

HAYCARB PLC

Co. Reg. No. PQ 59
No.400, Deans Road, Colombo-10, Sri Lanka



Interim Report
Nine Months ended 31 December 2022

Quarter-3
(2022/23)

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)
Dhammika Perera (Resigned w.e.f. 10th June 2022)
Arjun Senaratna
Sarath Ganegoda
Ms Jeevani Abeyratne
Dr Sarath Abayawardana
Sujeewa Rajapakse
M.S.P. Udaya Kumara
Brahman Balaratnarajah
Ms. Yogadinusha Bhaskaran (Alternate director to Mr. Dhammika Perera)-
(Resigned w.e.f. 10th June 2022)
Ms. Sharmila Ragunathan (Resigned w.e.f 30th April 2022)
Ali Asgar Munaver Caderbhoy
James Naylor
M.H. Jamaldeen
Ms. Shamalie Gunawardana
Ms. Brindhiini Perera (appointed w.e.f. 19 October 2022)

SUBSIDIARIES AND ASSOCIATES

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 (Amalgamated to Haycarb PLC w.e.f. 28.12.2023)
PT. Haycarb Palu Mitra (Palu, Indonesia)
Carbotels (Pvt) Limited - Associate
Lakdiyatha (Pvt) Limited - Associate
Puricarb Pte.Ltd. (Singapore)
Haycarb Activated Carbon (Pvt) Limited (Chennai, India)

SECRETARIES

Hayleys Group Services (Pvt) Limited
400, Deans Road, Colombo 10, Sri Lanka.
Telephone +94 11 2627650
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 2627450
E - mail : general@haycarb.com
Website: <http://www.haycarb.com>

Haycarb PLC

INCOME STATEMENT

| Audited year ended 31.03.2022 Rs.'000 | For the period ended | Unaudited 9 months to 31.12.2022 Rs.'000 | Unaudited 31.12.2021 Rs.'000 | Change % +/- | Unaudited 3 months to 31.12.2022 Rs.'000 | Unaudited 31.12.2021 Rs.'000 | Change % +/- |
|--|--|---|------------------------------------|--------------------|---|------------------------------------|--------------------|
| CONSOLIDATED | | | | | | | |
| 33,160,474 | Revenue | 48,092,894 | 23,287,196 | 107 | 14,706,816 | 8,437,660 | 74 |
| (25,942,668) | Cost of sales | (36,268,308) | (17,991,668) | 102 | (10,952,759) | (6,399,886) | 71 |
| 7,217,806 | Gross profit | 11,824,587 | 5,295,528 | 123 | 3,754,056 | 2,037,774 | 84 |
| 249,988 | Other operating income | 112,813 | 86,522 | 30 | 40,490 | 12,788 | 217 |
| (260,576) | Selling & distribution expenses | (419,017) | (195,250) | 115 | (181,856) | (106,797) | 70 |
| (4,128,162) | Administrative expenses | (4,485,534) | (2,668,251) | 68 | (1,577,579) | (909,817) | 73 |
| 3,079,056 | Results from operating activities | 7,032,849 | 2,518,549 | 179 | 2,035,111 | 1,033,948 | 97 |
| 2,321,003 | Finance income | 3,024,357 | 354,547 | 753 | 407,618 | 53,110 | 667 |
| (722,727) | Finance cost | (2,723,523) | (463,798) | 487 | (754,259) | (143,874) | 424 |
| 1,598,276 | Net finance income/ (cost) | 300,834 | (109,251) | (375) | (346,641) | (90,764) | 282 |
| (21,344) | Share of profit of equity accounted investees (net of tax) | (14,215) | (4,635) | 207 | (4,891) | (1,506) | 225 |
| 4,655,988 | Profit before income tax | 7,319,468 | 2,404,663 | 204 | 1,683,580 | 941,678 | 79 |
| (934,848) | Tax expense | (1,698,292) | (483,337) | 251 | (505,211) | (165,921) | 204 |
| 3,721,140 | Profit for the period | 5,621,176 | 1,921,326 | 193 | 1,178,368 | 775,757 | 52 |
| Attributable to: | | | | | | | |
| 3,287,554 | Equity holders of the parent | 5,002,312 | 1,564,200 | 220 | 911,020 | 588,941 | 55 |
| 433,586 | Non-controlling interest | 618,863 | 357,126 | 73 | 267,348 | 186,816 | 43 |
| 3,721,140 | Profit for the period | 5,621,176 | 1,921,326 | 193 | 1,178,368 | 775,757 | 52 |
| Earnings per share | | | | | | | |
| 11.06 | Basic earnings per share (Rs.)* | 16.84 | 5.26 | | 3.07 | 1.98 | |
| COMPANY | | | | | | | |
| 14,957,058 | Revenue | 22,861,919 | 10,990,068 | 108 | 5,866,971 | 3,956,175 | 48 |
| (12,396,053) | Cost of sales | (17,114,056) | (9,186,552) | 86 | (4,580,412) | (3,356,524) | 36 |
| 2,561,005 | Gross profit | 5,747,864 | 1,803,516 | 219 | 1,286,560 | 599,651 | 115 |
| 907,522 | Other operating income | 1,642,910 | 401,251 | 309 | 1,033,035 | 98,086 | 953 |
| (44,570) | Selling & distribution expenses | (88,227) | (30,664) | 188 | (40,801) | (16,225) | 151 |
| (1,943,024) | Administrative expenses | (1,712,174) | (1,173,731) | 46 | (638,206) | (424,199) | 50 |
| 1,480,933 | Results from operating activities | 5,590,373 | 1,000,372 | 459 | 1,640,588 | 257,313 | 538 |
| 1,878,764 | Finance income | 1,679,216 | 253,125 | 563 | 113,933 | 35,375 | 222 |
| (435,204) | Finance cost | (1,138,821) | (276,012) | 313 | (343,686) | (72,370) | 375 |
| 1,443,560 | Net finance income/(cost) | 540,395 | (22,887) | (2,461) | (229,753) | (36,995) | 521 |
| 2,924,493 | Profit before income tax | 6,130,768 | 977,485 | 527 | 1,410,835 | 220,318 | 540 |
| (336,182) | Tax expense | (839,828) | (106,222) | 691 | (182,076) | (29,816) | 511 |
| 2,588,311 | Profit for the period | 5,290,941 | 871,263 | 507 | 1,228,760 | 190,502 | 545 |
| 8.71 | Basic earnings per share (Rs.) | 17.81 | 2.93 | | 4.14 | 0.64 | |

