



Selinsing PLC

**Summarised Financial Report
for the year ended
31st March 2023**

SELINSING PLC

Review of operations for the year ended 31st March 2023

The year under review was faced with global economic challenges with most countries facing higher inflation and rising interest rates. Your Company has a 13.33% equity stake in Shalimar Developments Sdn. Bhd (SDSB). The Indonesian plantation, in which your Company has an equity stake, via SDSB, has exceeded its prime age, thus posing new challenges in maintaining the property amidst rising operational costs such as fertilizer and harvesting. On a positive note, the Crude Palm Oil (CPO) Prices increased compared to the previous year. However, the export ban implementation in Indonesia to control the domestic palm oil prices somewhat dented the CPO price upside. With the relaxation of export ban in the 2nd quarter, release of excess stock to the market resulted in a steep decline in CPO prices. Indonesia has since controlled the domestic vegetable oil prices via an export quota system and an aggressive export duty levy mechanism thus capping the producers price upside benefit.

The only source of income earned by the Company in the year under review is the interest income from short term deposits. The interest rates witnessed an increase during the year. Your Company recorded a net profit after tax of Rs. 12.23 Mn for the year as compared to the profit of Rs. 28.12 Mn recorded in 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 has informed the Company that the CSE in consultation with the SEC, is contemplating to carry out enforcement actions for non-compliance 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. Considering that there is no requirement for additional capital infusion to the Company and since Goodhope Asia Holdings Limited (GAHL) had no intention to dilute its current holding in the Company, the Company via letter dated 13th June 2022 communicated to CSE that it is conducting preliminary discussions with GAHL being the majority shareholder, for the purchase of shares from shareholders of the Company, who may wish to divest their shares.

GAHL, the majority shareholder has indicated its willingness to purchase the shares of the Company held by the minority shareholders who wish to sell their shares and made the exit offer price on 17th May, 2023.

Accordingly, the Board of Directors of the Company has made a decision on the 17th May 2023 to accept the exit offer price made by GAHL in order to acquire the minority shares in order to facilitate the proposed de-listing of the ordinary shares of the Company from the official list of the Colombo Stock Exchange subject to obtaining required shareholder and regulatory approvals.

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

30th May 2023

SELINSING PLC
Statement of Profit or Loss

(All figures in Sri Lankan Rupees '000)

(All figures in Sri Lankan Rupees '000)

	Quarter ended		Change	Year ended		Change
	31st March			31st March		
	2023	2022		2023	2022	
				%		
Dividend income	-	-	-	-	26,513	-100%
Interest income	6,111	1,358	350%	17,909	4,036	344%
Other income	730	498	47%	730	498	47%
Administrative expenses	(436)	(587)	-26%	(1,829)	(2,019)	-9%
Profit before tax for the period	6,405	1,269	405%	16,810	29,028	-42%
Income tax expense	(1,597)	86	-1957%	(4,579)	(911)	403%
Profit for the period	4,808	1,355	255%	12,231	28,117	-56%
Earnings Per Share (Rs.)	0.85	0.24		2.15	4.95	

Statement of Comprehensive Income

Statement of Comprehensive Income	Quarter ended		Change	Year ended		Change
	31st March			31st March		
	2023	2022		2023	2022	
			%			%
Profit for the period	4,808	1,355	255%	12,231	28,117	-56%
Other Comprehensive Income						
Other Comprehensive Income / (Expense) not to be reclassified to Profit or Loss in subsequent periods						
Gain on Change in Fair Value of Financial Assets classified under Fair Value Through Other Comprehensive Income (FVOCI)	2,040,318	3,645,781	-44%	2,103,042	3,593,952	-41%
Net Other Comprehensive Income not to be reclassified to Profit or Loss in subsequent periods	2,040,318	3,645,781	-44%	2,103,042	3,593,952	-41%
Total Comprehensive Income for the period, net of tax	2,045,126	3,647,136	-44%	2,115,273	3,622,069	-42%

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 31.03.2023	As at 31.03.2022
ASSETS			
Non-Current Assets			
Property, Plant and Equipment		134	311
Non-current financial assets	(Note 3)	13,290,300	11,187,258
Total Non- Current Assets		13,290,434	11,187,569
Current Assets			
Advances and prepayments		1,103	340
Income tax receivable		-	126
Short term investments		-	108,252
Cash and cash equivalents		122,284	3,367
Total Current Assets		123,387	112,085
Total Assets		13,413,821	11,299,654
EQUITY AND LIABILITIES			
Equity			
Stated capital	(Note 6)	69,401	69,401
Retained earnings		314,447	304,212
Other reserves		12,990,934	10,887,892
Total Shareholders' Funds		13,374,782	11,261,505
Current Liabilities			
Provisions and accrued expenses		331	322
Income tax payable		1,611	-
Unclaimed dividend		37,097	37,827
Total Current Liabilities		39,039	38,149
Total Liabilities		39,039	38,149
Total Equity and Liabilities		13,413,821	11,299,654
Net Asset per share (Rs.)		2,355.44	1,983.27

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

30th May 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 1st April 2021	69,401	7,293,940	330,038	7,693,379
Profit for the year	-	-	28,117	28,117
Other comprehensive income for the year	-	3,593,952	-	3,593,952
Total comprehensive income for the year	-	3,593,952	28,117	3,622,069
Interim Dividend	-	-	(53,943)	(53,943)
Balance as at 31st March 2022	69,401	10,887,892	304,212	11,261,505

	Stated Capital	Fair Value Reserve	Retained Earnings	Total Shareholders' Funds
Balance as at 1st April 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 year	-	-	12,231	12,231
Other comprehensive income for the year	-	2,103,042	-	2,103,042
Total comprehensive income for the year	-	2,103,042	12,231	2,115,273
Balance as at 31st March 2023	69,401	12,990,934	314,447	13,374,782

(Note 08)

The above figures are subject to audit.

