

**THE SHALIMAR (MALAY) ESTATE  
COMPANY LIMITED**

***Interim Financial Report  
for the nine months ended  
31st December 2006***

## THE SHALIMAR (MALAY) ESTATE COMPANY LIMITED

### CORPORATE INFORMATION

|                                   |   |
|-----------------------------------|---|
| <b>Name of the Company</b>        | The Shalimar (Malay) Estate Company Ltd.<br>(A Carson Cumberbatch Company)  |
| <b>Legal Form</b>                 | A Public Quoted Company with<br>Limited Liability.<br>Incorporated in Sri Lanka in 1909.  |
| <b>Directors</b>                  | Hari Selvanathan ( <b>Chairman</b> )<br>Mano Selvanathan<br>Israel Paulraj<br>Nataraj Ramaiah<br>Don Chandima R. Gunawardena<br>Allan Kenneth Sellayah<br>P. Chandana P. Tissera<br>K. C. Nalake Fernando |
| <b>Bankers</b>                    | Standard Chartered Bank<br>HSBC Bank Malaysia Berhad<br>Commercial Bank of Ceylon Limited   |
| <b>Auditors</b>                   | Messrs. KPMG Ford, Rhodes Thornton & Company<br>Chartered Accountants<br>No. 32A, Sir Mohamed Macan Markar Mawatha<br>Colombo 3<br>Sri Lanka.   |
| <b>Managers &amp; Secretaries</b> | Carsons Management Services (Pvt) Ltd.<br>No. 61, Janadhipathi Mawatha,<br>Colombo 01<br>Sri Lanka.<br>Tel; +94 11 4739200<br>Fax; +94 11 4739300   |
| <b>Agents in Malaysia</b>         | Agro Hope Sendirian Berhad<br>Suite 3.02, 3rd Floor, Wisma E&C<br>No.2, Lorong Dungun Kiri<br>Damansara Heights<br>50490, Kuala Lumpur<br>Malaysia.<br>Tel; +603 2093 4660<br>Fax; +603 2093 5660         |
| <b>Registered Office</b>          | No. 61, Janadhipathi Mawatha,<br>Colombo 01<br>Sri Lanka.<br>Tel; +94 11 4739200<br>Fax; +94 11 4739300   |
| <b>Corporate Website</b>          | <a href="http://www.carsoncumberbatch.com">www.carsoncumberbatch.com</a>  |