Notes on pages 7 to 9 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Haycarb PLC
STATEMENT OF OTHER COMPREHENSIVE INCOME

| For the Nine month ended 31st December | Group | | Company | |
|---|-------------------|-------------------|-------------------|-------------------|
| | Unaudited 2022 | Unaudited 2021 | Unaudited 2022 | Unaudited 2021 |
| | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 |
| Profit for the Period | 5,621,176 | 1,921,326 | 5,290,941 | 871,263 |
| Other comprehensive income | | | | |
| Net Exchange differences on translation of foreign entities | 1,991,577 | (120,927) | - | - |
| Net gain/(loss) on available-for-sale financial assets | (138,337) | 174,956 | (138,337) | 174,956 |
| Reserve on amalgamation | | | 68,290 | - |
| Tax effect on OCI Adjustments | (103,039) | - | (97,840) | - |
| Other comprehensive income for the period (net of tax) | 1,750,201 | 54,029 | (167,887) | 174,956 |
| Total comprehensive income for the period (net of tax) | 7,371,377 | 1,975,355 | 5,123,054 | 1,046,219 |
| Attributable to: | | | | |
| Equity holders of the parent | 6,256,549 | 1,686,630 | 5,123,054 | 1,046,219 |
| Non-controlling interests | 1,114,828 | 288,725 | - | - |
| | 7,371,377 | 1,975,355 | 5,123,054 | 1,046,219 |
| For the Three months ended 31st December | 2022 | 2021 | 2022 | 2021 |
| | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 |
| Profit for the Period | 1,178,368 | 775,757 | 1,228,760 | 190,502 |
| Other comprehensive income | | | | |
| Net Exchange differences on translation of foreign entities | 568,319 | 60,619 | - | - |
| Net gain/(loss) on available-for-sale financial assets | (565,555) | (321,431) | (565,555) | (321,431) |
| Reserve on amalgamation | - | - | 68,290 | - |
| Tax effect on OCI Adjustments | (103,039) | - | (97,840) | - |
| Other comprehensive income for the period (net of tax) | (100,275) | (260,812) | (595,105) | (321,431) |
| Total comprehensive income for the period (net of tax) | 1,078,094 | 514,945 | 633,655 | (130,929) |
| Attributable to: | | | | |
| Equity holders of the parent | 558,017 | 305,483 | 633,655 | (130,929) |
| Non-controlling interests | 520,077 | 209,462 | - | - |
| | 1,078,094 | 514,945 | 633,655 | (130,929) |

