



Selinsing PLC

Summarised Financial Report
for the nine months ended
31st December 2019

SELINSING PLC

Review of operations for the period ended 31st December 2019

The operations of the Company solely consist of the equity investment made in Indonesia (PT Agro Indomas) through Shalimar Developments Sdn. Bhd. (SDSB) and the shares held in Shalimar (Malay) PLC (SMPLC). The Company has not received dividend from its investment for the period under review. The only source of revenue is the interest income earned from the short term deposits.

Accordingly, the Company recorded a profit after tax of Rs. 3.8 mn from operations during the period under review compared to the profit of Rs. 3.4 mn recorded in the corresponding period of the previous financial year.

Minimum Public Holding

As previously informed, the Company is not in compliance with the minimum public holding requirements in relation to a Company Listed on the Main Board of the Colombo Stock Exchange (CSE) as per Rule 7.13.1 (a) of the Listing Rules of CSE, due to which the Company was transferred to the 'Watch List' of the CSE in terms of Rule 7.13.2 (b) of the previous Listing Rules of the CSE with effect from 2nd July 2018.

However, the CSE via their Circular No. 03/2019 dated 3rd October 2019 amended the Listing Rules on enforcement actions applicable for non-compliance with minimum public holding requirements with effect from 12th September 2019. Accordingly, in terms of Rule 7.13.2 of the Listing Rules of the CSE, the company was transferred to the Second Board with effect from 15th November 2019.

We wish to highlight that the objective of the voluntary offer made to all shareholders in 2011 was to acquire the entire minority shareholding as a step towards the consolidation of the oil palm plantation business. The offer documents also mentioned that upon completion of the voluntary offer, the rational 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.

Taking into consideration that a voluntary offer had been made and also considering that there is no requirement for additional capital infusion to the Company and resultantly, there being no plans for issuing of new shares nor a dilution by the majority shareholder and as previously communicated to shareholders through market disclosures and Annual Reports and in terms of the revised Listing Rules, we will report the proposed course of action.

Agro Harapan Lestari (Pvt) Ltd

Managers

06th February 2020

SELINSING PLC
Statement of Profit or Loss

(All figures in Sri Lankan Rupees '000)

	Note			%			%
Revenue	(Note 3)	2,792	2,916	-4%	8,930	7,092	26%
Administrative expenses		(1,636)	(629)	160%	(3,157)	(1,935)	63%
Profit before tax for the period		1,156	2,287	-49%	5,773	5,157	12%
Income tax expense		(593)	(560)	6%	(1,953)	(1,729)	13%
Profit for the period		563	1,727	-67%	3,820	3,428	11%
Earnings Per Share (Rs.)		0.10	0.30		0.67	0.60	

Note
(Note 3)

Statement of comprehensive income

Statement of comprehensive income	Quarter ended		Change	Nine months ended		Change
	31st December			31st December		
	2019	2018		2019	2018	
			%			%
Profit for the period	563	1,727	-67%	3,820	3,428	11%
Other Comprehensive Income/(Loss) for the period, net of tax	-	-	-	-	-	-
Total Comprehensive Income for the period, net of tax	563	1,727	-67%	3,820	3,428	11%

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

Figures in brackets indicate deductions/negative changes.

The above figures are subject to audit.

SELINSING PLC
Statement of financial position

(All figures in Sri Lankan Rupees '000)

	Note	As at 31.12.2019	As at 31.03.2019
ASSETS			
Non-Current Assets			
Non-current financial assets	(Note 4)	6,646,646	6,646,646
Total Non- Current Assets		6,646,646	6,646,646
Current Assets			
Prepayments and other receivable		1,559	106
Short term investments		118,174	113,918
Cash and cash equivalents		11,299	13,670
Total Current Assets		131,032	127,694
Total Assets		6,777,678	6,774,340
EQUITY AND LIABILITIES			
Equity			
Stated capital	(Note 7)	69,401	69,401
Retained earnings		316,295	312,475
Other reserves		6,347,280	6,347,280
Total Shareholders' Funds		6,732,976	6,729,156
Current Liabilities			
Trade and other payables		1,445	1,888
Income tax payable		814	853
Unclaimed dividend		42,443	42,443
Total Current Liabilities		44,702	45,184
Total Liabilities		44,702	45,184
Total Equity and Liabilities		6,777,678	6,774,340
Net Asset per share (Rs.)		1,185.75	1,185.08

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.)