# THE SHALIMAR (MALAY) ESTATE COMPANY LIMITED

## Income Statement - Group

| (All figures in Sri Lankan Rupees '000)           | Quarter ended<br>31st December |         |        | Nine months to<br>31st December |          |        | Year ended<br>31.03.06 |
|---|--------------------------------|---------|--------|---------------------------------|----------|--------|------------------------|
|   | 2006                           | 2005    | Change | 2006                            | 2005     | Change | (Audited)              |
| <b>Revenue</b>                                    | <b>14,140</b>                  | 8,571   | 65     | <b>36,075</b>                   | 48,996   | (26)   | 57,839                 |
| Direct operating costs                            | <b>(3,544)</b>                 | (5,109) | (31)   | <b>(13,209)</b>                 | (26,236) | (50)   | (26,267)               |
| <b>Gross profit</b>                               | <b>10,595</b>                  | 3,462   | 206    | <b>22,866</b>                   | 22,760   | 0      | 31,572                 |
| Gain on fair value of<br>investment properties    | -                              | -       | -      | -                               | -        | -      | 45,474                 |
| Other operating income                            | <b>10,117</b>                  | 4,417   | 129    | <b>10,539</b>                   | 22,287   | (53)   | 25,816                 |
|   | <b>20,712</b>                  | 7,879   | 163    | <b>33,405</b>                   | 45,047   | (26)   | 102,862                |
| Administrative expenses                           | <b>(3,339)</b>                 | (1,807) | 85     | <b>(8,109)</b>                  | (8,150)  | (1)    | (9,706)                |
| <b>Profit from operations</b>                     | <b>17,373</b>                  | 6,072   | 186    | <b>25,296</b>                   | 36,897   | (31)   | 93,156                 |
| Finance costs                                     | <b>(76)</b>                    | (48)    | 58     | <b>(191)</b>                    | (1,724)  | (89)   | (1,271)                |
| <b>Profit after finance costs</b>                 | <b>17,297</b>                  | 6,024   | 187    | <b>25,105</b>                   | 35,173   | (29)   | 91,885                 |
| Profit on disposal of<br>subsidiaries             | -                              | -       | -      | -                               | 95,302   | (100)  | 95,302                 |
| Share of associate company's<br>profit before tax | <b>2,845</b>                   | 807     | 253    | <b>9,572</b>                    | 1,600    | 498    | 44,976                 |
| <b>Profit before taxation</b>                     | <b>20,142</b>                  | 6,831   | 195    | <b>34,677</b>                   | 132,075  | (74)   | 232,163                |
| Income tax expenses                               | <b>(593)</b>                   | (1,057) | (44)   | <b>(7,171)</b>                  | (5,448)  | 32     | (9,092)                |
| Deferred tax expenses                             | <b>15,524</b>                  | (1,744) | (990)  | <b>12,698</b>                   | (2,951)  | (530)  | (225)                  |
| <b>Net profit for the period</b>                  | <b>35,073</b>                  | 4,030   | 770    | <b>40,204</b>                   | 123,676  | (67)   | 222,846                |
| <b>Profit attributable to:</b>                    |                                |         |        |                                 |          |        |                        |
| Equityholders of the parent                       | <b>35,073</b>                  | 4,030   | 770    | <b>40,204</b>                   | 124,359  | (68)   | 223,529                |
| Minority interest                                 | -                              | -       | -      | -                               | (683)    | (100)  | (683)                  |
|   | <b>35,073</b>                  | 4,030   | 770    | <b>40,204</b>                   | 123,676  | (67)   | 222,846                |
| Earnings per ordinary share *(Rs.)                | <b>5.05</b>                    | 2.30    |        | <b>5.79</b>                     | 17.92    |        | 18.48                  |
| Dividend per share (Rs.)                          | <b>1.45</b>                    | -       |        | <b>1.45</b>                     | 11.60    |        | 13.10                  |

Changes represent the percentage change in current period's results compared to comparative period of last year.

Figures in brackets indicate deductions/negative changes.

\* Excludes profit on disposal of subsidiaries.

# THE SHALIMAR (MALAY) ESTATE COMPANY LIMITED

## Balance Sheet - Group

As at 31st December

(All figures in Sri Lankan Rupees '000)

|                                     | 2006             | 2005             | As at<br>31.03.06<br>(Audited) |
|-------------------------------------|------------------|------------------|--------------------------------|
| <b>ASSETS</b>                       |                  |                  |                                |
| <b>Non-current assets</b>           |                  |                  |                                |
| Property, plant & equipment         | 657,760          | 759,877          | 648,287                        |
| Investments in Associates           | 402,877          | 339,122          | 384,123                        |
| Investment properties               | -                | -                | 227,370                        |
| Other investments                   | 91,834           | 68,608           | 68,608                         |
| Amounts due from related company    | -                | 63,745           | 63,745                         |
| Deferred tax assets                 | 3,038            | 982              | 2,764                          |
|                                     | <b>1,155,509</b> | <b>1,232,334</b> | <b>1,394,897</b>               |
| <b>Current Assets</b>               |                  |                  |                                |
| Inventories                         | 4,201            | 2,148            | 1,522                          |
| Debtors and other receivables       | 6,727            | 11,665           | 3,944                          |
| Amounts due from related companies  | 269,278          | -                | -                              |
| Short-term deposits                 | 18,746           | 12,659           | 15,195                         |
| Cash and bank balances              | 2,163            | 6,581            | 10,991                         |
|                                     | <b>301,115</b>   | <b>33,053</b>    | <b>31,652</b>                  |
|                                     | <b>1,456,624</b> | <b>1,265,387</b> | <b>1,426,549</b>               |
| <b>Total Assets</b>                 |                  |                  |                                |
| <b>EQUITY &amp; LIABILITIES</b>     |                  |                  |                                |
| <b>Share Capital &amp; Reserves</b> |                  |                  |                                |
| Share capital                       | 69,401           | 69,401           | 69,401                         |
| Capital reserves                    | 644,343          | 704,525          | 765,610                        |
| Revenue reserves                    | 702,106          | 446,434          | 545,604                        |
|                                     | <b>1,415,850</b> | <b>1,220,360</b> | <b>1,380,615</b>               |
| <b>Non-current Liabilities</b>      |                  |                  |                                |
| Negative Goodwill on Consolidation  | -                | 4,050            | -                              |
| Rental deposits                     | -                | 4,657            | 4,657                          |
| Retirement benefit obligations      | 835              | 783              | 862                            |
| Deferred tax liabilities            | 16,554           | 23,335           | 29,252                         |
|                                     | <b>17,389</b>    | <b>32,825</b>    | <b>34,771</b>                  |
| <b>Current Liabilities</b>          |                  |                  |                                |
| Taxation payable                    | 2,134            | 2,048            | 1,907                          |
| Creditors and accruals              | 9,686            | 9,884            | 8,996                          |
| Retirement benefit obligations      | 255              | 270              | 255                            |
| Dividend Payable                    | 10,063           | -                | -                              |
| Bank overdraft                      | 1,247            | -                | 5                              |
|                                     | <b>23,385</b>    | <b>12,202</b>    | <b>11,163</b>                  |
|                                     | <b>1,456,624</b> | <b>1,265,387</b> | <b>1,426,549</b>               |