Haycarb PLC

STATEMENT OF FINANCIAL POSITION

| Group | | Company | | Group | | Company | |
|---------------------------------|-------------------|---|--|-------------------|-------------------|-------------------|-------------------|
| Audited | Audited | As at | | Unaudited | Unaudited | Unaudited | Unaudited |
| 31.03.2022 | 31.03.2022 | | | 31.12.2022 | 31.12.2021 | 31.12.2022 | 31.12.2021 |
| Rs.'000 | Rs.'000 | | | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 |
| ASSETS | | | | | | | |
| Non-Current Assets | | | | | | | |
| 8,895,684 | 3,546,621 | Property, plant and equipment | | 10,288,927 | 7,148,830 | 4,275,341 | 3,352,400 |
| 105,870 | 69,126 | Right-of-use assets | | 56,107 | 117,550 | 43,203 | 77,766 |
| 258,465 | 53,992 | Intangible assets | | 248,035 | 233,315 | 45,135 | 28,689 |
| - | 1,494,769 | Investments in subsidiaries | | - | - | 1,094,770 | 1,494,769 |
| 590,336 | 92,903 | Investment in equity accounted investees | | 576,121 | 610,668 | 92,903 | 92,903 |
| 1,378,880 | 1,322,832 | Other non-current financial assets | | 1,248,113 | 2,102,200 | 1,184,495 | 2,063,344 |
| 132,820 | - | Deferred tax assets | | 179,291 | 72,496 | - | - |
| <u>11,362,055</u> | <u>6,580,243</u> | | | <u>12,596,594</u> | <u>10,285,059</u> | <u>6,735,847</u> | <u>7,109,871</u> |
| Current Assets | | | | | | | |
| 15,807,144 | 5,062,409 | Inventories | | 17,469,778 | 10,521,412 | 6,705,677 | 2,992,744 |
| 8,473,480 | 5,423,774 | Trade and other receivables | | 7,408,100 | 5,419,457 | 5,195,957 | 4,360,175 |
| - | 782,477 | Amounts due from subsidiaries | | - | - | 699,661 | 334,229 |
| 177,244 | 100,916 | Amounts due from related parties | | 199,200 | 37,781 | 54,545 | 18,309 |
| 63,611 | 3,802 | Amounts due from equity accounted investees | | 99,744 | 54,426 | 232 | 178 |
| 1,010,819 | 425,250 | Other current assets | | 735,842 | 724,572 | 238,507 | 313,547 |
| 3,117,724 | 831,017 | Cash in hand and at bank | | 5,011,415 | 2,196,250 | 1,311,098 | 691,227 |
| <u>28,650,022</u> | <u>12,629,645</u> | | | <u>30,924,079</u> | <u>18,953,898</u> | <u>14,205,677</u> | <u>8,710,409</u> |
| <u>40,012,077</u> | <u>19,209,888</u> | Total Assets | | <u>43,520,673</u> | <u>29,238,957</u> | <u>20,941,524</u> | <u>15,820,280</u> |
| EQUITY & LIABILITIES | | | | | | | |
| Equity | | | | | | | |
| 331,774 | 331,774 | Stated capital | | 331,774 | 331,774 | 331,774 | 331,774 |
| 994,758 | 549,647 | Capital reserves | | 788,681 | 686,284 | 520,097 | 442,458 |
| 16,845,411 | 7,919,373 | Revenue reserves | | 21,400,454 | 13,460,605 | 11,324,134 | 7,228,720 |
| 18,171,943 | 8,800,794 | Total equity attributable to equity holders of the company | | 22,520,909 | 14,478,663 | 12,176,005 | 8,002,952 |
| 2,648,637 | - | Non-controlling interest | | 3,710,625 | 2,008,206 | - | - |
| <u>20,820,580</u> | <u>8,800,794</u> | Total equity | | <u>26,231,534</u> | <u>16,486,869</u> | <u>12,176,005</u> | <u>8,002,952</u> |
| Non-Current Liabilities | | | | | | | |
| 677,152 | 670,906 | Interest-bearing loans & borrowings | | 168,273 | 698,240 | 162,647 | 698,240 |
| 54,051 | 41,615 | Non-current lease liability | | 15,081 | 73,203 | 11,928 | 57,865 |
| 368,658 | 294,955 | Deferred tax liabilities | | 333,003 | 137,193 | 278,896 | 77,864 |
| 1,143,285 | 831,502 | Employee benefit obligations | | 1,183,449 | 955,424 | 816,862 | 739,152 |
| <u>2,243,146</u> | <u>1,838,978</u> | Total non-current liabilities | | <u>1,699,806</u> | <u>1,864,060</u> | <u>1,270,333</u> | <u>1,573,121</u> |
| Current Liabilities | | | | | | | |
| 3,398,755 | 1,721,652 | Trade and other payables | | 3,444,201 | 1,588,338 | 1,558,967 | 806,146 |
| 10,328,363 | 6,361,400 | Interest-bearing loans & borrowings | | 8,508,323 | 7,230,602 | 4,740,068 | 4,962,452 |
| 59,361 | 37,299 | Current lease liability | | 51,498 | 62,878 | 39,398 | 33,430 |
| 547,047 | 72,349 | Other current liabilities | | 620,056 | 531,412 | 228,507 | 78,227 |
| - | 84,827 | Amounts due to subsidiaries | | - | - | 68,202 | 146,214 |
| 2,186,028 | 292,589 | Amounts due to other related parties | | 2,052,937 | 1,289,325 | 346,019 | 217,738 |
| 428,797 | - | Income tax payable | | 912,317 | 185,473 | 514,025 | - |
| <u>16,948,351</u> | <u>8,570,116</u> | Total Current Liabilities | | <u>15,589,332</u> | <u>10,888,028</u> | <u>7,495,186</u> | <u>6,244,207</u> |
| 19,191,497 | 10,409,094 | Total Liabilities | | 17,289,138 | 12,752,088 | 8,765,519 | 7,817,328 |
| <u>40,012,077</u> | <u>19,209,888</u> | Total Equity and Liabilities | | <u>43,520,673</u> | <u>29,238,957</u> | <u>20,941,524</u> | <u>15,820,280</u> |
| 61.16 | 29.62 | Net assets per share (Rs.) | | 75.80 | 48.73 | 40.98 | 26.93 |

