



## **Indo-Malay PLC**

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

## **INDO-MALAY PLC**

### **Review of operations for the period ended 31st December 2022**

The minority equity investments the Company holds in Shalimar Developments Sdn. Bhd. (SDSB) and in Shalimar (Malay) PLC (SMPLC) is the main 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. 2.4 Mn from its operations during the period under review; compared to a profit of Rs. 21.9 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

**INDO-MALAY 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 ordinary share (expressed in Rs.)

Quarter ended			Nine Months ended		
31st December		Change	31st December		Change
2022	2021		2022	2021	
		%			%
-	-	-	-	22,419	-100%
<b>1,655</b>	379	337%	<b>3,875</b>	927	318%
<b>(430)</b>	(339)	27%	<b>(1,442)</b>	(1,419)	2%
<b>1,225</b>	40	2963%	<b>2,433</b>	21,927	-89%
-	-	-	-	-	-
<b>1,225</b>	40	2963%	<b>2,433</b>	21,927	-89%
<b>0.25</b>	0.01		<b>0.51</b>	4.56	

**Statement of comprehensive income**

**Profit for the period**

**Other Comprehensive Income / (Expense)**

**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**

**Other Comprehensive Income/ (Expense) for the period, net of tax**

**Total Comprehensive Income for the period, Net of Tax**

Quarter ended			Nine Months ended		
31st December		Change	31st December		Change
2022	2021		2022	2021	
		%			%
<b>1,225</b>	40	2963%	<b>2,433</b>	21,927	-89%
-	9,228	-100%	<b>12,931</b>	(10,685)	-221%
-	9,228	-100%	<b>12,931</b>	(10,685)	-221%
-	9,228	-100%	<b>12,931</b>	(10,685)	-221%
<b>1,225</b>	9,268	-87%	<b>15,364</b>	11,242	37%

*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.*

**INDO-MALAY PLC**  
**Statement of financial position**

(All figures in Sri Lankan Rupees '000)

	<b>Notes</b>	<b>As at 31.12.2022</b>	<b>As at 31.03.2022</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment		174	311
Non-current financial assets	(Note 3)	10,643,837	10,630,907
<b>Total Non- Current Assets</b>		<b>10,644,011</b>	<b>10,631,218</b>
<b>Current Assets</b>			
Advances and Prepayments		734	394
Income tax receivable		820	820
Short term investments		4,266	30,964
Cash and cash equivalents		32,335	3,433
<b>Total Current Assets</b>		<b>38,155</b>	<b>35,611</b>
<b>Total Assets</b>		<b>10,682,166</b>	<b>10,666,829</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Stated capital	(Note 6)	70,033	70,033
Retained earnings		48,435	46,002
Other reserves		10,505,693	10,492,762
<b>Total Shareholders' Funds</b>		<b>10,624,161</b>	<b>10,608,797</b>
<b>Current Liabilities</b>			
Provisions and Accrued Expenses		292	319
Unclaimed dividend		57,713	57,713
<b>Total Current Liabilities</b>		<b>58,005</b>	<b>58,032</b>
<b>Total Liabilities</b>		<b>58,005</b>	<b>58,032</b>
<b>Total Equity and Liabilities</b>		<b>10,682,166</b>	<b>10,666,829</b>
Net Asset per share (Rs.)		<b>2,208.12</b>	<b>2,204.93</b>

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**  
Chairman

**D. C. R. Gunawardena**  
Director

07th February 2023

*The above figures are subject to audit.*

**INDO-MALAY 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	70,033	6,901,710	60,119	7,031,862
Profit for the year	-	-	22,353	22,353
Other comprehensive income for the year	-	3,591,052	-	3,591,052
Total comprehensive income for the year	-	3,591,052	22,353	3,613,405
Interim dividend Paid	-	-	(36,470)	(36,470)
Balance as at 31st March 2022	70,033	10,492,762	46,002	10,608,797

	Stated Capital	Fair Value Reserve	Retained Earnings	Total Shareholders' Funds
Balance as at 1st April 2021	70,033	6,901,710	60,119	7,031,862
Profit for the period	-	-	21,927	21,927
Other comprehensive expense for the period	-	(10,685)	-	(10,685)
Total comprehensive loss for the period	-	(10,685)	21,927	11,242
Interim dividend Paid	-	-	(36,470)	(36,470)
Balance as at 31st December 2021	70,033	6,891,025	45,576	7,006,634

	Stated Capital	Fair Value Reserve	Retained Earnings	Total Shareholders' Funds
<b>Balance as at 1st April 2022</b>	<b>70,033</b>	<b>10,492,762</b>	<b>46,002</b>	<b>10,608,797</b>
<b>Profit for the period</b>	<b>-</b>	<b>-</b>	<b>2,433</b>	<b>2,433</b>
<b>Other comprehensive income for the period</b>	<b>-</b>	<b>12,931</b>	<b>-</b>	<b>12,931</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>12,931</b>	<b>2,433</b>	<b>15,364</b>
<b>Balance as at 31st December 2022</b>	<b>70,033</b>	<b>10,505,693</b>	<b>48,435</b>	<b>10,624,161</b>

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

**INDO-MALAY PLC**  
**Cash Flow Statement**

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

	<b>2022</b>	2021	31.03.2022
Net cash (outflows)/inflows from operating activities	<b>(1,671)</b>	22,086	(1,816)
Net cash inflows from investing activities	<b>30,573</b>	16,392	35,515
Net cash outflows from financing activities	<b>-</b>	(36,470)	(32,540)
Increase in cash and cash equivalents	<b>28,902</b>	2,008	1,159
Cash and cash equivalents at the beginning of the period	<b>3,433</b>	2,274	2,274
<b>Cash and cash equivalents at the end of the period</b>	<b>32,335</b>	4,282	3,433
<b>Cash and cash equivalents:</b>			
Cash and bank balances	<b>307</b>	2,255	1,354
Short-term deposits	<b>32,028</b>	2,027	2,079
	<b>32,335</b>	4,282	3,433

*The above figures are subject to audit.*

## INDO-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 2022.

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 values.