Net assets per ordinary share (Rs.)

204.01      175.84      198.93

The Balance Sheets as at 31st December 2006 and the Statement of Income, Changes in Equity and Cash Flow for the period then ended as disclosed in pages 1 to 3 have been drawn up from unaudited accounts.

Approved & Signed on behalf of the Managers,

Approved & Signed on behalf of the Board,

D. C. R. Gunawardena

M. Selvanathan

P.C.P.Tissera

**Director**

**Director**

**Director**

**Carsons Management Services (Pvt) Ltd.**

12th February 2007.

**THE SHALIMAR (MALAY) ESTATE COMPANY LIMITED**

**Statement of Changes in Equity**

(All figures in Sri Lankan Rupees '000)

|  | Share Capital | Capital Reserves | Revenue Reserve | Retained Profits | Total Equityholders' Funds | Minority shareholders' interest | Total Equity     |
|--|---------------|------------------|-----------------|------------------|----------------------------|---------------------------------|------------------|
| <b>Group</b>   |               |                  |                 |                  |                            |                                 |                  |
| Balance as at 1st April, 2005 - Audited                    | 69,401        | 856,137          | 212,842         | 196,678          | 1,335,058                  | 111,860                         | 1,446,918        |
| Disposal of subsidiary                                     | -             | (151,836)        | -               | -                | (151,836)                  | (111,177)                       | (263,013)        |
| Share of associate company's Surplus on revaluation        | -             | 4,799            | -               | -                | 4,799                      | -                               | 4,799            |
| Revaluation of subsidiary's assets                         | -             | 63,395           | -               | -                | 63,395                     | -                               | 63,395           |
| Transfers  | -             | (6,885)          | -               | -                | (6,885)                    | -                               | (6,885)          |
| Net profit for the year                                    | -             | -                | -               | 223,529          | 223,529                    | (683)                           | 222,846          |
| Ordinary dividend - 2004/05                                | -             | -                | -               | (6,940)          | (6,940)                    | -                               | (6,940)          |
| Interim ordinary dividend - 2005/06                        | -             | -                | -               | (80,505)         | (80,505)                   | -                               | (80,505)         |
| Balance as at 31st March, 2006 - Audited                   | 69,401        | 765,610          | 212,842         | 332,762          | 1,380,615                  | -                               | 1,380,615        |
| <b>Balance as at 1st April, 2006</b>                       | <b>69,401</b> | <b>765,610</b>   | <b>212,842</b>  | <b>332,762</b>   | <b>1,380,615</b>           | -                               | <b>1,380,615</b> |
| <b>Adjustment for Reserve movement - Associate Company</b> | -             | -                | -               | 15,504           | 15,504                     | -                               | 15,504           |
| <b>Net profit for the period</b>                           | -             | -                | -               | 40,204           | 40,204                     | -                               | 40,204           |
| <b>Realisation of Revaluation Reserve</b>                  | -             | (121,267)        | -               | 121,267          | -                          | -                               | -                |
| <b>Ordinary dividend - 2005/2006</b>                       | -             | -                | -               | (10,410)         | (10,410)                   | -                               | (10,410)         |
| <b>Interim ordinary dividend - 2006/2007</b>               | -             | -                | -               | (10,063)         | (10,063)                   | -                               | (10,063)         |
| <b>Balance as at 31st December, 2006</b>                   | <b>69,401</b> | <b>644,343</b>   | <b>212,842</b>  | <b>489,264</b>   | <b>1,415,850</b>           | -                               | <b>1,415,850</b> |
| Balance as at 1st April, 2005                              | 69,401        | 856,137          | 212,842         | 196,678          | 1,335,058                  | 111,860                         | 1,446,918        |
| Net profit for the period                                  | -             | -                | -               | 124,359          | 124,359                    | (683)                           | 123,676          |
| Disposal of subsidiaries                                   | -             | (151,612)        | -               | -                | (151,612)                  | (111,177)                       | (262,789)        |
| Final ordinary dividend - 2004/05                          | -             | -                | -               | (6,940)          | (6,940)                    | -                               | (6,940)          |
| Interim ordinary dividend - 2005/06                        | -             | -                | -               | (80,505)         | (80,505)                   | -                               | (80,505)         |
| Balance as at 31st December, 2005                          | 69,401        | 704,525          | 212,842         | 233,592          | 1,220,360                  | -                               | 1,220,360        |