"It is certified that the financial statements set out on pages 2 to 9 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
9th February 2023

Sgd.

H S R Kariyawasan
Managing Director

Haycarb PLC
STATEMENT OF CHANGES IN EQUITY

For the period ended 31st December

| GROUP | Attributable to equity holders of the parent | | | | | | Total | Non controlling interest | Total equity |
|--|--|------------------|---|------------------------------|-----------------|-------------------|-------------------|--------------------------|-------------------|
| | Stated capital | Capital reserves | Other Reserves | | | Retained earnings | | | |
| | | | Fair value reserve of financial assets at FVOCI | Exchange fluctuation reserve | General reserve | | | | |
| Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 | |
| Balance as at 01.04.2021 | 331,774 | 686,284 | 1,847,727 | 1,374,755 | 519,353 | 8,641,244 | 13,401,137 | 1,751,304 | 15,152,441 |
| Profit for the period | - | - | - | - | - | 1,564,200 | 1,564,200 | 357,126 | 1,921,326 |
| Translation of foreign entities | - | - | - | (52,526) | - | - | (52,526) | (68,401) | (120,927) |
| Net gain on equity instruments designated as FVOCI | - | - | 174,956 | - | - | - | 174,956 | - | 174,956 |
| Other comprehensive income for the period | - | - | 174,956 | (52,526) | - | - | 122,430 | (68,401) | 54,029 |
| Dividends | - | - | - | - | - | (609,104) | (609,104) | (31,823) | (640,927) |
| Balance as at 31.12.2021 | 331,774 | 686,284 | 2,022,683 | 1,322,229 | 519,353 | 9,596,340 | 14,478,663 | 2,008,206 | 16,486,869 |
| Balance as at 01.04.2022 | 331,774 | 994,758 | 1,282,171 | 4,013,781 | 519,353 | 11,030,106 | 18,171,943 | 2,648,637 | 20,820,580 |
| Charge relating to Surcharge Tax (Note 7) | - | - | - | - | - | (525,957) | (525,957) | - | (525,957) |
| Adjusted balance 01.04.2022 | 331,774 | 994,758 | 1,282,171 | 4,013,781 | 519,353 | 10,504,149 | 17,645,986 | 2,648,637 | 20,294,623 |
| Profit for the period | - | - | - | - | - | 5,002,312 | 5,002,312 | 618,863 | 5,621,176 |
| Translation of foreign entities | - | - | - | 1,495,612 | - | - | 1,495,612 | 495,965 | 1,991,577 |
| Income tax on other comprehensive income | - | (103,039) | - | - | - | - | (103,039) | - | (103,039) |
| Net gain on equity instruments designated as FVOCI | - | - | (138,337) | - | - | - | (138,337) | - | (138,337) |
| Other comprehensive income for the period | - | (103,039) | (138,337) | 1,495,612 | - | - | 1,254,236 | 495,965 | 1,750,201 |
| Dividends | - | - | - | - | - | (1,381,625) | (1,381,625) | (52,840) | (1,434,465) |
| Balance as at 31.12.2022 | 331,774 | 788,681 | 1,143,834 | 5,509,393 | 519,353 | 14,650,793 | 23,046,866 | 3,710,625 | 26,231,534 |

| COMPANY | Stated capital | Capital reserves | General reserve | Fair value reserve of financial assets at FVOCI | Retained earnings | Total equity |
|--|----------------|------------------|-----------------|---|-------------------|------------------|
| | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 |
| Balance as at 01.04.2021 | 331,774 | 442,458 | 519,353 | 1,847,727 | 4,424,525 | 7,565,837 |
| Profit for the period | - | - | - | - | 871,263 | 871,263 |
| Net gain on equity instruments designated as FVOCI | - | - | - | 174,956 | - | 174,956 |
| Other comprehensive income for the period | - | - | - | 174,956 | - | 174,956 |
| Dividends | - | - | - | - | (609,104) | (609,104) |
| Balance as at 31.12.2021 | 331,774 | 442,458 | 519,353 | 2,022,683 | 4,686,684 | 8,002,952 |
| Balance as at 01.04.2022 | 331,774 | 549,647 | 519,353 | 1,282,171 | 6,117,849 | 8,800,794 |
| Charge relating to Surcharge Tax (Note 7) | - | - | - | - | (366,217) | (366,217) |
| Adjusted balance 01.04.2022 | 331,774 | 549,647 | 519,353 | 1,282,171 | 5,751,632 | 8,434,577 |
| Profit for the period | - | - | - | - | 5,290,941 | 5,290,941 |
| Reserve on amalgamation | - | 68,290 | - | - | - | 68,290 |
| Income tax on other comprehensive income | - | (97,840) | - | - | - | (97,840) |
| Net gain on equity instruments designated as FVOCI | - | - | - | (138,337) | - | (138,337) |
| Other comprehensive income for the period | - | (29,550) | - | (138,337) | - | (167,887) |
| Dividends | - | - | - | - | (1,381,625) | (1,381,625) |
| Balance as at 31.12.2022 | 331,774 | 520,097 | 519,353 | 1,143,834 | 10,027,164 | 12,176,005 |

