



Selinsing PLC

**Summarised Financial Report
for the three months ended
30th June 2023**

SELINSING PLC

Review of operations for the period ended 30th June 2023

The minority equity stake the Company holds in Shalimar Developments Sdn. Bhd. (SDSB) and in Shalimar (Malay) PLC (SMPLC) are the main investments of the Company. SDSB's investee company carries out palm oil plantation operations in Indonesia.

The investee company (PTAI) continues to take measures to ensure that its business operations are carried out efficiently amidst several market and economic challenges. The Crude Palm Oil (CPO) prices shown a significant drop compared to last year of the same period and a downward trend in general compared to the previous year.

The only source of income for the period is the interest income earned from the Company's short-term deposits in Sri Lanka. The Company recorded an after tax profit of Rs. 2.5 Mn from its operations during the period under review; compared to a profit of Rs. 0.95 Mn recorded in the corresponding period of the previous financial year.

Minimum Public Holding and Decision to De-list

As per Rule 7.14.1 (1) (a) of the Listing Rules of the Colombo Stock Exchange (CSE), a Listed Entity on the Main Board having a public holding below the specified requirement in terms of the said rules, has to ensure that the public holding of such entity is maintained at a defined public holding percentage of shares in the hands of a minimum number of public shareholders as specified in the said rules.

As previously informed via annual and interim reports, the Company has been non-compliant with the CSE Listing Rules relating to minimum public holding requirements for companies listed on the Main Board since 1st December 2015. Due to such non-compliance, the Company was transferred to the 'Watch List' of the CSE in terms of Rule 7.14.2 (b) of the previous Listing Rules of the CSE with effect from 02nd July 2018 and thereafter transferred to the Second Board with effect from 15th November 2019 in accordance with the amended the Listing Rules of the CSE.

In this regard, we wish to highlight that the objective of the voluntary offer made to all shareholders in 2011 was to acquire the entire minority shareholding. The offer document dated 17th March 2011 also mentioned that upon completion of the voluntary offer, the rationale for remaining listed will be evaluated. Since the voluntary offer did not result in the acquisition of the entire minority shareholding, the Company continued to remain listed.

In 2016, the Company sold its main operational asset, the Malaysian oil palm plantation and the proceeds received by the Company was distributed via a share buy-back and cash dividend in 2017 after deducting taxes and related expenses.

The CSE via letter dated 22nd February 2022 informed the Company that the CSE in consultation with the SEC, is contemplating to carry out enforcement actions for noncompliance with the Listing Rules relating to minimum public holding requirement.

The company was requested to submit an Action Plan for adoption to be compliant with this requirement by 15th March 2022. The company via letter dated 13th June 2022 communicated to CSE that it is conducting preliminary discussions with Goodhope Asia Holdings Limited (GAHL) being the majority shareholder, for the purchase of shares from shareholders of the company, who may wish to divest their shares. GAHL communicated to the Company an exit offer to acquire the shares of the minority shareholders who may wish to divest their shares. Accordingly, the Board of Directors of the Company decided on the 17th of May 2023 to accept the exit offer made by GAHL in order to acquire the minority shares and to facilitate the proposed de-listing of the ordinary shares of the Company from the official list of the Colombo Stock Exchange.

An Extraordinary General Meeting was held on 19th June 2023 and the delisting resolution was approved with more than 75% of the shareholders present at the said meeting. The Company has forwarded an application to the Securities and Exchange Commission of Sri Lanka [SEC] as per Rule 5(1) of the SEC Rules, 2001 on 22nd June 2023 and awaiting SEC's decision on the said application made by the Company.

The Board of Directors will take all necessary steps in accordance with the Rules of the Securities and Exchange Commission of Sri Lanka published in Gazette Extraordinary No 1215/2 dated December 18, 2001, in relation to the de-listing of shares from the Official List of the CSE.