**Cash flow Statement - Group**

(All figures in Sri Lankan Rupees '000)

**For the period ended 31st December**

|   | 2006          | 2005          | Year ended 31.03.06 (Audited) |
|---|---------------|---------------|-------------------------------|
| Net cash inflows from operating activities                | (184,466)     | 10,056        | 22,889                        |
| Net cash inflows / (outflows) from investing activities   | 187,988       | 75,059        | 70,988                        |
| Net cash outflows from financing activities               | (10,041)      | (92,293)      | (94,114)                      |
| Decrease in cash and cash equivalents                     | (6,519)       | (7,178)       | (237)                         |
| Cash and cash equivalents at the beginning of the period  | 26,181        | 26,418        | 26,418                        |
| <b>Cash and cash equivalents at the end of the period</b> | <b>19,662</b> | <b>19,240</b> | <b>26,181</b>                 |
| <b>Cash and cash equivalents :</b>                        |               |               |                               |
| Bank and cash balance                                     | 2,163         | 6,581         | 10,991                        |
| Short-term deposits                                       | 18,746        | 12,659        | 15,195                        |
| Bank overdraft  | (1,247)       | -             | (5)                           |
|   | <b>19,662</b> | <b>19,240</b> | <b>26,181</b>                 |

Figures in brackets indicate deductions.

# THE SHALIMAR (MALAY) ESTATE COMPANY LIMITED

## Income Statement - Company

| (All figures in Sri Lankan Rupees '000) | Quarter ended<br>31st December |         |         | Nine months to<br>31st December |         |        | Year ended<br>31.03.06 |
|---|--------------------------------|---------|---------|---------------------------------|---------|--------|------------------------|
|   | 2006                           | 2005    | Change  | 2006                            | 2005    | Change | (Audited)              |
| <b>Revenue</b>                          | <b>17,463</b>                  | 4,950   | 253     | <b>40,912</b>                   | 27,758  | 47     | 32,387                 |
| Direct operating costs                  | <b>(3,406)</b>                 | (2,983) | 14      | <b>(11,219)</b>                 | (9,335) | 20     | (12,002)               |
| <b>Gross profit</b>                     | <b>14,057</b>                  | 1,967   | 615     | <b>29,693</b>                   | 18,423  | 61     | 20,385                 |
| Other operating income                  | <b>10,121</b>                  | 82      | 12,243  | <b>10,546</b>                   | 397     | 2,556  | 571                    |
|   | <b>24,178</b>                  | 2,049   | 1,080   | <b>40,239</b>                   | 18,820  | 114    | 20,956                 |
| Administrative expenses                 | <b>(1,734)</b>                 | (1,583) | 10      | <b>(5,180)</b>                  | (4,955) | 5      | (6,286)                |
| <b>Profit from operations</b>           | <b>22,444</b>                  | 466     | 4,716   | <b>35,059</b>                   | 13,865  | 153    | 14,670                 |
| Finance costs                           | <b>(77)</b>                    | (48)    | 60      | <b>(192)</b>                    | (184)   | 4      | (273)                  |
| <b>Profit after finance costs</b>       | <b>22,367</b>                  | 418     | 5,251   | <b>34,867</b>                   | 13,681  | 155    | 14,397                 |
| Profit on disposal of subsidiaries      | -                              | -       | -       | -                               | 167,970 | (100)  | 167,970                |
| <b>Profit before taxation</b>           | <b>22,367</b>                  | 418     | 5,251   | <b>34,867</b>                   | 181,651 | (81)   | 182,367                |
| Income tax expenses/refunds             | <b>(2,235)</b>                 | (20)    | 11,075  | <b>(2,299)</b>                  | (1,641) | 40     | (1,620)                |
| Deferred tax expenses                   | <b>(1,570)</b>                 | (1,744) | (10)    | <b>(2,779)</b>                  | (2,951) | (6)    | (2,088)                |
| <b>Net profit for the period</b>        | <b>18,562</b>                  | (1,346) | (1,479) | <b>29,789</b>                   | 177,059 | (83)   | 178,659                |
| Earnings per ordinary share (Rs.)       | <b>2.67</b>                    | (0.19)  |         | <b>4.29</b>                     | 25.51   |        | 1.54                   |
| Dividend per share                      | <b>1.45</b>                    | -       |         | <b>1.45</b>                     | 11.60   |        | 13.10                  |