Haycarb PLC

Statement Of Cash Flows

| Group Audited 31.03.2022 Rs.' 000 | Company Audited 31.03.2022 Rs.' 000 | For the period ended 31st December | Group | | Company | |
|--|--|---|--------------------|--------------------|--------------------|--------------------|
| | | | 2022 Rs.' 000 | 2021 Rs.' 000 | 2022 Rs.' 000 | 2021 Rs.' 000 |
| Operating activities | | | | | | |
| 4,655,988 | 2,924,493 | Profit before tax from continuing operations | 7,319,468 | 2,404,663 | 6,130,768 | 977,485 |
| Non-cash adjustment to reconcile profit before tax to net cash flows: | | | | | | |
| 668,757 | 226,379 | Depreciation and impairment of property, plant and equipment | 669,421 | 491,084 | 185,764 | 167,364 |
| 13,719 | 8,437 | Amortization of intangible assets | 14,320 | 9,684 | 8,857 | 5,439 |
| (91) | - | (Gain)/loss on disposal of property, plant and equipment | (500) | - | (500) | - |
| 2,032,766 | 1,624,761 | Gain/(loss) on translation on foreign currencies | 1,492,727 | 60,169 | 1,352,046 | 19,884 |
| 2,407,675 | - | Exchange difference on translation of foreign entities | 1,366,239 | (92,003) | - | - |
| (2,321,003) | (1,878,764) | Finance income | (3,024,357) | (354,547) | (1,679,216) | (253,125) |
| 722,727 | 435,204 | Finance cost | 2,723,523 | 463,798 | 1,138,821 | 276,012 |
| - | (601,617) | Dividend income - subsidiaries | - | - | (1,435,555) | (296,748) |
| 21,344 | - | Share of profit of an equity accounted investee | 14,215 | 4,635 | - | - |
| 141,600 | 30,399 | Provision/(reversal) for slow moving inventory | 209,579 | 15,014 | 11,557 | 1,264 |
| 268,034 | - | Provision / (reversal) for unrealized profit on inventories | 978,116 | 71,684 | - | - |
| 65,345 | - | Provision / (reversal) for expected credit loss | 3,584 | - | - | - |
| 145,057 | 115,656 | Provision for employee benefit obligations | 139,482 | 107,750 | 108,000 | 81,000 |
| 8,821,918 | 2,884,948 | Cash generated from operations before working capital changes | 11,905,817 | 3,181,931 | 5,820,542 | 978,574 |
| Working Capital Adjustments: | | | | | | |
| (4,553,465) | (3,219,677) | (Increase)/decrease in trade and other receivables and Prepayments | 1,287,653 | (1,196,061) | 393,338 | (2,044,374) |
| (187,523) | (193,668) | (Increase)/decrease in amounts receivable from subsidiaries and related parties | (58,089) | (38,875) | 438,759 | 340,811 |
| (7,595,756) | (2,531,438) | (Increase)/decrease in inventories | (2,850,329) | (1,987,088) | (1,650,442) | (432,638) |
| 1,443,279 | 870,207 | Increase/(decrease) in trade and other payables | 43,508 | (367,119) | (99,638) | (91,731) |
| 778,756 | (48,307) | Increase/(decrease) in amount due to related parties | (284,029) | (128,010) | (114,689) | (3,871) |
| (1,292,791) | (2,237,935) | | 10,044,531 | (535,222) | 4,787,870 | (1,253,229) |
| (476,917) | (239,124) | Interest paid | (1,395,255) | (294,809) | (1,012,066) | (140,007) |
| (1,010,211) | (284,000) | Income tax paid | (1,350,817) | (907,489) | (476,919) | (263,945) |
| - | - | Surcharge Tax paid | (525,957) | - | (366,217) | - |
| (34,551) | (30,129) | Employee benefit paid | (125,740) | (14,520) | (122,640) | (14,520) |
| (2,814,470) | (2,791,188) | Net cash flows from/ (used in) operating activities | 6,646,762 | (1,752,040) | 2,810,028 | (1,671,701) |
| Investing activities | | | | | | |
| 1,848 | - | Proceeds from sale of property, plant and equipment | 1,085 | (88) | 500 | - |
| (1,677,730) | (858,646) | Purchase of property, plant and equipment | (1,386,120) | (1,197,936) | (658,083) | (738,688) |
| (38,078) | (38,078) | Acquisition of intangible assets | (3,360) | (9,777) | - | (9,777) |
| - | - | Acquisition of subsidiaries | - | - | 4,587 | - |
| 5,413 | - | Proceeds from long-term loans and receivables | 3,788 | 3,337 | - | - |
| 98,271 | 34,696 | Interest received | 177,765 | 67,205 | 156,572 | 25,964 |
| 3,623 | 3,623 | Dividend received from equity accounted investees | - | - | - | - |
| 101,873 | 699,860 | Other dividends received | 97,658 | 81,375 | 1,533,205 | 378,123 |
| (1,504,780) | (158,545) | Net cash flows from/(used) in investing activities | (1,109,184) | (1,055,884) | 1,036,781 | (344,378) |
| (4,319,250) | (2,949,733) | Net cash inflow/(outflow) before financing activities | 5,537,578 | (2,807,924) | 3,846,809 | (2,016,079) |
| Financing activities | | | | | | |
| 507,783 | 500,000 | Proceeds from borrowings | 140,000 | 500,000 | 140,000 | 500,000 |
| (272,274) | (257,850) | Repayment of borrowings | (882,677) | (189,162) | (873,008) | (180,768) |
| (80,357) | (44,136) | Lease rental paid | (56,552) | (55,761) | (33,102) | (29,424) |
| (603,769) | (603,769) | Dividends paid to equity holders of the parent | (1,155,740) | (386,516) | (1,155,740) | (386,516) |
| (367,642) | - | Dividends paid to non-controlling interest | (52,840) | (31,823) | - | - |
| (816,259) | (405,755) | Net cash flows from/(used in) financing activities | (2,007,809) | (163,262) | (1,921,850) | (96,708) |
| (5,135,509) | (3,355,488) | Net increase/(decrease) in cash and cash equivalents | 3,529,769 | (2,971,186) | 1,924,959 | (2,112,786) |
| (1,769,699) | (1,878,772) | Cash and cash equivalents at beginning of the period | (6,905,208) | (1,769,699) | (5,234,260) | (1,878,772) |
| (6,905,208) | (5,234,260) | Cash and cash equivalents at end of the period (Note A) | (3,375,439) | (4,740,885) | (3,309,301) | (3,991,558) |
| Analysis of cash and cash equivalents as at 31st December | | | | | | |
| 1,933,512 | 194,669 | A) Cash in hand and at bank | 4,043,332 | 1,108,029 | 632,138 | 208,344 |
| 1,184,212 | 636,348 | Short-term deposits | 968,083 | 1,088,221 | 678,960 | 482,883 |
| 3,117,724 | 831,017 | | 5,011,415 | 2,196,250 | 1,311,098 | 691,227 |
| (10,022,932) | (6,065,277) | Bank overdrafts and short-term loans | (8,386,854) | (6,937,135) | (4,620,399) | (4,682,785) |
| (6,905,208) | (5,234,260) | Cash and cash equivalents | (3,375,439) | (4,740,885) | (3,309,301) | (3,991,558) |

