



Indo-Malay PLC

**Summarised Financial Report
for the Six Months Ended
30th September 2023**

INDO-MALAY PLC

Review of operations for the period ended 30th September 2023

The main source of income is the interest income earned from the Company's short-term deposits. During the period under review the interest rates witnessed a drop from the high rates that prevailed earlier. Consequently, the Company recorded an after-tax profit of Rs 0.10 Mn during the period under review; compared to a profit of Rs. 1.20 Mn recorded in the corresponding period of the previous financial year.

Minimum Public Holding and Decision to De-list

As per Rule 7.13.1 (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 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 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 informed the Company that the CSE in consultation with the SEC (Securities and Exchange Commission of Sri Lanka), is contemplating to carry out enforcement actions for noncompliance with the Listing Rules relating to minimum public holding requirement.

In response to CSE's request for the submission of an Action Plan to comply with the minimum public holding requirement, the company via letter dated 13th June 2022 communicated to CSE that it is conducting preliminary discussions with Goodhope Asia Holdings Limited (GAHL) being the majority shareholder, for the purchase of shares from shareholders of the company, who may wish to divest their shares. GAHL communicated to the Company an exit offer to acquire the shares of the minority shareholders who may wish to divest their shares. Accordingly, the Board of Directors of the Company decided on the 17th of May 2023 to accept the exit offer made by GAHL in order to acquire the minority shares and to facilitate the proposed de-listing of the ordinary shares of the Company from the official list of the Colombo Stock Exchange.

An Extraordinary General Meeting was held on 19th June 2023 and the delisting resolution was approved with more than 75% of the shareholders present at the said meeting. Pursuant to the application in terms of Rule 5(1) of the SEC Rules, 2001 submitted on 22nd June 2023, SEC's approval was received on 7th August 2023. Accordingly, GAHL, the major shareholder made an exit offer on 24th August 2023 and the offer was to conclude on 18th September 2023. Subsequently, the exit offer period was extended by GAHL and was closed on 10th October 2023.

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

08th November 2023

INDO-MALAY PLC
Statement of Profit or Loss

(All figures in Sri Lankan Rupees '000)

	Quarter ended			Six Months Ended		
	30th September		Change	30th September		Change
	2023	2022	%	2023	2022	%
Interest income	1,506	1,483	2%	3,382	2,220	52%
Administrative expenses	(710)	(512)	39%	(3,282)	(1,012)	224%
Profit before tax for the period	796	971	-18%	100	1,208	-92%
Income tax expense	-	-	-	-	-	-
Profit for the period	796	971	-18%	100	1,208	-92%
Earnings per ordinary share (Rs.)	0.17	0.20		0.02	0.25	

Statement of Comprehensive Income

	Quarter ended			Six Months Ended		
	30th September		Change	30th September		Change
	2023	2022	%	2023	2022	%
Profit for the period	796	971	-18%	100	1,208	-92%
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)	-	43,121	-100%	(4,030)	12,931	-131%
Net Other Comprehensive Income / (Expense) not to be reclassified to Profit or Loss in subsequent periods	-	43,121	-100%	(4,030)	12,931	-131%
Other Comprehensive Income / (Expense) for the period, net of tax	-	43,121	-100%	(4,030)	12,931	-131%
Total Comprehensive Income / (Expense) for the period, net of tax	796	44,092	-98%	(3,930)	14,139	-128%

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.

INDO-MALAY PLC
Statement of Financial Position

(All figures in Sri Lankan Rupees '000)

	Notes	As at 30.09.2023	As at 31.03.2023
ASSETS			
Non-Current Assets			
Property, plant and equipment		72	134
Non-current financial assets	(Note 3)	12,680,124	12,684,155
Total Non- Current Assets		12,680,196	12,684,289
Current Assets			
Advances and prepayments		187	1,238
Income tax receivable		820	820
Cash and cash equivalents		38,656	37,451
Total Current Assets		39,663	39,509
Total Assets		12,719,859	12,723,798
EQUITY AND LIABILITIES			
Equity			
Stated capital	(Note 6)	70,033	70,033
Retained earnings		51,020	50,920
Other reserves		12,541,980	12,546,010
Total Shareholders' Funds		12,663,033	12,666,963
Current Liabilities			
Provisions and accrued expenses		316	325
Unclaimed dividend		56,510	56,510
Total Current Liabilities		56,826	56,835
Total Liabilities		56,826	56,835
Total Equity and Liabilities		12,719,859	12,723,798
Net Asset per share (Rs.)		2,631.88	2,632.70

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

08th November 2023

The above figures are subject to audit.

H. Selvanathan

Chairman

D. C. R. Gunawardena

Director

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 2022	70,033	10,492,762	46,002	10,608,797
Profit for the period	-	-	1,208	1,208
Other comprehensive income for the period	-	12,931	-	12,931
Total comprehensive income for the period	-	12,931	1,208	14,139
Balance as at 30th September 2022	70,033	10,505,693	47,210	10,622,936

	Stated Capital	Fair Value Reserve	Retained Earnings	Total Shareholders' Funds
Balance as at 1st April 2023	70,033	12,546,010	50,920	12,666,963
Profit for the period	-	-	100	100
Other comprehensive (expense) for the period	-	(4,030)	-	(4,030)
Total comprehensive income / (expense) for the period	-	(4,030)	100	(3,930)
Balance as at 30th September 2023	70,033	12,541,980	51,020	12,663,033

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

INDO-MALAY PLC
Cash Flow Statement

For the period ended 30th September
 (All figures in Sri Lankan Rupees '000)

	2023	2022	31.03.2023
Net cash outflows from operating activities	(2,178)	(1,787)	(2,583)
Net cash inflows from investing activities	3,383	30,055	36,601
Net cash flows from financing activities	-	-	-
Increase in cash and cash equivalents	1,205	28,268	34,018
Cash and cash equivalents at the beginning of the period	37,451	3,433	3,433
Cash and cash equivalents at the end of the period	38,656	31,701	37,451
Cash and cash equivalents:			
Cash and cash equivalents:	1,568	1,119	794
Short-term deposits	37,088	30,582	36,657
	38,656	31,701	37,451

Figures in brackets indicate deductions

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 2023.