Changes represent the percentage change in current period's results compared to comparative period of last year.

Figures in brackets indicate deductions/negative changes.

# THE SHALIMAR (MALAY) ESTATE COMPANY LIMITED

## Balance Sheet - Company

As at 31st December

(All figures in Sri Lankan Rupees '000)

|                                       | 2006             | 2005             | As at<br>31.03.06<br>(Audited) |
|---------------------------------------|------------------|------------------|--------------------------------|
| <b>ASSETS</b>                         |                  |                  |                                |
| <b>Non-current assets</b>             |                  |                  |                                |
| Property, plant & equipment           | 657,760          | 645,115          | 648,221                        |
| Investments in Subsidiaries           | 43,148           | 43,148           | 43,148                         |
| Investments in Associates             | 270,318          | 270,318          | 270,318                        |
| Other investments                     | 91,834           | 68,608           | 68,608                         |
| Amounts due from related company      | -                | 63,745           | 63,745                         |
| Deferred tax assets                   | 3,039            | 982              | 2,764                          |
|                                       | <b>1,066,099</b> | <b>1,091,916</b> | <b>1,096,804</b>               |
| <b>Current Assets</b>                 |                  |                  |                                |
| Inventories                           | 4,201            | 2,148            | 1,522                          |
| Debtors and other receivables         | 5,830            | 7,881            | 1,820                          |
| Amounts due from related companies    | 50,027           | -                | -                              |
| Short-term deposits                   | 6,411            | 929              | 942                            |
| Cash and bank balances                | 1,982            | 4,787            | 8,337                          |
|                                       | <b>68,451</b>    | <b>15,745</b>    | <b>12,621</b>                  |
| <b>Total Assets</b>                   | <b>1,134,550</b> | <b>1,107,661</b> | <b>1,109,425</b>               |
| <b>EQUITY &amp; LIABILITIES</b>       |                  |                  |                                |
| <b>Share Capital &amp; Reserves</b>   |                  |                  |                                |
| Share capital                         | 69,401           | 69,401           | 69,401                         |
| Capital reserves                      | 655,230          | 655,230          | 655,230                        |
| Revenue reserves                      | 369,223          | 358,307          | 359,907                        |
|                                       | <b>1,093,854</b> | <b>1,082,938</b> | <b>1,084,538</b>               |
| <b>Non-current Liabilities</b>        |                  |                  |                                |
| Retirement benefit obligations        | 836              | 783              | 862                            |
| Deferred tax liabilities              | 16,554           | 12,882           | 13,775                         |
|                                       | <b>17,390</b>    | <b>13,665</b>    | <b>14,637</b>                  |
| <b>Current Liabilities</b>            |                  |                  |                                |
| Taxation payable                      | 2,068            | 1,507            | 1,379                          |
| Creditors and accruals                | 9,673            | 9,281            | 8,611                          |
| Retirement benefit obligations        | 255              | 270              | 255                            |
| Dividend Payable - Ordinary           | 10,063           | -                | -                              |
| Bank overdraft                        | 1,247            | -                | 5                              |
|                                       | <b>23,306</b>    | <b>11,058</b>    | <b>10,250</b>                  |
| <b>Total Equity &amp; Liabilities</b> | <b>1,134,550</b> | <b>1,107,661</b> | <b>1,109,425</b>               |
| Net assets per ordinary share (Rs.)   | 157.61           | 156.04           | 156.27                         |

The Balance Sheets as at 31st December 2006 and the Statement of Income, Changes in Equity and Cash Flow for the period then ended as disclosed in pages 4 to 6 have been drawn up from unaudited accounts.