Haycarb PLC SEGMENT ANALYSIS

BUSINESS SEGMENTS

Turnover-Net

| | External Rs.'000 | Intra-group Rs.'000 | Group | |
|---------------------------|---------------------|------------------------|-----------------------|-----------------------|
| | | | 31.12.2022 Rs.'000 | 31.12.2021 Rs.'000 |
| Activated carbon | 47,287,181 | 19,486,822 | 66,774,003 | 30,309,968 |
| Environmental engineering | 805,713 | 16,577 | 822,290 | 1,588,450 |
| | <u>48,092,894</u> | <u>19,503,399</u> | <u>67,596,293</u> | <u>31,898,418</u> |
| Intra-group sales | | | (19,503,399) | (8,611,222) |
| | | | <u>48,092,894</u> | <u>23,287,196</u> |

Industry segment results

Profit before tax

| | Group | |
|---------------------------|-----------------------|-----------------------|
| | 31.12.2022 Rs.'000 | 31.12.2021 Rs.'000 |
| Activated carbon | 7,535,306 | 2,382,919 |
| Environmental engineering | (201,623) | 26,403 |
| Purification associate | (16,227) | (9,434) |
| Leisure - associate | 2,012 | 4,775 |
| | <u>7,319,468</u> | <u>2,404,663</u> |

