



## Shalimar (Malay) PLC

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

## **SHALIMAR (MALAY) 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). 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 loss after tax of Rs. 0.3 mn from operations during the period under review compared to the profit of Rs 0.3 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

**SHALIMAR (MALAY) PLC**  
**Statement of Profit or Loss**

(All figures in Sri Lankan Rupees '000)

(All figures in Sri Lankan Rupees '000)

	Quarter ended		Change	Nine months ended		Change	
	31st December			31st December			
	2019	2018		2019	2018		
Note			%			%	
Revenue	(Note 3)	1,033	945	9%	2,976	2,379	25%
Administrative expenses		(1,689)	(677)	149%	(3,272)	(2,076)	58%
(Loss) / Profit before tax for the period		(656)	268	-345%	(296)	303	-198%
Income tax expense		-	-	-	-	-	-
(Loss) / Profit for the period		(656)	268	-345%	(296)	303	-198%
Earnings Per Share (Rs.)		(0.12)	0.05		(0.05)	0.06	

**Statement of comprehensive income**

Statement of comprehensive income	Quarter ended		Change	Nine months ended		Change
	31st December			31st December		
	2019	2018	2019	2018		
			%			%
(Loss) / Profit for the period	(656)	268	-345%	(296)	303	-198%
Other Comprehensive Income for the period, net of tax	-	-	-	-	-	-
Total Comprehensive Income for the period, net of tax	(656)	268	-345%	(296)	303	-198%

*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.*

**SHALIMAR (MALAY) PLC**  
**Statement of financial position**

(All figures in Sri Lankan Rupees '000)

	Note	As at 31.12.2019	As at 31.03.2019
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Non-current financial assets	(Note 4)	5,778,888	5,778,888
<b>Total Non- Current Assets</b>		5,778,888	5,778,888
<b>Current Assets</b>			
Advances and Prepayments		1,098	213
Income tax receivable		523	523
Short term investments		34,107	35,865
Cash and cash equivalents		4,909	4,776
<b>Total Current Assets</b>		40,637	41,377
<b>Total Assets</b>		5,819,525	5,820,265
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Stated capital	(Note 7)	69,401	69,401
Retained earnings		61,588	61,884
Other reserves		5,687,054	5,687,054
<b>Total Shareholders' Funds</b>		5,818,043	5,818,339
<b>Current Liabilities</b>			
Trade and other payables		1,451	1,895
Unclaimed dividend		31	31
<b>Total Current Liabilities</b>		1,482	1,926
<b>Total Liabilities</b>		1,482	1,926
<b>Total Equity and Liabilities</b>		5,819,525	5,820,265
Net Asset per share (Rs.)		1,077.85	1,077.90

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**

**H. Selvanathan**

Chairman

**M. Selvanathan**

Director

06th February 2020

*The above figures are subject to audit.*

**SHALIMAR (MALAY) 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	5,489,733	-	61,228	5,620,362
Effect of adoption of SLFRS 9	-	(5,489,733)	5,489,733	-	-
Balance as at 1st April 2018	69,401	-	5,489,733	61,228	5,620,362
Profit for the year	-	-	-	656	656
Other comprehensive income for the year	-	-	197,321	-	197,321
Total comprehensive income for the year	-	-	197,321	656	197,977
Balance as at 31st March 2019	69,401	-	5,687,054	61,884	5,818,339

	Stated Capital	Available-for-sale reserve	Fair Value Reserve	Retained Earnings	Total Shareholders' Funds
Balance as at 31st March 2018	69,401	5,489,733	-	61,228	5,620,362
Effect of adoption of SLFRS 9	-	(5,489,733)	5,489,733	-	-
Balance as at 1st April 2018	69,401	-	5,489,733	61,228	5,620,362
Profit for the period	-	-	-	303	303
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	303	303
Balance as at 31st December 2018	69,401	-	5,489,733	61,531	5,620,665

	Stated Capital	Fair Value Reserve	Retained Earnings	Total Shareholders' Funds
Balance as at 1st April 2019	69,401	5,687,054	61,884	5,818,339
Profit for the period	-	-	(296)	(296)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	(296)	(296)
Balance as at 31st December 2019	69,401	5,687,054	61,588	5,818,043

*Figures in brackets indicate deductions/negative changes*

*The above figures are subject to audit.*

**SHALIMAR (MALAY) PLC**  
**Cash Flow Statement**

**For the nine months ended 31st December**

(All figures in Sri Lankan Rupees '000)

	<b>2019</b>	<b>2018</b>	<b>31.03.2019</b>
Net cash outflows from operating activities	<b>(3,637)</b>	(3,172)	(2,656)
Net cash inflows / (outflows) from investing activities	<b>3,770</b>	(31,621)	(32,460)
Net cash outflows from financing activities	-	-	-
Decrease in cash and cash equivalents	<b>133</b>	(34,793)	(35,116)
Cash and cash equivalents at the beginning of the period	<b>4,776</b>	39,892	39,892
<b>Cash and cash equivalents at the end of the period</b>	<b>4,909</b>	5,099	4,776
<b>Cash and cash equivalents:</b>			
Cash and bank balances	<b>2,402</b>	1,521	1,114
Short-term deposits	<b>2,507</b>	3,578	3,662
	<b>4,909</b>	5,099	4,776

*The above figures are subject to audit.*

## SHALIMAR (MALAY) 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
<b>External Revenue</b>		
Interest income	2,976	2,379
	<u>2,976</u>	<u>2,379</u>

