



Good Hope PLC

**Summarised Financial Report
for the Nine months ended
31st December 2022**

GOOD HOPE PLC

Review of operations for the period ended 31st December 2022

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

With the investee company's plantations having now exceeded its prime age, it faces new challenges in maintaining the property along with input cost escalations including that of fertilizer and fuel prices. The adverse weather conditions that prevailed also continues to impact operations. The company monitors the crude palm oil market price movements to ensure these operating and cost challenges are mitigated. The Crude Palm Oil (CPO) prices in the quarter under review compared to that of the previous year has seen a downward trend. The investee Company accordingly is focused in managing the plantation such that the long term value of the investment to its stakeholders is preserved.

The only source of income for the period is the interest income earned from the Company's short-term deposits in Sri Lanka. Accordingly, the Company recorded an after tax profit of Rs. 2.05 Mn from its operations during the period under review; compared to a profit of Rs. 22.65 Mn recorded in the corresponding period of the previous financial year.

Minimum Public Holding

As previously informed, the Company is not in compliance with Rule 7.14.1 (a) of the Listing Rules of the Colombo Stock Exchange (CSE) relating to the minimum public holding requirements applicable to a company listed on the Main Board of the CSE. The Company was transferred to the 'Watch List' of the CSE on 2nd July 2018 in terms of Rule 7.14.2 (b) of the previous Listing Rules.

However, the CSE via Circular No. 03/2019 dated 3rd October 2019 amended the Listing Rules on enforcement actions applicable for non-compliance with minimum public holding requirements, which were effective from 12th September 2019. Accordingly, in terms of Rule 7.14.2 of the amended 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 on 17th March 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 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.

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

07th February 2023

GOOD HOPE PLC
Statement of Profit or Loss

(All figures in Sri Lankan Rupees '000)

Dividend Income
Interest Income

Administrative expenses
Profit before tax for the period

Income tax expense
Profit for the period

Earnings Per Share (Rs.)

Quarter ended			Nine months ended		
31st December		Change	31st December		Change
2022	2021		2022	2021	
		%			%
-	-	-	-	22,845	-100%
2,073	508	308%	4,484	1,341	234%
2,073	508	308%	4,484	24,186	-81%
(653)	(335)	95%	(1,638)	(1,371)	19%
1,420	173	721%	2,846	22,815	-88%
(431)	(55)	684%	(798)	(166)	381%
989	118	738%	2,048	22,649	-91%
0.25	0.03		0.53	5.83	

Statement of Comprehensive Income

Profit for the period
Other comprehensive income
Other Comprehensive Income/(Expense) not to be reclassified to profit or loss in subsequent periods
Gain / (Loss) on Change in Fair Value of Financial Assets classified under Fair Value through Other Comprehensive income (FVOCI)
Net Other Comprehensive Income / (Expense) not to be reclassified to profit or loss in subsequent periods
Total Comprehensive Income for the period, net of tax

Quarter ended			Nine months ended		
31st December		Change	31st December		Change
2022	2021		2022	2021	
		%			%
989	118	738%	2,048	22,649	-91%
-	12,926	-100%	18,113	(14,968)	-221%
-	12,926	-100%	18,113	(14,968)	-221%
989	13,044	-92%	20,161	7,681	162%

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.

GOOD HOPE PLC**Statement of Financial Position**

(All figures in Sri Lankan Rupees '000)

	Notes	As at 31.12.2022	As at 31.03.2022
ASSETS			
Non-Current Assets			
Property, Plant and Equipment		174	311
Non-current financial assets	(Note 3)	10,706,931	10,688,818
Total Non- Current Assets		10,707,105	10,689,129
Current Assets			
Advances and Prepayments		731	338
Income tax receivable		201	631
Short term investments		1,992	36,233
Cash and cash equivalents		41,254	5,487
Total Current Assets		44,178	42,689
Total Assets		10,751,283	10,731,818
EQUITY AND LIABILITIES			
Equity			
Stated capital	(Note 6)	68,713	68,713
Retained earnings		94,327	92,971
Other reserves		10,555,547	10,537,434
Total Shareholders' Funds		10,718,587	10,699,118
Current Liabilities			
Provisions and Accrued Expenses		339	343
Unclaimed dividend		32,357	32,357
Total Current Liabilities		32,696	32,700
Total Liabilities		32,696	32,700
Total Equity and Liabilities		10,751,283	10,731,818
Net Asset per share (Rs.)		2,759.83	2,754.82

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

07th February 2023

The above figures are subject to audit.