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

		Fair value measurement using			
		Quoted prices in active markets (Level 1)			
		Significant observable inputs (Level 2)			
		Significant unobservable inputs (Level 3)			
		Total			
Non Current Financial Assets Measured at Fair Value:		Date of valuation			
<b>As at 31st December 2022</b>					
<b><u>Equity Investments at Fair Value through OCI (FVOCI)</u></b>					
<u>Quoted equity shares</u>					
Shalimar (Malay) PLC (Note 4(b))	31st December 2022	157,402	157,402	-	-
<u>Unquoted Equity Shares</u>					
Shalimar Developments Sdn.Bhd. (Note 4(a))	31st December 2021	10,486,435	-	-	10,486,435
<b>FVOCI financial assets as at 31st December 2022</b>		<b>10,643,837</b>	<b>157,402</b>	<b>-</b>	<b>10,486,435</b>
<b>As at 31st March 2022</b>					
<b><u>Equity Investments at Fair Value through OCI (FVOCI)</u></b>					
<u>Quoted equity shares</u>					
Shalimar (Malay) PLC (Note 4(b))	31st March 2022	144,472	144,472	-	-
<u>Unquoted Equity Shares</u>					
Shalimar Developments Sdn.Bhd. (Note 4(a))	31st December 2021	10,486,435	-	-	10,486,435
<b>FVOCI financial assets as at 31st March 2022</b>		<b>10,630,907</b>	<b>144,472</b>	<b>-</b>	<b>10,486,435</b>

## INDO-MALAY PLC

### 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 a financial assets classified under Fair Value through OCI, and is measured at fair value.

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 31 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 4) 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% 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	(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 2.21% (March 2022 : 2.21%) 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.



## INDO-MALAY 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
<b>4,811,400</b>	4,811,400

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. 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
31.12.2022	31.12.2021	31.03.2022
<b>1,274.00</b>	1,243.75	<b>1,401.00</b>
<b>1,010.00</b>	851.50	<b>851.50</b>
<b>1,326.50</b>	1,123.20	<b>1,326.50</b>
<b>121</b>	21	<b>466</b>

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

	<b>Name of Shareholders</b>	<b>Number of Shares</b>	<b>%</b>
1	Goodhope Asia Holdings Ltd	4,192,867	87.14
2	Mr. R. Chandra (Decd)	148,052	3.08
3	Mr. S.R. Dean	64,540	1.34
4	Mr. R.T. Stoneham	36,546	0.76
5	Mrs. I. Raymond	33,746	0.70
6	Ms. M.E. Turner	33,590	0.70
7	Mr. F.W. Obeyesekere (Decd)	24,882	0.52
8	Mrs. B.F. Guzdar	23,328	0.48
9	Mr. C.S.A. Perera	20,001	0.42
10	Mrs. A. Ohman (Decd)	19,440	0.40
11	Mr. D. Thomson (Decd)	15,552	0.32
12	Mr. R.G. Bartholomew (Decd)	15,552	0.32
13	Mr. D.D. Dubash	15,552	0.32
14	Mr. R. Prasada Singh (Decd)	15,552	0.32
15	Mr D.S. Cameron	15,552	0.32
16	Mr. N.J.P. Hewett	13,372	0.28
17	Mrs M.D. Abeysuriya	12,960	0.27
18	Mr. J.M. Urquhart (Decd)	9,330	0.19
19	Admin.of the estate of E.Ramiah (Decd)	8,396	0.17
20	Mrs. R.T. Allbon	7,776	0.16
21	Mr. W. F. J. Deutrom	7,776	0.16
		<b>4,734,362</b>	<b>98.40</b>

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

Number of public shareholders **349**

Percentage of public holding **12.85%**

Float adjusted market capitalization (Rs.) **820,128,390**

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**

<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. S. N. Alles	-
Mr. S. Mahendrarajah	75

**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.

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

MT-Metric Tones

## CORPORATE INFORMATION

**Name of the Company**

Indo - Malay PLC

**Company Registration No.**

PQ 45

**Legal Form**

A Public Quoted Company with Limited Liability  
Incorporated in Sri Lanka in 1906.

**Directors**

H. Selvanathan  
M. 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

**Managers**

Agro Harapan Lestari (Pvt) Ltd  
03rd Floor  
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Dharmapala Mawatha  
Colombo 7  
Sri Lanka.

Tel : +94 114357777

Fax : +94 114357788

**Secretaries**

Carsons Management Services (Private) Limited.  
61, Janadhipathi Mawatha  
Colombo 01  
Sri Lanka.  
Tel: +94 11 2039200  
Fax: +94 11 2039300

**Registered Office**

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