Agro Harapan Lestari (Pvt) Ltd

Managers

03rd August 2023

SELINSING PLC
Statement of Profit or Loss

(All figures in Sri Lankan Rupees '000)

	Three months ended		
	30th June		Change
	2023	2022	%
Interest income	6,345	1,738	265%
Administrative expenses	(2,547)	(488)	422%
Profit before tax for the period	3,798	1,250	204%
Income tax expense	(1,295)	(304)	326%
Profit for the period	2,503	946	165%
Earnings Per Share (Rs.)	0.44	0.17	

Statement of Comprehensive Income

	Three months ended		
	30th June		Change
	2023	2022	%
Profit for the period	2,503	946	165%
Other Comprehensive Income / (Expense)			
Other Comprehensive Income / (Expense) not to be reclassified to Profit or Loss in subsequent periods			
Loss on Change in Fair Value of Financial Assets classified under Fair Value Through Other Comprehensive Income (FVOCI)	(19,556)	(146,451)	-87%
Net Other Comprehensive Income / (Expense) not to be reclassified to Profit or Loss in subsequent periods	(19,556)	(146,451)	-87%
Other Comprehensive Income/ (Expense) for the period, net of Tax	(19,556)	(146,451)	-87%
Total Comprehensive Income / (Expense) for the period, net of tax	(17,053)	(145,505)	-88%

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

Figures in brackets indicate deductions.

The above figures are subject to audit.

SELINSING PLC
Statement of Financial Position

(All figures in Sri Lankan Rupees '000)

	Notes	As at 30.06.2023	As at 31.03.2023
ASSETS			
Non-Current Assets			
Property, plant and equipment		103	134
Non-current financial assets	(Note 3)	13,270,744	13,290,300
Total Non- Current Assets		13,270,847	13,290,434
Current Assets			
Advances and prepayments		271	1,103
Cash and cash equivalents		126,035	122,284
Total Current Assets		126,306	123,387
Total Assets		13,397,153	13,413,821
EQUITY AND LIABILITIES			
Equity			
Stated capital	(Note 6)	69,401	69,401
Retained earnings		316,950	314,447
Other reserves		12,971,378	12,990,934
Total Shareholders' Funds		13,357,729	13,374,782
Current Liabilities			
Provisions and accrued expenses		850	331
Income tax payable		1,477	1,611
Unclaimed dividend		37,097	37,097
Total Current Liabilities		39,424	39,039
Total Liabilities		39,424	39,039
Total Equity and Liabilities		13,397,153	13,413,821
Net Asset per share (Rs.)		2,352.44	2,355.44

I certify that these financial statements are in compliance with the requirements of the Companies Act No. 7 of 2007.

(Sgd.)

Aneesh Dudeja
President / Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements.

Approved & signed for and on behalf of the Managers,

Approved & signed for and on behalf of the Board,

(Sgd.)

(Sgd.)

(Sgd.)

Rushdi Azeez
Director
Agro Harapan Lestari (Pvt) Ltd

H. Selvanathan
Director

D.C.R. Gunawardena
Director

03rd August 2023

The above figures are subject to audit.

SELINSING PLC**Statement of Changes in Equity**

(All figures in Sri Lankan Rupees '000)

	Stated Capital	Fair Value Reserve	Retained Earnings	Total Shareholders' Funds
Balance as at 31st March 2022	69,401	10,887,892	304,212	11,261,505
Surcharge tax	-	-	(1,996)	(1,996)
Balance as at 1st April 2022 (Adjusted)	69,401	10,887,892	302,216	11,259,509
Profit for the period	-	-	946	946
Other comprehensive income / (expense) for the period	-	(146,451)	-	(146,451)
Total comprehensive income / (expense) for the period	-	(146,451)	946	(145,505)
Balance as at 30th June 2022	69,401	10,741,441	303,162	11,114,004

	Stated Capital	Fair Value Reserve	Retained Earnings	Total Shareholders' Funds
Balance as at 1st April 2023	69,401	12,990,934	314,447	13,374,782
Profit for the period	-	-	2,503	2,503
Other comprehensive income / (expense) for the period	-	(19,556)	-	(19,556)
Total comprehensive income / (expense) for the period	-	(19,556)	2,503	(17,053)
Balance as at 30th June 2023	69,401	12,971,378	316,950	13,357,729

