000
CONSOLIDATED						
10,348,066	Revenue	5,210,824	5,063,864	3	2,781,792	2,578,609
(7,608,179)	Cost of sales	(4,078,622)	(3,705,517)	10	(2,152,512)	(1,873,466)
2,739,887	Gross profit	1,132,202	1,358,347	(17)	629,280	705,143
27,921	Other operating income	23,698	28,126	(16)	12,199	4,401
(123,081)	Selling & distribution expenses	(65,337)	(58,865)	11	(38,859)	(30,735)
(1,369,753)	Administrative expenses	(683,366)	(664,305)	3	(353,100)	(327,414)
104,326	Finance income	50,432	62,150	(19)	3,272	39,007
(347,631)	Finance cost	(94,652)	(160,344)	(41)	(60,890)	(83,159)
(243,305)	Net finance income/ (cost)	(44,220)	(98,194)	55	(57,618)	(44,152)
1,761	Share of profit of equity accounted investee (net of tax)	(510)	(1,718)	(70)	797	372
1,033,430	Profit before income tax	362,467	563,391	(36)	192,699	307,615
(141,453)	Income tax expense	(58,703)	(92,590)	(37)	(31,534)	(46,678)
891,977	Profit for the period	303,764	470,801	(35)	161,165	260,937
Attributable to:						
787,780	Equity holders of the company	261,101	427,854	(39)	130,430	227,963
104,197	Minority interest	42,663	42,947	(1)	30,735	32,974
891,977		303,764	470,801	(35)	161,165	260,937
Earnings per share						
26.51	Basic earnings per share (Rs.)	8.79	14.40		4.39	7.67
COMPANY						
5,271,186	Revenue	2,476,131	2,776,805	(11)	1,374,687	1,457,469
(4,243,455)	Cost of sales	(2,128,528)	(2,212,007)	(4)	(1,175,588)	(1,190,029)
1,027,731	Gross profit	347,603	564,798	(38)	199,099	267,440
227,063	Other operating income	120,461	52,540	129	37,498	26,488
(52,693)	Selling & distribution expenses	(17,855)	(21,978)	(19)	(9,880)	(13,860)
(584,085)	Administrative expenses	(311,112)	(316,100)	(2)	(154,252)	(160,532)
73,325	Finance income	20,114	57,252	(65)	349	35,842
(140,478)	Finance cost	(39,167)	(100,415)	(61)	(20,067)	(47,453)
(67,153)	Net finance income/(cost)	(19,053)	(43,163)	56	(19,718)	(11,611)
550,863	Profit before income tax	120,044	236,097	(49)	52,747	107,925
(27,630)	Income tax expense	(7,000)	(22,055)	(68)	(5,500)	(7,055)
523,233	Profit for the period	113,044	214,042	(47)	47,247	100,870
17.61	Basic earnings per ordinary share (Rs.)	3.80	7.20		1.59	3.39

Notes on pages 7 and 8 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Haycarb PLC
STATEMENTS OF OTHER COMPREHENSIVE INCOME

For the Six months ended 30th September	Group		Company	
	2014 Rs. '000	2013 Rs. '000	2014 Rs. '000	2013 Rs. '000
Profit for the Period	303,764	470,801	113,044	214,042
Other comprehensive income				
Net Exchange differences on translation of foreign entities	15,445	5,979	-	-
Net gain/(loss) on available-for-sale financial assets	160,309	(77,306)	160,309	(77,306)
Other comprehensive income for the period (net of tax)	175,754	(71,327)	160,309	(77,306)
Total comprehensive income for the period (net of tax)	479,518	399,474	273,353	136,736
Attributable to:				
Equity holders of the parent	432,584	357,409	273,353	136,736
Non-controlling interests	46,934	42,065	-	-
	479,518	399,474	273,353	136,736