Approved & Signed on behalf of the Managers,

D. C. R. Gunawardena

**Director**

**Carsons Management Services (Pvt) Ltd.**

12th February, 2007

Approved & Signed on behalf of the Board,

M. Selvanathan

**Director**

P.C.P.Tissera

**Director**

# THE SHALIMAR (MALAY) ESTATE COMPANY LIMITED

## Statement of Changes in Equity

(All figures in Sri Lankan Rupees '000)

|  | Share<br>Capital | Capital<br>Reserves | Revenue<br>Reserve | Retained<br>Profits | Total<br>Equity |
|--|------------------|---------------------|--------------------|---------------------|-----------------|
|--|------------------|---------------------|--------------------|---------------------|-----------------|

### Company

|  |        |         |         |          |           |
|--|--------|---------|---------|----------|-----------|
| Balance as at 1st April, 2005 - Audited  | 69,401 | 655,230 | 213,417 | 55,276   | 993,324   |
| Net profit for the year                  | -      | -       | -       | 178,659  | 178,659   |
| Final ordinary dividend - 2004/05        | -      | -       | -       | (6,940)  | (6,940)   |
| Interim ordinary dividend - 2005/06      | -      | -       | -       | (80,505) | (80,505)  |
| Balance as at 31st March, 2006 - Audited | 69,401 | 655,230 | 213,417 | 146,490  | 1,084,538 |

|  |               |                |                |                 |                  |
|--|---------------|----------------|----------------|-----------------|------------------|
| <b>Balance as at 1st April, 2006</b>       | <b>69,401</b> | <b>655,230</b> | <b>213,417</b> | <b>146,490</b>  | <b>1,084,538</b> |
| <b>Net profit for the period</b>           | -             | -              | -              | <b>29,789</b>   | <b>29,789</b>    |
| <b>Ordinary dividend - 2005/06</b>         | -             | -              | -              | <b>(10,410)</b> | <b>(10,410)</b>  |
| <b>Interim Ordinary dividend - 2006/07</b> | -             | -              | -              | <b>(10,063)</b> | <b>(10,063)</b>  |
| <b>Balance as at 31st December, 2006</b>   | <b>69,401</b> | <b>655,230</b> | <b>213,417</b> | <b>155,806</b>  | <b>1,093,854</b> |

|                                     |        |         |         |          |           |
|-------------------------------------|--------|---------|---------|----------|-----------|
| Balance as at 1st April, 2005       | 69,401 | 655,230 | 213,417 | 55,276   | 993,324   |
| Net profit for the period           | -      | -       | -       | 177,059  | 177,059   |
| Final ordinary dividend - 2004/05   | -      | -       | -       | (6,940)  | (6,940)   |
| Interim ordinary dividend - 2005/06 | -      | -       | -       | (80,505) | (80,505)  |
| Balance as at 31st December, 2005   | 69,401 | 655,230 | 213,417 | 144,890  | 1,082,938 |

## Cash flow Statement - Company

(All figures in Sri Lankan Rupees '000)

### For the period ended 31st December

|   | 2006            | 2005     | Year ended<br>31.03.06<br>(Audited) |
|---|-----------------|----------|-------------------------------------|
| Net cash inflows from operating activities                | <b>(22,681)</b> | 16,726   | 24,259                              |
| Net cash inflows / (outflows) from investing activities   | <b>30,594</b>   | 70,720   | 67,426                              |
| Net cash outflows from financing activities               | <b>(10,041)</b> | (92,293) | (92,974)                            |
| Increase/(decrease) in cash and cash equivalents          | <b>(2,128)</b>  | (4,847)  | (1,289)                             |
| Cash and cash equivalents at the beginning of the period  | <b>9,274</b>    | 10,563   | 10,563                              |
| <b>Cash and cash equivalents at the end of the period</b> | <b>7,146</b>    | 5,716    | 9,274                               |
| <b>Cash and cash equivalents :</b>                        |                 |          |                                     |
| Cash and Bank balances                                    | <b>1,982</b>    | 4,787    | 8,337                               |
| Short-term deposits                                       | <b>6,411</b>    | 929      | 942                                 |
| Bank overdraft  | <b>(1,247)</b>  | -        | (5)                                 |
|   | <b>7,146</b>    | 5,716    | 9,274                               |

Figures in brackets indicate deductions.