SELINSING PLC
Cash Flow Statement

For the year ended 31st March

(All figures in Sri Lankan Rupees '000)

	2023	2022
Net cash outflows from operating activities	(7,244)	(3,201)
Net cash inflows from investing activities	126,161	56,925
Net cash outflows from financing activities	-	(52,338)
Increase in cash and cash equivalents	118,917	1,386
Cash and cash equivalents at the beginning of the year	3,367	1,981
Cash and cash equivalents at the end of the year	122,284	3,367
Cash and cash equivalents:		
Cash and bank balances	918	1,288
Short-term deposits	121,366	2,079
	122,284	3,367

The above figures are subject to audit.

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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 2022.

The tax liability arising from the Surcharge Tax Act No: 14 of 2022 has been accounted as recommended by the Statement of Alternative Treatment (SoAT) issued by the Institute of Chartered Accountants of Sri Lanka as disclosed under the note 08.

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 2022 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 31st March 2023 and 31st March 2022 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 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
As at 31st March 2022					
<u>Equity Investments at Fair Value through OCI (FVOCI)</u>					
<u>Quoted equity shares</u>					
Shalimar (Malay) PLC (Note 4(b))	31st March 2022	700,823	700,823	-	-
<u>Unquoted Equity Shares</u>					
Shalimar Developments Sdn.Bhd. (Note 4(a))	31st December 2021	10,486,435	-	-	10,486,435
FVOCI Financial Assets as at 31st March 2022		11,187,258	700,823	-	10,486,435

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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 2022 : 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% Increase Rs'000	1% Decrease Rs'000	5% Increase Rs'000	5% Decrease Rs'000	5% Increase Rs'000	5% 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 2022 : 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 other than what is disclosed below;

The Company made a market announcement on 17th May 2023 consequent to the Board of Directors of the Company having accepted the exit offer price made by the majority shareholder to acquire the minority shares so as to facilitate the proposed delisting of the ordinary shares of the Company from the official list of the Colombo Stock Exchange subject to obtaining required shareholder and regulatory approvals.

6. Stated Capital

Stated capital of the company consists of,

As at 31.03.2023	As at 31.03.2022
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. 0.28 Mn (31st March 2022 : Rs.0.22 Mn) has been charged in arriving at the profit before income tax for the year ended 31st March 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 year ended 31st March 2023.

8. Surcharge Tax

Surcharge Tax Act No.14 of 2022 was enacted on 8 April 2022 and is applicable to the Carson Cumberbatch PLC Group as the collective taxable income of companies belonging to the Group, calculated in accordance with the provisions of the Inland Revenue Act No. 24 of 2017, exceeds Rs.2,000 Mn, for the year of assessment 2020/2021. The liability is computed at the rate of 25% on the taxable income of the individual Group companies, net of dividends from subsidiaries.

Accordingly, the Company is liable for the surcharge tax of Rs. 1.99 Mn out of the taxable income of Rs. 7.99 Mn pertaining to the year of assessment 2020/21. According to the said Act, the surcharge tax shall be deemed to be an expenditure in the Financial Statements relating to the year of assessment which commenced on 1st April 2020. Since the Act supersedes the requirements of the Sri Lanka Accounting Standards, the surcharge tax expense is accounted as recommended by the Statement of Alternative Treatment (SoAT) issued by the Institute of Chartered Accountants of Sri Lanka.

Accordingly, the resulting surcharge tax was recorded as an opening adjustment to the retained earnings reported in the Statement of Changes in Equity as of 01st April 2022.

9. 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
31.03.2023	31.03.2022	31.03.2023
799.50	1,025.00	799.50
551.25	600.00	501.00
696.25	608.75	696.25
159	4,171	1,087

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Additional Notes

I Names and the Number of Shares (voting) held by the top 20 shareholders as at 31st March 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	14,995	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
		5,643,903	99.40

II Ordinary Shares of the Company held by the public as at 31st March 2023 are as follows;

Number of public shareholders

438

Percentage of public holding

4.30%

Float adjusted market capitalization (Rs.)

169,999,617

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 31st March 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	Year ended	
	31st March	
	2023	2022
Crop Production - Internal (MT)	472,085	406,644
Crop Production - External (MT)	409,057	215,628
Total Crop Production (MT)	881,142	622,272
Total CPO (MT)	178,022	128,787
Total PK (MT)	41,294	30,317
CPO Ex Mill Price (US\$)	759	679
FFB Yield (MT per Hectare)	23.72	20.43
CPO/ Ha (MT)	5.01	4.41
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
Fax: + 94 11 2697369

Secretaries

Carsons Management Services (Private) Limited.
61, Janadhipathi Mawatha
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Sri Lanka.
Tel: +94 11 2039200
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Managers

Agro Harapan Lestari (Pvt) Ltd
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Dharmapala Mawatha
Colombo 7
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Tel : +94 114357777
Fax : +94 114357788

Registered Office

61, Janadhipathi Mawatha
Colombo 01
Sri Lanka.
Tel: +94 11 2039200
Fax: +94 11 2039300

Corporate Website

www.goodhopeholdings.com

Holding Company

Goodhope Asia Holdings Ltd

Ultimate Parent & Controlling Entity

Bukit Darah PLC