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 2023 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 30th September 2023 and 31st March 2023 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	Total		
As at 30th September 2023					
<u>Equity Investments at Fair Value through OCI (FVOCI)</u>					
<u>Quoted equity shares</u>					
Shalimar (Malay) PLC (Note 4(b))	30th September 2023	153,371	153,371	-	-
<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 30th September 2023		12,680,124	153,371	-	12,526,753
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	157,402	157,402	-	-
<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		12,684,155	157,402	-	12,526,753

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 2023: 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 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 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:

- (a) Estimated economic life of the oil palm plantations of PTAI is 28 years.
- (b) Consider one planting cycle (i.e. no replantation at the end of the economic life).
- (c) Yield per hectare is estimated considering maturity profile, weather, soil and terrain conditions.
- (d) 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.
- (e) Weighted average cost of capital (WACC) of 10.5%
- (f) Indonesian corporate taxation rate at 22% in FY 2023 and beyond.
- (g) 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 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 10.50%.

	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 2.21% (March 2023 : 2.21%) in Shalimar (Malay) PLC. The fair value of the said investment was recorded based on the last traded market price published by Colombo Stock Exchange (CSE) to be consistent with the previous periods. As noted in the Operational Review, the Exit Price of LKR 2,452/- was offered to Minority Shareholders of the Company by the majority Shareholder, Goodhope Asia Holdings Limited in order to facilitate the delisting of the ordinary shares of the Company from the official list of CSE.

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 30.09.2023	As at 31.03.2023
4,811,400	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. 0.17 Mn (30th September 2022 : Rs.0.13Mn) has been charged in arriving at the profit before income tax for the period ended 30th September 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 period ended 30th September 2023.

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

	Quarter ended		Year ended
	30.09.2023	30.09.2022	31.03.2023
Highest price per share (Rs.)	-	1,300.00	1,300.00
Lowest price per share (Rs.)	-	995.00	995.00
Last traded price (Rs.)	-	1,326.50	1,326.50
Volume traded (No. of shares)	-	131	311

Share dealings of Indo Malay PLC were suspended with effect from 17th May 2023, along with the delisting announcement to CSE.

INDO-MALAY PLC
Additional Notes

I Names and the Number of Shares (voting) held by the top 20 shareholders as at 30th September 2023.

	Name of Shareholders	Number of Shares	%
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	Exit Offer by Goodhope Asia Holdings Ltd to purchase the shares of Indo prior to the delisting (Resident)*	35,589	0.74
6	Mrs. I. Raymond	33,746	0.70
7	Ms. M.E. Turner	33,590	0.70
8	Mr. F.W. Obeyesekere (Decd)	24,882	0.52
9	Mrs. B.F. Guzdar	23,328	0.48
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	Exit Offer by Goodhope Asia Holdings Ltd to purchase the shares of Indo prior to the delisting (Non - Resident)*	14,418	0.30
17	Mr. N.J.P. Hewett	13,372	0.28
18	Mrs M.D. Abeyesuriya	12,960	0.27
19	Mr. J.M. Urquhart (Decd)	9,330	0.19
20	Admin.of the estate of E.Ramiah (Decd)	8,396	0.17
		4,748,816	98.70

* As informed via market disclosures, the Company obtained the approval of shareholders and the Securities and Exchange Commission of Sri Lanka to delist the shares of the Company from the official list of the Colombo Stock Exchange (CSE) on 19th June 2023 and 8th August 2023 respectively. Goodhope Asia Holdings Ltd, the major shareholder via offer document dated 25th August 2023 made an offer to purchase 618,533 shares at a price of Rs. 2,805/- per share from the shareholders who wish to sell their shares prior to the de-listing of shares of the Company (Exit Offer) and the said offer closed on 10th October 2023.

- i.) No. 05 and No.16 are Reserve Accounts opened to facilitate the said Exit Offer.
ii.) The number of shares surrendered by the resident shareholders of the Company as at 30th September 2023 are shown in No. 5
iii.) The number of shares surrendered by the non-resident shareholders of the Company as at 30th September 2023 are shown in No.16

II Ordinary Shares of the Company held by the public as at 30th September 2023 are as follows;

Number of public shareholders	220
Percentage of public holding	12.85%
Float adjusted market capitalization (Rs.)	813,636,608

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 30th September 2023

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

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	Period ended	
	30th September	
	2023	2022
Crop Production - Internal (MT)	230,626	272,174
Crop Production - External (MT)	158,027	236,086
Total Crop Production (MT)	388,653	508,260
CPO (MT)	79,035	102,541
PK (MT)	19,445	24,288
CPO Ex Mill Price (US\$)	723	782
FFB Yield (MT per Hectare)	11.58	13.67
CPO/ Ha (MT)	2.48	2.90
Milling Capacity (MT per Hour)	225	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
No. 65C
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

Holding Company

Goodhope Asia Holdings Ltd

Ultimate Parent & Controlling Entity

Bukit Darah PLC