INVESTOR INFORMATION

| | Nine months ended | | Three months ended | |
|--|-----------------------|------------------------|-----------------------|-----------------------|
| | 31.12.2022 | 31.12.2021 | 31.12.2022 | 31.12.2021 |
| Market value of shares | | | | |
| Last traded price | 57.00 (31/12/2022) | 76.50 (31/12/2021) | 57.00 (31/12/2022) | 76.50 (31/12/2021) |
| Highest price recorded for the period (Rs.) | 80.00 (20/09/2022) | 119.75 (15/04/2021) | 76.00 (05/10/2022) | 84.70 (19/11/2021) |
| Lowest price recorded for the period (Rs.) | 40.00 (22/06/2022) | 68.00 (17/11/2021) | 50.00 (21/11/2022) | 68.00 (17/11/2021) |
| Market capitalisation (Rs.) | 21,987,157,500 | 22,729,966,875 | 21,987,157,500 | 22,729,966,875 |
| P/E ratio | 2.54 | 10.90 | | |
| Dividend declared | | | | |
| Final dividend 2021/22 - Rs. 0.40/- per share (2020/21 - Rs. 0.50/- per share) | | | 118,849,500 | 148,561,875 |
| 1st Interim dividend - Rs. 2.75/- per share (2021/22 - Rs. 0.80/- per share) | | | 817,090,313 | 237,699,000 |
| 2nd Interim dividend - Rs. 1.50/- (2021/22 - Rs. 0.75/- per share) | | | 445,685,625 | 222,842,813 |
| Total for the Period | | | <u>1,381,625,438</u> | <u>609,103,688</u> |

Share trading information

| | Six months ended | | Three months ended | |
|------------------------------|------------------|---------------|--------------------|-------------|
| | 31.12.2022 | 31.12.2021 | 31.12.2022 | 31.12.2021 |
| No of transactions | 17,322 | 87,465 | 4,827 | 21,326 |
| No of shares traded | 18,335,733 | 61,236,296 | 3,737,760 | 11,521,018 |
| Value of shares traded (Rs.) | 1,183,990,354 | 5,706,445,033 | 237,845,711 | 875,749,443 |

Haycarb PLC

Notes

As at 31st December

2022
Rs.'000

2021
Rs.'000

1. Stated capital

| | | |
|---|----------------|----------------|
| Issued and fully paid - 297,123,750 (297,123,750 - 31.03.2022) Ordinary shares | 331,774 | 331,774 |
|---|----------------|----------------|

2. These un audited interim financial statements have been prepared in accordance 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. There were no changes to the Accounting Policies and methods of computation since the publication of the Annual Report for the year ended 31 March 2022.
3. No circumstances have arisen since the Statement of Financial Position date, which would require adjustments to the Interim Financial statements.
5. 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 2022.
6. Where necessary, comparative figures have been re-classified to conform with the current period's presentation
7. Surcharge Tax

The Surcharge Tax Act No. 14 of 2022 was enacted on 8th April 2022, confirming the imposition of a one-time tax of 25% on entities in which the taxable income exceeded Rs. 2 bn for the financial year ended 31st March 2021. The surcharge tax is applicable to the Haycarb Group as the cumulative taxable income of group entities calculated in accordance with the provisions of the Inland Revenue Act No. 24 of 2017, exceeded the set threshold.

The total Surcharge Tax liability of the group amounted to Rs. 525.9 mn.(company Rs. 366.2/-) , and the first installment of Rs. 262.9 mn (Company Rs. 183.1/-) was paid by group entities on 20th April 2022 and the balance on 20th July 2022.

8. Impact of Recent Economic Conditions

The Directors are continuously monitoring the existing and the anticipated effects of the Sri Lanka economic crisis, the circumstances of the global external environment, the resultant consequences to the company and are taking appropriate measures to manage the impact.

I. Increase in interest rates

The sharp increase in interest rates impacted net interest cost which increased by 63% and 79% for the group and the company respectively. The impact was exacerbated by the increase in working capital due to LKR depreciation.

Following measures were taken to reduce the impact of increase in interest rates;

- Fixed the interest of short – term working capital loans for a longer period based on money market conditions.
- Taken actions to improve the management of working capital to reduce the borrowings.
- Strategic focus on capex planning to prioritise essential capex while deferring the other capex requirements.

Haycarb PLC

Notes Contd.

II. Significant rupee depreciation and local inflation

The rupee depreciation positively affected the company's top line and bottom line. However, maintaining the exchange at a fixed level for an extended period posed challenges in maintaining competitiveness in the international market place.

The local inflation has created steep increases in operational expenses and overheads. The management continues to focus on productivity improvements and lean initiatives to mitigate the impact.

III. Other considerations – environmental engineering

The current slowdown of the construction sector and suspension of government funded projects, have impacted the water and waste water treatment solutions business segment of Environmental Engineering sector. The Company has renewed efforts to procure overseas projects whilst the operations teams focus on improving production efficiencies and reducing costs. The fluctuations will be claimed for all the existing projects to mitigate the impact of exorbitant cost escalations.