### 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		
	Quoted prices in active (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Non Current Financial Assets</b>			
<b>Measured at Fair Value:</b>			
<b>As at 31st December 2019</b>			
<b><u>Equity Investments at Fair Value through OCI (FVOCI)</u></b>			
<b><u>Unquoted Equity Shares</u></b>			
Shalimar Developments Sdn.Bhd. (Note 5(a)) 31 December 2018	5,778,888	-	5,778,888
<b>FVOCI financial assets as at 31st December 2019</b>	<b>5,778,888</b>	<b>-</b>	<b>5,778,888</b>
<b>As at 31st March 2019</b>			
<b><u>Equity Investments at Fair Value through OCI (FVOCI)</u></b>			
<b><u>Unquoted Equity Shares</u></b>			
Shalimar Developments Sdn.Bhd. (Note 5(a)) 31 December 2018	5,778,888	-	5,778,888
<b>FVOCI financial assets as at 31 March 2019</b>	<b>5,778,888</b>	<b>-</b>	<b>5,778,888</b>

### 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.

## SHALIMAR (MALAY) PLC

### 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 FY2019 and FY2020 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)

### 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
5,397,840	5,397,840

Fully paid ordinary shares (voting)



## SHALIMAR (MALAY) PLC

### 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	
<b>1,789.80</b>	1,870.00	1,870.00	
<b>1,125.00</b>	1,200.00	1,125.00	
<b>1,497.60</b>	1,497.60	1,497.60	
<b>60</b>	43	366	

**SHALIMAR (MALAY) PLC**  
**Additional Notes**

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

	<b>Name of Shareholders</b>	<b>Number of Shares</b>	<b>%</b>
1	Goodhope Asia Holdings Ltd	4,491,047	83.20
2	Selinsing PLC	579,432	10.73
3	Good Hope PLC	167,328	3.10
4	Indo-Malay PLC	119,448	2.21
5	Mr. K.C. Vignarajah	21,420	0.40
6	Mrs. S. Vignarajah	3,716	0.07
7	Mr. J.A.A. Chandrasiri	1,798	0.03
8	Dr. D. Jayanththa	1,480	0.03
9	Best Real Invest Co Services (Private) Limited	1,329	0.02
10	Mr. M.M.A. Ameen	846	0.02
11	Miss. K.R. Vignarajah	810	0.02
12	Dr. R.D. Kahandawa Arachchi	700	0.01
13	Mr. N.K. Punchihewa	531	0.01
14	MR. V.H.D.S.S. Siriwardena	409	0.01
15	Mr. N.S.C. De Silva	374	0.01
16	Acuity Partners (Pvt) Limited/Mr.N.K.Punchihewa	362	0.01
17	MRS. F.H. Ameen	352	0.01
18	Mr. P.K.D.F. Pitigala	352	0.01
19	Mr. V. Baskarasundaram	351	0.01
20	Mrs. N.K.L. Munavir	283	0.01
		<b>5,392,368</b>	<b>99.90</b>

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

Number of public shareholders	<b>340</b>
Percentage of public holding	<b>0.75%</b>
Float adjusted market capitalization (Rs.)	<b>60,628,539</b>

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.

<b>Name of Director</b>	<b>Number of Shares</b>
Mr. H. Selvanathan	-
Mr. M. Selvanathan	1
Mr. I. Paulraj	-
Mr. D.C.R.Gunawardena	-
Mr. K.C.N.Fernando	-
Mr. D. P. De Silva (Appointed w.e.f. 16.12.2019)	-
Mr. S. Mahendrarajah	53

**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.

<b>Operational performance indicators</b>	<b>2019 December</b>	<b>2018 December</b>
Crop Production (MT)	<b>533,438</b>	574,439
CPO (MT)	<b>108,708</b>	111,453
PK (MT)	<b>26,601</b>	25,124
CPO Ex Mill Price (US\$)	<b>452</b>	469
FFB Yeld (MT per Hectare)	<b>18.04</b>	21.57
CPO/ Ha (MT)	<b>3.79</b>	4.20
Milling Capacity (MT per Hour)	<b>225</b>	225

MT-Metric Tones

## CORPORATE INFORMATION

**Name of the Company**

Shalimar (Malay) PLC

**Company No**

PQ 51

**Legal Form**

A Public Quoted Company with  
Limited Liability.  
Incorporated in Sri Lanka in 1909.

**Directors**

H. Selvanathan (Chairman)  
M. Selvanathan  
I. Paulraj  
D.C.R.Gunawardena  
K.C.N. Fernando  
S. Mahendrarajah  
D. P. De Silva (Appointed w.e.f. 16.12.2019)

**Bankers**

Standard Chartered Bank  
Commercial Bank of Ceylon PLC  
Deutsche Bank

**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  
No. 61, Janadhipathi Mawatha  
Colombo 01  
Sri Lanka  
Tel: +94 11 2039200  
Fax: +94 11 2039300

**Managers**

Agro Harapan Lestari (Pvt) Ltd  
Level 20  
East Tower  
World Trade Centre  
Echelon Square  
Colombo 01  
Sri Lanka.  
Tel : +94 114357777  
Fax : +94 114357788

**Registered Office**

No. 61, Janadhipathi Mawatha  
Colombo 01  
Sri Lanka  
Tel: +94 11 2039200  
Fax: +94 11 2039300

**Corporate Website**

[www.goodhopeholdings.com](http://www.goodhopeholdings.com)

**Holding Company**

Goodhope Asia Holdings Ltd

**Ultimate Parent & Controlling Entity**

Bukit Darah PLC