M.R. Jiffrey

Director

Agro Harapan Lestari (Pvt) Ltd

M. Selvanathan

Chairman

H. Selvanathan

Director

06th February 2020

The above figures are subject to audit.

SELINSING PLC**Statement of Changes in Equity**

(All figures in Sri Lankan Rupees '000)

	Stated Capital	Available-for-sale reserve	Fair Value Reserve	Retained Earnings	Total Shareholders' Funds
Balance as at 31st March 2018	69,401	6,149,959	-	304,031	6,523,391
Effect of adoption of SLFRS 9	-	(6,149,959)	6,149,959	-	-
Balance as at 1st April 2018	69,401	-	6,149,959	304,031	6,523,391
Profit for the year	-	-	-	8,444	8,444
Other comprehensive income for the year	-	-	197,321	-	197,321
Total comprehensive income for the year	-	-	197,321	8,444	205,765
Balance as at 31st March 2019	69,401	-	6,347,280	312,475	6,729,156

	Stated Capital	Available-for-sale reserve	Fair Value Reserve	Retained Earnings	Total Shareholders' Funds
Balance as at 31st March 2018	69,401	6,149,959	-	304,031	6,523,391
Effect of adoption of SLFRS 9	-	(6,149,959)	6,149,959	-	-
Balance as at 1st April 2018	69,401	-	6,149,959	304,031	6,523,391
Profit for the period	-	-	-	3,428	3,428
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	3,428	3,428
Balance as at 31st December 2018	69,401	-	6,149,959	307,459	6,526,819

	Stated Capital	Fair Value Reserve	Retained Earnings	Total Shareholders' Funds
Balance as at 1st April 2019	69,401	6,347,280	312,475	6,729,156
Profit for the period	-	-	3,820	3,820
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	3,820	3,820
Balance as at 31st December 2019	69,401	6,347,280	316,295	6,732,976

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

SELINSING PLC
Cash Flow Statement

For the nine months ended 31st December
(All figures in Sri Lankan Rupees '000)

	2019	2018	31.03.2019
Net cash outflows from operating activities	(3,517)	(6,475)	(4,572)
Net cash inflows / (outflows) from investing activities	1,242	(100,909)	(103,722)
Net cash (outflows) / inflows from financing activities	(96)	8,400	8,571
(Decrease) / increase in cash and cash equivalents	(2,371)	(98,984)	(99,723)
Cash and cash equivalents at the beginning of the period	13,670	113,393	113,393
Cash and cash equivalents at the end of the period	11,299	14,409	13,670
Cash and cash equivalents:			
Cash and bank balances	9,293	9,790	8,942
Short-term deposits	2,006	4,619	4,728
	11,299	14,409	13,670

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 2019.

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 2019 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. Revenue

For the period ended 31st December	2019 Rs'000	2018 Rs'000
External Revenue		
Interest income	8,930	7,092
	8,930	7,092

4. 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 December 2019 and 31st March 2019 are as follows :

(All figures in Sri Lankan Rupees '000)

Date of valuation	Fair value measurement using			
	Total	Quoted prices in active (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Non Current Financial Assets Measured at Fair Value:				
As at 31st December 2019				
<u>Equity Investments at Fair Value through OCI (FVOCI)</u>				
<u>Quoted equity shares</u>				
Shalimar (Malay) PLC (Note 5(b)) 31st December 2019	867,758	867,758	-	-
<u>Unquoted Equity Shares</u>				
Shalimar Developments Sdn.Bhd. (Note 5(a)) 31 December 2018	5,778,888	-	-	5,778,888
FVOCI financial assets as at 31st December 2019	6,646,646	867,758	-	5,778,888
As at 31st March 2019				
<u>Equity Investments at Fair Value through OCI (FVOCI)</u>				
<u>Quoted equity shares</u>				
Shalimar (Malay) PLC (Note 5(b)) 31st March 2019	867,758	867,758	-	-
<u>Unquoted Equity Shares</u>				
Shalimar Developments Sdn.Bhd. (Note 5(a)) 31 December 2018	5,778,888	-	-	5,778,888
AFS financial assets as at 31 March 2019	6,646,646	867,758	-	5,778,888

5. Non-current financial assets

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

The Company holds a 13.33% equity investment (March 2019: 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 Equity Investments at Fair Value through OCI.