H. Selvanathan

Chairman

D. C. R. Gunawardena

Director

GOOD HOPE 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 01st April 2021	68,713	6,946,080	111,888	7,126,681
Profit for the period	-	-	22,649	22,649
Other comprehensive income for the period	-	(14,968)	-	(14,968)
Total comprehensive income for the period	-	(14,968)	22,649	7,681
Interim Dividend - 2021/22	-	-	(41,828)	(41,828)
Balance as at 31st December 2021	68,713	6,931,112	92,709	7,092,534

	Stated Capital	Fair Value Reserve	Retained Earnings	Total Shareholders' Funds
Balance as at 01st April 2022	68,713	10,537,434	92,971	10,699,118
Surcharge tax	-	-	(692)	(692)
Balance as at 01st April 2022 (Adjusted)	68,713	10,537,434	92,279	10,698,426
Profit for the period	-	-	2,048	2,048
Other comprehensive income for the period	-	18,113	-	18,113
Total comprehensive income for the period	-	18,113	2,048	20,161
Balance as at 31st December 2022	68,713	10,555,547	94,327	10,718,587

The above figures are subject to audit.

Figures in brackets indicate deductions/negative changes.

GOOD HOPE PLC
Cash Flow Statement

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

	2022	2021	31.03.2022
Net cash (outflows) / inflows from operating activities	(2,959)	22,652	(1,892)
Net cash inflows from investing activities	38,726	19,739	41,630
Net cash outflows from financing activities	-	(41,828)	(39,991)
Increase / (Decrease) in cash and cash equivalents	35,767	563	(253)
Cash and cash equivalents at the beginning of the period	5,487	5,740	5,740
Cash and cash equivalents at the end of the period	41,254	6,303	5,487
Cash and cash equivalents:			
Cash and bank balances	268	2,318	1,402
Short-term deposits	40,986	3,985	4,085
	41,254	6,303	5,487

The above figures are subject to audit.

GOOD HOPE 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 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 condensed financial statements of the Company.

2. Accounting policies and comparative information

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 values.

Fair value measurement hierarchy for financial assets as at 31st December 2022 and 31st March 2022 are as follows :

(All the figures are in Sri Lankan Rupees '000)

(All the figures are in Sri Lankan Rupees '000)

		Fair value measurement using			
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Non Current Financial Assets					
Measured at Fair Value:	Date of valuation	Total			
As at 31st December 2022					
<u>Equity Investments at Fair Value through OCI (FVOCI)</u>					
<u>Quoted Equity Shares</u>					
Shalimar (Malay) PLC (Note 4(b))	31st December 2022	220,496	220,496	-	-
<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 December 2022		10,706,931	220,496	-	10,486,435
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	202,383	202,383	-	-
<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		10,688,818	202,383	-	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 Developments 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 Asset classified under Fair Value through OCI.

The Company obtained the services of PricewaterhouseCoopers (Private) Ltd (PwC Sri Lanka) 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 2021. This independent professional valuation is carried out annually and recognized as at 31st March 2022. 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:

- (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 2022/23 is estimated to be USD 658/MT and this is assumed to change in line with the World Bank CPO Price forecast (Oct 2021) adjusted for the Indonesia Palm oil levy that prevailed, i.e until FY 2040/41. After FY 2030/31 prices are assumed to remain unchanged.
- (e) Weighted average cost of capital (WACC) of 8.88%.
- (f) Indonesian corporate taxation rate at 22% in FY 2022 and beyond.
- (g) Indonesian Inflation assumed approximately 3% 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 3) 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 8.88%.

	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	(831)	894	2,871	(2,871)	2,018	(2,018)

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

The Company holds a non-controlling interests of 3.10% (March 2022 : 3.10%) 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.

GOOD HOPE PLC

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 31.12.2022	As at 31.03.2022
3,883,782	3,883,782

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. 0.20 Mn (31st December 2021 : Rs.0.16 Mn) has been charged in arriving at the profit before income tax for the period ended 31st December 2022.