9. Amalgamation of a subsidiary

Haycarb Value added Products (Pvt) Limited which was a fully owned subsidiary of Haycarb PLC has been amalgamated with Haycarb PLC in accordance with the provisions of Part VIII of the Companies act, No. 07 of 2007 and from 28th of December 2022 shall continue as Haycarb PLC.

The carrying amounts of the identifiable assets and liabilities of the acquire as at 28th December, 2022. which is the merger date is as follows;

| Assets | Value Rs. '000 |
|--|-----------------------|
| Property plant and equipments | 230,478 |
| Trade and other receivables and Prepayments | 2,257 |
| Amounts receivable from subsidiaries and related parties | 131,017 |
| Amounts receivable from Haycarb PLC | 174,986 |
| Inventories | 4,383 |
| Cash in hand and at bank | 4,587 |
| | 547,708 |
| Liabilities | |
| Trade and other payables | 18,164 |
| Amount due to related parties | 556 |
| Income Tax Payable | 30,529 |
| Provision for Deferred Taxation | 30,168 |
| | 79,418 |
| Carrying amount of identifiable net assets acquired | 468,290 |
| Results of the acquisitions of above entity are as follows; | |
| Investment | 400,000 |
| Carrying value of identifiable net assets Merged | 468,290 |
| Resulting Gain | 68,290 |

Since this business combination is within entities under the common control of the parent Haycarb PLC, no goodwill is recognised upon the merger, the gain of Rs. 68,289,987/- was recognised in equity of the Company.

HAYCARB PLC

FIRST TWENTY SHAREHOLDERS AS AT 31ST DECEMBER, 2022

| | Name of the Shareholder | No. of Shares as at 31/12/2022 | % |
|----|--|--------------------------------|---------------|
| 1 | Hayleys PLC No. 3 Share Investment Account | 201,251,030 | 67.73 |
| 2 | Employee's Provident Fund | 13,230,763 | 4.45 |
| 3 | Mr. T. Ueda | 4,012,060 | 1.35 |
| 4 | Dr. D. Jayantha | 3,617,000 | 1.22 |
| 5 | Mr. H. S. R. Kariyawasan/Mrs. K.H.S. Kariyawasan | 2,379,508 | 0.80 |
| 6 | Mrs. J. K. P. Singh | 2,000,000 | 0.67 |
| 7 | Mr. S. Rameshan | 1,649,680 | 0.56 |
| 8 | Mrs. J. N. Ambani | 1,530,000 | 0.51 |
| 9 | Mr. Z. G. Carimjee | 1,350,000 | 0.45 |
| 10 | Mr. H. S. Gill | 1,230,000 | 0.41 |
| 11 | Employees Trust Fund Board | 1,226,024 | 0.41 |
| 12 | Mrs. V. Saraswathi/Mr. S. Vasudevan | 945,120 | 0.32 |
| 13 | Harnam Holdings SDN BHD | 770,000 | 0.26 |
| 14 | Miss. M. P. Radhakrishnan | 730,100 | 0.25 |
| 15 | Miss A. Radhakrishnan | 729,000 | 0.25 |
| 16 | Mr. A. A. Thakshann | 710,780 | 0.24 |
| 17 | Mr. W. K. G. N. Perera | 700,000 | 0.24 |
| 18 | Mr. R. Maheswaran | 680,010 | 0.23 |
| 19 | Seylan Bank PLC/Mr. M. N. Deen | 649,877 | 0.22 |
| 20 | Dr. C.C. Miranda | 550,000 | 0.19 |
| | OTHERS | 57,182,798 | 19.25 |
| | TOTAL | 297,123,750 | 100.00 |

| Name of the Director | No. of Shares as at 31.12.2022 |
|---|--------------------------------|
| Mr. Mohan Pandithage | 23,790 |
| Mr. Rajitha Kariyawasan* | 2,379,508 |
| Mr. Sarath Ganegoda | 73,150 |
| Mr. Sujeewa Rajapakse | - |
| Mr. Arjun Senaratna | - |
| Ms. Jeevani Abeyratne | - |
| Dr. Sarath Abayawardana | - |
| Mr. Prasanna Udaya Kumara | 4,620 |
| Mr. Brahman Balaratnarajah | 30,040 |
| Mr. Ali Asgar Munaver Caderbhoy | - |
| Mr. James Naylor | - |
| Mr. Hisham Jamaldeen | - |
| Ms. Shamalie Gunawardana | - |
| Ms. Brindhini Perera (appointed w.e.f. 19 October 2022) | - |

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

| | |
|--|----------------|
| Percentage of public holding as at 31.12.2022 (%) | 31.42 |
| Total No. of Shareholders representing the public holding | 7963 |
| Float adjusted market capitalization (Rs.) | 5,377,321,858 |
| Market capitalization (Rs.) | 17,114,328,000 |
| The Company complies with option 3 of the Listing Rules 7.14.1 (i) (a) – which requires 7.5% Public Holding. | |