Haycarb PLC

STATEMENTS OF FINANCIAL POSITION

Group		Company		Group		Company	
Audited	Audited	Un audited	Un audited	Un audited	Un audited	Un audited	Un audited
31.03.2014	31.03.2014	2014	2013	2014	2013	2014	2013
Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
		As at 30th September					
ASSETS							
Non-Current Assets							
3,474,558	956,028	3,645,518	3,248,412	972,719	893,761		
36,846	36,845	36,768	36,923	36,768	36,923		
251,223	38,841	243,699	251,008	32,359	42,900		
-	1,341,765	-	-	1,341,765	1,341,765		
328,000	92,903	371,137	313,486	92,903	92,903		
-	-	-	8,686	-	8,686		
-	33,446	-	-	41,946	33,446		
445,516	354,878	604,927	464,673	515,186	374,815		
31,889	-	32,891	10,849	-	-		
<u>4,568,032</u>	<u>2,854,706</u>	<u>4,934,940</u>	<u>4,334,037</u>	<u>3,033,646</u>	<u>2,825,199</u>		
Current Assets							
2,123,407	1,019,656	2,607,504	2,524,311	1,232,118	1,176,434		
1,899,386	1,073,519	1,993,399	1,453,405	993,756	866,373		
-	524,324	-	-	681,685	385,478		
17,969	9,908	3,757	27,981	-	23,787		
230,042	65,701	290,695	358,541	112,216	134,261		
730,867	381,030	450,491	677,738	243,078	201,234		
<u>5,001,671</u>	<u>3,074,138</u>	<u>5,345,846</u>	<u>5,041,976</u>	<u>3,262,853</u>	<u>2,787,567</u>		
<u>9,569,703</u>	<u>5,928,844</u>	<u>10,280,786</u>	<u>9,376,013</u>	<u>6,296,499</u>	<u>5,612,766</u>		
Total Assets							
EQUITY & LIABILITIES							
Equity							
331,774	331,774	331,774	331,774	331,774	331,774		
373,907	208,009	373,907	373,907	208,009	208,009		
4,061,796	2,753,566	4,449,076	3,934,598	2,937,782	2,569,355		
4,767,477	3,293,349	5,154,757	4,640,279	3,477,565	3,109,138		
468,418	-	515,352	496,700	-	-		
<u>5,235,895</u>	<u>3,293,349</u>	<u>5,670,109</u>	<u>5,136,979</u>	<u>3,477,565</u>	<u>3,109,138</u>		
Non-Current Liabilities							
732,717	559,329	735,648	786,718	482,209	568,239		
21,219	8,100	20,971	19,632	8,100	5,700		
187,013	186,739	191,235	171,406	190,960	171,159		
<u>940,949</u>	<u>754,168</u>	<u>947,854</u>	<u>977,756</u>	<u>681,269</u>	<u>745,098</u>		
Current Liabilities							
619,961	175,601	463,135	587,163	199,292	212,404		
1,782,152	1,446,122	2,045,355	1,666,981	1,654,143	1,316,085		
262,133	223,574	236,813	199,200	192,025	158,203		
-	36,030	-	-	82,580	59,521		
661,244	-	861,095	731,845	2,625	-		
67,369	-	56,425	76,089	7,000	12,317		
<u>3,392,859</u>	<u>1,881,327</u>	<u>3,662,823</u>	<u>3,261,278</u>	<u>2,137,665</u>	<u>1,758,530</u>		
4,333,808	2,635,495	4,610,677	4,239,034	2,818,934	2,503,628		
<u>9,569,703</u>	<u>5,928,844</u>	<u>10,280,786</u>	<u>9,376,013</u>	<u>6,296,499</u>	<u>5,612,766</u>		
<u>160.45</u>	<u>110.84</u>	<u>173.49</u>	<u>156.17</u>	<u>117.04</u>	<u>104.64</u>		
		Net assets per share (Rs.)					

"It is certified that the financial statements set out on pages 2 to 8 have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007".

Sgd.

Ms. M J A S Abeyratne
Finance Director

Signed for and on behalf of the Board,

Sgd.