*Figures in brackets indicate deductions/negative changes**The above figures are subject to audit.*

SELINSING PLC
Cash Flow Statement

For the period ended 30th June

(All figures in Sri Lankan Rupees '000)

	2023	2022	31.03.2023
Net cash outflows from operating activities	(2,594)	(1,846)	(7,244)
Net cash inflows from investing activities	6,345	26,385	126,161
Net cash outflows from financing activities	-	-	-
Increase in cash and cash equivalents	3,751	24,539	118,917
Cash and cash equivalents at the beginning of the period	122,284	3,367	3,367
Cash and cash equivalents at the end of the period	126,035	27,906	122,284
Cash and cash equivalents:			
Cash and bank balances	1,324	1,715	918
Short-term deposits	124,711	26,191	121,366
	126,035	27,906	122,284

The above figures are subject to audit.

SELINSING PLC

1. Basis of preparation of Summarised Financial Report

The interim condensed financial statements have been prepared in compliance with Sri Lanka Accounting Standard LKAS 34 - Interim Financial Reporting. These interim condensed financial statements should be read in conjunction with the annual financial statements for the year ended 31st March 2023.

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

2. Accounting Policies

The same accounting policies and methods of computation as stated in the annual financial statements for the year ended 31st March 2023 are followed in the preparation of these Interim Condensed Financial Statements.

The comparative information have been reclassified wherever necessary to conform to the current year classification.

3. Fair Value Measurement

The following table provides the fair value measurement hierarchy of the Company's financial assets which are stated as fair value.

Fair value measurement hierarchy for financial assets as at 30th June 2023 and 31st March 2023 are as follows :

(All figures in Sri Lankan Rupees '000)

		Fair value measurement using			
			Quoted prices in active	Significant observable inputs	Significant unobservable inputs
	Date of valuation	Total	(Level 1)	(Level 2)	(Level 3)
Non Current Financial Assets					
Measured at Fair Value:					
As at 30th June 2023					
<u>Equity Investments at Fair Value through OCI (FVOCI)</u>					
<u>Quoted equity shares</u>					
Shalimar (Malay) PLC (Note 4(b))	30th June 2023	743,991	743,991	-	-
<u>Unquoted Equity Shares</u>					
Shalimar Developments Sdn.Bhd. (Note 4(a))	31st December 2022	12,526,753	-	-	12,526,753
FVOCI Financial Assets as at 30th June 2023		13,270,744	743,991	-	12,526,753
As at 31st March 2023					
<u>Equity Investments at Fair Value through OCI (FVOCI)</u>					
<u>Quoted equity shares</u>					
Shalimar (Malay) PLC (Note 4(b))	31st March 2023	763,547	763,547	-	-
<u>Unquoted Equity Shares</u>					
Shalimar Developments Sdn.Bhd. (Note 4(a))	31st December 2022	12,526,753	-	-	12,526,753
FVOCI Financial Assets as at 31st March 2023		13,290,300	763,547	-	12,526,753

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4. Non-current Financial Assets

a). Equity Investments at Fair Value through OCI - Unquoted Equity Shares

The Company holds a 13.33% equity investment (March 2023 : 13.33%) in Shalimar Development Sdn. Bhd. (SDSB), an investment holding Company incorporated in Malaysia. The sole equity investment of SDSB is in PT Agro Indomas (PTAI), an oil palm plantation Company based in Indonesia, in which it has a controlling interest. The Company has designated its investment in SDSB as financial assets classified under Fair Value Through OCI, and is measured at fair value.

The Company obtained the services of PricewaterhouseCoopers Advisory Services Sdn. Bhd, Malaysia (PwC) to carry out an independent indicative fair market valuation of the equity interest in the unquoted investment in SDSB as at valuation date of 31st December 2022. This independent professional valuation is carried out annually and recognized as at 31st March 2023. Any changes in fair value accordingly, is recognized on an annual basis.