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 31st December 2022.

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. 0.69 Mn out of the taxable income of Rs. 2.77 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 Statement of Alternative Treatment (SoAT) issued by the Institute of Chartered Accountants of Sri Lanka.

The impact of the surcharge tax under the Surcharge Tax Act on the comparative year would have been as given below:

	Rs'000
Profit after Tax for the year ended 31st March 2021	3,547
Surcharge tax	(692)
Adjusted comparable Profit for the year ended 31st March 2021	<u>2,855</u>

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

	Quarter ended		Year ended
	31.12.2022	31.12.2021	31.03.2022
Highest price per share (Rs.)	1,383.75	1,250.00	1,750.25
Lowest price per share (Rs.)	950.00	932.00	901.00
Last traded price (Rs.)	1,246.25	1,005.00	1,560.00
Volume traded (No. of shares)	119	839	2,167

GOOD HOPE PLC**Additional Notes****I Names and the Number of Shares (voting) held by the top 20 shareholders as at 31st December 2022.**

	Name of Shareholders	Number of Shares	%
1	Goodhope Asia Holdings Ltd	3,530,821	90.91
2	Mr. S.S.J.B. Rana	146,966	3.78
3	Maj.Gen N.S.S.J. Bahadur Rana	41,990	1.08
4	Mr. A.O. Wanner (Decd)	20,995	0.54
5	Mrs. M. Van Rooyen	20,995	0.54
6	Mr. W.R.F. Spearman	20,995	0.54
7	Miss. N.M. Jarvis	10,497	0.27
8	Mr. F.W. Obeyesekere (Decd)	8,397	0.22
9	Mr. C.C.S. Stephenson (Decd)	8,397	0.22
10	Mr. K.C. Vignarajah	7,290	0.19
11	Mrs. R.M.M. Dean	7,275	0.19
12	Mr. A.M.A. Vanderspar	6,858	0.18
13	Mrs. C.M. Papageorge	6,717	0.17
14	Mrs. S. Vignarajah	6,629	0.17
15	Mrs. M.R. Layton (Decd)	5,176	0.13
16	Administratrix of the Estate of Ramiah (Decd)	5,176	0.13
17	Mr. N. Izat (Decd).	4,197	0.11
18	Mr. S.A. Obeyesekere	2,098	0.05
19	Mrs. G.S. Amerasinghe	2,098	0.05
20	Mrs E.W. Tomalin	2,037	0.05
		3,865,604	99.53

II Ordinary Shares of the Company held by the public as at 31st December 2022 are as follows;

Number of public shareholders	387
Percentage of public holding	9.04%
Float adjusted market capitalization (Rs.)	437,550,764

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 December 2022.

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

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	Nine months ended	
	31st December	
	2022	2021
Crop Production - Internal (MT)	389,561	322,358
Crop Production - External (MT)	337,664	128,712
Total Crop Production (MT)	727,225	451,070
Total CPO (MT)	147,292	94,249
Total PK (MT)	34,511	22,094
CPO Ex Mill Price (US\$)	760	579
FFB Yield (MT per Hectare)	19.57	16.19
CPO / Ha (MT)	4.15	3.51
Milling Capacity (MT per Hour)	225	225

MT-Metric Tones

CORPORATE INFORMATION

Name of the Company

Good Hope PLC

Company No

PQ 43

Legal Form

A Public Quoted Company with
Limited Liability.

Incorporated in Sri Lanka in 1910.

Directors

H. Selvanathan

M. Selvanathan

I. Paulraj

D. C. R. Gunawardena

S. N. Alles

D. P. De Silva

Managers

Agro Harapan Lestari (Pvt) Ltd

03rd Floor

No. 65C

Dharmapala Mawatha

Colombo 7

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Secretaries

Carsons Management Services (Private) Limited

No. 61, Janadhipathi Mawatha

Colombo 01

Sri Lanka.

Tel; +94 11 2039200

Fax; +94 11 2039300

Bankers

Commercial Bank of Ceylon PLC

Standard Chartered Bank

Hatton National Bank PLC

Registered Office

No. 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