A M Pandithage
Chairman
28th October 2014

Sgd.

H S R Kariyawasan
Managing Director

STATEMENT OF CHANGES IN EQUITY

For the Six months ended 30th September

GROUP	Attributable to equity holders of the parent								
	Stated capital	Capital reserves	Other Reserves				Total	Non controlling interest	Total equity
			Available -for-sale reserve	Exchange fluctuation on reserve	General reserve	Retained earnings			
Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	
Balance as at 01.04.2013	331,774	373,907	411,460	390,478	519,353	2,354,585	4,381,557	344,247	4,725,804
Profit for the period	-	-	-	-	-	427,854	427,854	42,947	470,801
Other comprehensive income for the period	-	-	(77,306)	6,861	-	-	(70,445)	(882)	(71,327)
Cost on share issue	-	-	-	-	-	(1,001)	(1,001)	-	(1,001)
Incorporation of subsidiary	-	-	-	-	-	-	-	110,388	110,388
Movement in reserve in equity accounted investee	-	-	-	-	-	(8,549)	(8,549)	-	(8,549)
Dividends	-	-	-	-	-	(89,137)	(89,137)	-	(89,137)
Balance as at 30.09.2013	331,774	373,907	334,154	397,339	519,353	2,683,752	4,640,279	496,700	5,136,979
Balance as at 01.04.2014	331,774	373,907	314,217	278,503	519,353	2,949,723	4,767,477	468,418	5,235,895
Profit for the period	-	-	-	-	-	261,101	261,101	42,663	303,764
Other comprehensive income for the period	-	-	160,309	11,174	-	-	171,483	4,271	175,754
Movement in reserve in equity accounted investee	-	-	-	-	-	43,833	43,833	-	43,833
Dividends	-	-	-	-	-	(89,137)	(89,137)	-	(89,137)
Balance as at 30.09.2014	331,774	373,907	474,526	289,677	519,353	3,165,520	5,154,757	515,352	5,670,109

COMPANY	Stated capital	Capital reserves	General reserve	Available for sale reserve	Retained earnings	Total equity
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance as at 01.04.2013	331,774	208,009	519,353	411,460	1,590,943	3,061,539
Profit for the year	-	-	-	-	214,042	214,042
Other comprehensive income for the period	-	-	-	(77,306)	-	(77,306)
Dividends	-	-	-	-	(89,137)	(89,137)
Balance as at 30.09.2013	331,774	208,009	519,353	334,154	1,715,848	3,109,138
Balance as at 01.04.2014	331,774	208,009	519,353	314,217	1,919,996	3,293,349
Profit for the year	-	-	-	-	113,044	113,044
Other comprehensive income for the period	-	-	-	160,309	-	160,309
Dividends	-	-	-	-	(89,137)	(89,137)
Balance as at 30.09.2014	331,774	208,009	519,353	474,526	1,943,903	3,477,565

Haycarb PLC SEGMENT ANALYSIS

INDUSTRY SEGMENTS

Turnover-Net

	External Rs.'000	Intra-group Rs.'000	Group	
			30.09.2014 Rs.'000	30.09.2013 Rs.'000
Activated carbon	5,048,280	1,558,714	6,606,994	6,171,614
Environmental engineering	162,544	-	162,544	81,867
	<u>5,210,824</u>	<u>1,558,714</u>	6,769,538	6,253,481
Intra-group sales			(1,558,714)	(1,189,617)
			<u>5,210,824</u>	<u>5,063,864</u>

Industry segment results

Profit before tax

	Group	
	30.09.2014 Rs.'000	30.09.2013 Rs.'000
Activated carbon	404,307	575,242
Environmental engineering	14,893	(220)
Leisure-associate	(510)	(1,718)
	<u>418,690</u>	<u>573,304</u>
Consolidation adjustments	(50,636)	(1,104)
Unrealised profit on intra-group sales	(5,586)	(8,809)
	<u>362,468</u>	<u>563,391</u>