The primary approach adopted in arriving the fair market valuation of the equity interest of PT Agro Indomas (PTAI), was income approach. The fair market valuation of the equity interest in the unquoted investment in SDSB was derived using adjusted net assets basis, which was very much dependent on the fair value of the palm oil plantation held by PTAI. The fair market valuation of the equity interest in the unquoted investment of SDSB in PTAI was derived using discounted cash flows method.

The fair value of the equity investment of SDSB in PTAI has been valued based on the following key assumptions/bases:

- Estimated economic life of the oil palm plantations of PTAI is 28 years.
- Consider one planting cycle (i.e. no replantation at the end of the economic life).
- Yield per hectare is estimated considering maturity profile, weather, soil and terrain conditions.
- CPO ex-mill prices in FY 2022/23 and FY 2023/24 is estimated to be USD 760/MT and USD 675/MT respectively.
FY 2024/25 onwards, prices are in line with the World Bank CPO price forecast (Oct 2021 and Oct 2022) and adjusted for the transportation cost and Indonesia palm export levy. After FY 2031/32, prices are assumed to remain unchanged.
- Weighted average cost of capital (WACC) of 10.5%
- Indonesian corporate taxation rate at 22% in FY 2023 and beyond.
- Inflation is based on International Monetary Fund (IMF) forecasts.

Sensitivity of the key assumptions used

The significant unobservable inputs used in the above fair value measurement categorised within Level 3 of the fair value hierarchy (Note 03) together with a quantitative sensitivity analysis are as shown below:

The below values are based on 13.33% equity stake in SDSB and base case is at WACC of 10.5%.

	WACC		CPO ex – mill price		Yield	
	1%	1%	5%	5%	5%	5%
	Increase Rs'000	Decrease Rs'000	Increase Rs'000	Decrease Rs'000	Increase Rs'000	Decrease Rs'000
Effect of fair value in unquoted equity shares in SDSB designated as Financial Assets classified under FVOCI	(965)	1,039	4,824	(4,824)	3,340	(3,340)

b). Equity Investments at Fair Value through OCI - Quoted Equity Shares

The Company holds a non-controlling interests of 10.73% (March 2023 : 10.73%) in Shalimar (Malay) PLC. The fair value of the said investment is determined by reference to published price quotations in the Colombo Stock Exchange.

5. Contingent Liabilities, Assets Pledged & Events After the Reporting Period

5.1 Contingent Liabilities

There are no material contingent liabilities as at the reporting date.

5.2 Assets Pledged

There were no assets pledged as at the reporting date.

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5.3 Events After the Reporting Period

There have been no material events occurring after the reporting date that require adjustments to or disclosures in the financial statements.

6. Stated Capital

Stated capital of the company consists of,

As at 30.06.2023	As at 31.03.2023
5,678,247	5,678,247

Fully paid ordinary shares (voting)

7. Related Party Transactions

7.1 Recurrent Related Party Transactions

7.1.1 Secretarial Fee

The Secretarial fee charged by Carsons Management Services (Private) Limited of Rs. 0.08 Mn (30th June 2022 : Rs.0.07 Mn) has been charged in arriving at the profit before income tax for the period ended 30th June 2023.

All the above recurrent related party transactions have been conducted on agreed commercial terms with the respective parties on an arm's length basis.

7.2 Non-Recurrent Related Party Transactions

There are no non-recurrent related party transactions for the period ended 30th June 2023.

8. Going Concern

The financial statements of the Company have been prepared on a going concern basis as the Company continues to hold its main investment in SDSB. The directors have a reasonable expectation that the Company's investment segment operation will continue for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

INVESTOR INFORMATION

Share information

Highest price per share (Rs.)

Lowest price per share (Rs.)

Last traded price (Rs.)

Volume traded (No. of shares)

Quarter ended		Year ended
30.06.2023	30.06.2022	31.03.2023
899.00	748.00	799.50
601.25	501.00	501.00
808.50	557.50	696.25
1,179	343	1,087

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Additional Notes

I Names and the Number of Shares (voting) held by the top 20 shareholders as at 30th June 2023.