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5. Non-current financial assets

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

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 31 December 2018. Unquoted equity shares of Shalimar Developments Sdn. Bhd. has been valued based on adjusted net asset basis. Such net assets represent the investment value of PT Agro Indomas (PTAI) which was determined based on income approach using discounted cash flow method.

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

- (a) Estimated economic life of the oil palm plantations of PTAI is 26 years (including the immature period).
- (b) Consider one planting cycle (i.e. no replantation at the end of the economic life).
- (c) Yield per hectare based on year of planting, maturity profile and terrain.
- (d) CPO ex-mill prices in FY 2019 and FY 2020 are projected at USD 468/MT and USD 489/MT, respectively, which eventually reaches a peak of USD 702/MT in FY 2031
- (e) Weighted average cost of capital (WACC) of 14%.
- (f) Indonesian corporate taxation rate at 25% p.a.
- (g) Inflation assumed approximately 3.8% p.a.

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 04) 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 14%.

	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	(642)	694	2,476	(2,476)	1,307	(1,244)

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

The Company holds a non-controlling interests of 10.73% (March 2019 : 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.

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

6.1 Contingent Liabilities

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

6.2 Events After the Reporting Period

There were no any circumstances which required adjustment to or disclosures in these interim condensed financial statements.

6.3 Assets Pledged

There were no assets pledged as at the reporting date.

7. Stated Capital

Stated capital of the company consists of,

	As at 31.12.2019	As at 31.03.2019
Fully paid ordinary shares (voting)	5,678,247	5,678,247

8. Related Party Transactions

8.1 Recurrent Related Party Transactions

8.1.1 Secretarial Fee

The Secretarial fee charged by Carsons Management Services (Private) Limited of Rs.0.18 mn (31st December 2018 : Rs.0.18 mn) has been charged in arriving at the profit before income tax for the period ended 31st December 2019.

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

8.2 Non-Recurrent Related Party Transactions

There are no non-recurrent related party transactions for the period ended 31st December 2019.

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.

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
31.12.2019	31.12.2018	31.03.2019
794.00	835.00	835.00
650.00	600.00	537.30
711.40	711.40	711.40
213	492	977

SELINSING PLC**Additional Notes****I Names and the Number of Shares (voting) held by the top 20 shareholders as at 31st December 2019.**

	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. Veluppillai(Decd)	15,552	0.27
7	Mr. K.C. Vignarajah	14,868	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
		5,643,776	99.39

II Ordinary Shares of the Company held by the public as at 31st December 2019 are as follows;

Number of public shareholders

406

Percentage of public holding

4.32%

Float adjusted market capitalization (Rs.)

174,506,612

The Company is not in compliance with the minimum public holding requirements set out in Rule 7.13.1 (a) of the Listing Rules of the Colombo Stock Exchange.

III Directors shareholdings as at 31st December 2019.

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 26,981 Ha.

Operational performance information is given below.

Operational performance indicators	2019 December	2018 December
Crop Production (MT)	533,438	574,439
CPO (MT)	108,708	111,453
PK (MT)	26,601	25,124
CPO Ex Mill Price (US\$)	452	469
FFB Yeild (MT per Hectare)	18.04	21.57
CPO/ Ha (MT)	3.79	4.20
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 (Chairman)

H. Selvanathan

I. Paulraj

D.C.R.Gunawardena

S.Mahendrarajah

S. N. Alles

Secretaries

Carsons Management Services (Private) Limited.

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Managers

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Fax : +94 114357788

Bankers

Standard Chartered Bank

Commercial Bank of Ceylon PLC

Deutsche Bank

Registered Office

61, Janadhipathi Mawatha

Colombo 01

Sri Lanka.

Tel: +94 11 2039200

Fax: +94 11 2039300

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

Corporate Website

www.goodhopeholdings.com

Holding Company

Goodhope Asia Holdings Ltd

Ultimate Parent & Controlling Entity

Bukit Darah PLC