INVESTOR INFORMATION

	Three months ended	
	30.09.2014	30.09.2013
Market value of shares		
Closing price	190.00	187.00
Highest price recorded for the period (Rs.)	200.00	206.00
	(24/09/2014)	(19/07/2013)
Lowest price recorded for the period (Rs.)	175.00	181.00
	(10/04/2014)	(29/08/2013)
Market capitalisation (Rs.)	5,645,351,250	5,556,214,125
P/E ratio	10.81	6.49
Dividend payments		
Final dividend 2013/14 Rs.3.00 per share (2012/13 Rs. 3.00 per share)	89,137,125	89,137,125
Share trading information		
No of transactions	737	231
No of shares traded	505,915	349,162
Value of shares traded (Rs.)	97,262,528	68,647,915

Haycarb PLC

Notes

As at 30th September	2014 Rs.'000	2013 Rs.'000
1. Issued and fully paid ordinary shares		
At the beginning of the year-29,712,375 (01.04.13 - 29,712,375)	331,774	331,774
As at 30th September	331,774	331,774

2. Disclosures

2.1 These interim financial statements which have not been audited, were prepared in accordance with the accounting policies set out in the Annual Report for the year ended 31 March 2014 and comply with the Sri Lanka Accounting Standards (SLFRS/LKAS). They also provide the information required by the Colombo Stock Exchange and LKAS 34 - Interim Financial Reporting.

2.2 There are no material post balance sheet events that require adjustments to or disclosure in accounts.

2.3 There has not been a significant change in the nature of the contingent liabilities which are disclosed in the Annual Report for the year ended 31st March 2014

2.4 Where necessary, comparative figures have been re-classified to conform with the current period's presentation

HAYCARB PLC

FIRST TWENTY SHAREHOLDERS AS AT 30.09.2014

	Name of the Shareholder	No.of Shares as at 30/09/2014	%
1	Hayleys PLC No.3 Share Investment Account	20,125,103	67.73
2	Employees Provident Fund	1,417,565	4.77
3	Employees Trust Fund Board	777,701	2.62
4	National Savings Bank	424,573	1.43
5	Promar Overseas SA	397,682	1.34
6	Mr. T. Ueda	258,000	0.87
7	Bank of Ceylon No.1 Account	251,067	0.84
8	Mrs. J. K. P. Singh	214,700	0.72
9	M. Radhakrishnan (Deceased)	201,000	0.68
10	Dr. D. Jayantha	150,000	0.50
11	Dr. H. S. M. Singh & Mrs. J. K. P. Singh	150,000	0.50
12	Mr. D. F. G. Dalpethado	142,034	0.48
13	E.W. Balasuriya & Co. (Pvt) Ltd	139,149	0.47
14	Mr. S. Krishnananthan	128,717	0.43
15	Mr. H. S. Gill	123,000	0.41
16	Hallsville Trading Group Inc.	120,000	0.40
17	Commercial Bank of Ceylon PLC A/C No.04	107,100	0.36
18	Mr. J. S. A. B. Singh & Mrs. G. K. A. H. Singh	100,000	0.34
19	Mr. A. Arulthakshanan	71,078	0.24
20	Mr. H.G. Carimjee (Deceased)	70,494	0.24
	TOTAL	25,368,963	85.38

DIRECTORS SHAREHOLDING AS AT 30.09.2014

Name of the Director	No. of Shares as at 30.09.2014
Mr.A.M.Pandithage	2,379
Mr.S.C.Ganegoda	1,815
Mr.D.E.Ranaraja	10,000
Mr. H. S. R. Kariyawasan *	15,500
Total	29,694

* Shares held jointly with Mrs. K. H. S. Kariyawasan

PERCENTAGE OF PUBLIC HOLDING AS AT 30.09.2014	32.17
Total Number of shareholders representing the public holding	1,994

* Mr.K.D.D.Perera holds directly and indirectly 48.38% of the total issued shares of Hayleys PLC which holds 20,125,103 shares in Haycarb PLC.