# THE SHALIMAR (MALAY) ESTATE COMPANY LIMITED

## Segmental Information - Group

The following information is based on the Primary Segment (Industry Segment) results.

### For the nine months ended 31st December

(All figures in Sri Lankan Rupees '000)

#### Revenue

|                          | <b>2006</b>    | 2005    | Year ended<br>31.03.06<br>(Audited) |
|--------------------------|----------------|---------|-------------------------------------|
| Oil palm                 | <b>21,399</b>  | 19,246  | 23,869                              |
| Investment               | <b>19,513</b>  | 8,512   | 8,518                               |
| Real estate              | <b>4,277</b>   | 27,983  | 32,739                              |
| Intra-group transactions | <b>(9,114)</b> | (6,745) | (7,287)                             |
|                          | <b>36,075</b>  | 48,996  | 57,839                              |

#### Profit after taxation

|  |                |         |          |
|--|----------------|---------|----------|
| Oil palm                                       | <b>2,293</b>   | 3,882   | 5,794    |
| Investment                                     | <b>27,497</b>  | 100,508 | 172,865  |
| Real estate                                    | <b>14,525</b>  | 4,231   | 57,777   |
| Intra-group transactions                       | <b>(9,114)</b> | (6,745) | (79,955) |
| Share of associate company's profit net of tax | <b>5,003</b>   | 611     | 41,126   |
| Amortisation of goodwill on consolidation      | -              | 21,189  | 25,239   |
| Minority shareholders' interest                | -              | -       | 683      |
|  | <b>40,204</b>  | 123,676 | 223,529  |

# THE SHALIMAR (MALAY) ESTATE COMPANY LIMITED

## Notes to the Summarised Financial Report

### 1. Basis of preparation of Summarised Financial Report.

The Interim Financial Statements of the Company and Group is prepared on the basis of the same accounting policies and methods applied for the year ended 31st March, 2006 and are in compliance with Sri Lanka Accounting Standard 35 - Interim Financial Reporting.

### 2. Events occurring after the Balance Sheet date

Subsequent to the Balance Sheet date, no circumstances have arisen which would require adjustments to or disclosure in the Summarised Financial Report.

### 3. Interim ordinary dividend - 2006/2007

The directors declared a first interim dividend of 14.5% to the ordinary shareholders for the period ending 31st March 2007, on 20th December 2006, and was paid on 8th January 2007.

### 4. Contingent Liabilities

There are no changes of a material nature in the contingent liabilities since the last annual Balance Sheet date.

### 5. Restatement of Comparative Figures

Certain comparative figures have been restated to conform to the classifications and presentations as at 31st December, 2006.

## PLANTED HECTARAGE

| As at                      | <u>31.12.2006</u>    | 31.12.2005    | <u>31.03.2006</u> |
|----------------------------|----------------------|---------------|-------------------|
| Mature (Ha)                | <b>164.01</b>        | 144.51        | 144.51            |
| Immature / Replanting (Ha) | <b>140.49</b>        | 159.99        | 159.99            |
| Total planted (Ha)         | <b><u>304.50</u></b> | <u>304.50</u> | <u>304.50</u>     |

## INVESTOR INFORMATION

| Share Valuation as at                             | <u>31.12.2006</u> | 31.12.2005 | <u>31.03.2006</u> |
|---|-------------------|------------|-------------------|
| Market value per share (Rs.)                      | <b>801.00</b>     | 800.00     | 750.00            |
| Highest price per share for the period ended(Rs.) | <b>850.00</b>     | 1300.00    | 1,300.00          |
| Lowest price per share for the period ended(Rs.)  | <b>799.00</b>     | 600.00     | 600.00            |