	Name of Shareholders	Number of Shares	%
1	Goodhope Asia Holdings Ltd	5,432,943	95.68
2	Mr. D.A. Campbell	37,713	0.66
3	Mr. H.V. Cartwright (Decd)	23,328	0.41
4	Executer of the Estate of C. Peters(Decd)	20,605	0.36
5	Mr. F.W. Obeyesekere (Decd)	19,440	0.34
6	Mr. T. Velupillai(Decd)	15,552	0.27
7	Mr. K.C. Vignarajah	14,997	0.26
8	Admin. of the Estate of H.S. Gour (Decd)	9,720	0.17
9	Mr. S.T.S. Chettiar	9,486	0.17
10	Administratrix of the Estate of Ramiah (Decd)	7,776	0.14
11	Executer of the Estate of C. Stoddart (Decd)	7,776	0.14
12	Mrs. H.L. Keiller (Decd)	7,776	0.14
13	Miss. M. Mack	7,776	0.14
14	Executer of the Estate of C.S. Nicol (Decd)	6,480	0.11
15	Mrs. S. Vignarajah	4,680	0.08
16	Mr. N.J.P. Hewett	4,042	0.07
17	Mrs. V. Cotton	3,888	0.07
18	Mrs. I.C. Smith(Decd)	3,888	0.07
19	Mr. W.P. Brown	3,447	0.06
20	Mr. P. Whitton	2,592	0.05
		5,643,905	99.40

II Ordinary Shares of the Company held by the public as at 30th June 2023 are as follows;

Number of public shareholders

441

Percentage of public holding

4.30%

Float adjusted market capitalization (Rs.)

197,407,096

The Company is not in compliance with the minimum public holding requirements set out in Rule 7.14.1 (a) of the Listing Rules of the Colombo Stock Exchange.

III Directors shareholdings as at 30th June 2023.

Name of Director	Number of Shares
Mr. H. Selvanathan	-
Mr. M. Selvanathan	1
Mr. I. Paulraj	-
Mr. D.C.R. Gunawardena	-
Mr. S Mahendrarajah	66
Mr. S. N. Alles	-

IV PT Agro Indomas, the Company's investment made through Shalimar Developments Sdn. Bhd. (Investment vehicle in Malaysia) is located in Kalimantan province, Indonesia. The total land area of PT Agro Indomas is approximately 26,516 Ha.

Operational performance information is given below.

Operational performance indicators	Period ended	
	30th June	
	2023	2022
Crop Production - Internal (MT)	108,319	132,471
Crop Production - External (MT)	86,314	105,230
Total Crop Production (MT)	194,633	237,701
Total CPO (MT)	39,058	47,850
Total PK (MT)	9,397	11,253
CPO Ex Mill Price (US\$)	749	995
FFB Yield (MT per Hectare)	5.44	6.66
CPO/ Ha (MT)	1.16	1.41
Milling Capacity (MT per Hour)	225	225

MT-Metric Tones

CORPORATE INFORMATION

Name of the Company

Selinsing PLC

Company No

PQ 46

Legal Form

A Public Quoted Company with
Limited Liability.
Incorporated in Sri Lanka in 1907.

Directors

M. Selvanathan
H. Selvanathan
I. Paulraj
D.C.R.Gunawardena
S.Mahendrarajah
S. N. Alles

Bankers

Standard Chartered Bank
Commercial Bank of Ceylon PLC
Hatton National Bank PLC

Auditors of the Company

Messrs. Ernst & Young
Chartered Accountants
201, De Saram Place
Colombo 10
Sri Lanka.
Tel: + 94 11 2463500
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Secretaries

Carsons Management Services (Private) Limited.
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Managers

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Tel : +94 114357777
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Registered Office

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Tel: +94 11 2039200
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Corporate Website

www.goodhopeholdings.com

Holding Company

Goodhope Asia Holdings Ltd

Ultimate Parent & Controlling Entity

Bukit Darah PLC