



Indo-Malay PLC

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

INDO-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) 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 loss after tax of Rs. 1.1 mn from operations during the period under review compared to the loss of Rs 0.7 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

INDO-MALAY PLC
Statement of Profit or Loss

(All figures in Sri Lankan Rupees '000)

	Note	Quarter ended			Nine months ended		
		31st December		Change	31st December		Change
		2019	2018		2019	2018	
				%			%
Revenue	(Note 3)	647	692	-7%	2,076	1,367	52%
Administrative expenses		(1,649)	(672)	145%	(3,212)	(2,037)	58%
Profit / (Loss) before tax for the period		(1,002)	20	-5110%	(1,136)	(670)	70%
Income tax expense		-	-	-	-	-	-
Profit / (Loss) for the period		(1,002)	20	-5110%	(1,136)	(670)	70%
Earnings per ordinary share (expressed in Rs.)		(0.21)	0.00		(0.24)	(0.14)	

Statement of comprehensive income	Quarter ended			Nine months ended		
	31st December		Change	31st December		Change
	2019	2018		2019	2018	
			%			%
Profit / (Loss) for the period	(1,002)	20	-5110%	(1,136)	(670)	70%
Other Comprehensive Income for the period, net of tax	-	-	-	-	-	-
Total comprehensive Income / (loss) for the period, net of tax	(1,002)	20	-5110%	(1,136)	(670)	70%

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)

	Note	As at 31.12.2019	As at 31.03.2019
ASSETS			
Non-Current Assets			
Non-current financial assets	(Note 4)	5,957,773	5,957,773
Total Non- Current Assets		5,957,773	5,957,773
Current Assets			
Prepayments and other receivable		1,037	165
Income tax receivable		643	643
Short term investments		24,834	26,305
Cash and cash equivalents		20,125	21,120
Total Current Assets		46,639	48,233
Total Assets		6,004,412	6,006,006
EQUITY AND LIABILITIES			
Equity			
Stated capital	(Note 7)	70,033	70,033
Retained earnings		46,506	47,642
Other reserves		5,819,628	5,819,628
Total Shareholders' Funds		5,936,167	5,937,303
Current Liabilities			
Trade and other payables		1,455	1,915
Unclaimed dividend		66,790	66,788
Total Current Liabilities		68,245	68,703
Total Liabilities		68,245	68,703
Total Equity and Liabilities		6,004,412	6,006,006
Net Asset per share (Rs.)		1,233.77	1,234.01

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.

INDO-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	70,033	5,622,307	-	44,914	5,737,254
Effect of adoption of SLFRS 9	-	(5,622,307)	5,622,307	-	-
Balance as at 1st April 2018	70,033	-	5,622,307	44,914	5,737,254
Profit for the year	-	-	-	2,728	2,728
Other comprehensive income for the year	-	-	197,321	-	197,321
Total comprehensive income for the year	-	-	197,321	2,728	200,049
Balance as at 31st March 2019	70,033	-	5,819,628	47,642	5,937,303

	Stated Capital	Available-for-sale reserve	Fair Value Reserve	Retained Earnings	Total Shareholders' Funds
Balance as at 31st March 2018	70,033	5,622,307	-	44,914	5,737,254
Effect of adoption of SLFRS 9	-	(5,622,307)	5,622,307	-	-
Balance as at 1st April 2018	70,033	-	5,622,307	44,914	5,737,254
Loss for the period	-	-	-	(670)	(670)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(670)	(670)
Balance as at 31st December 2018	70,033	-	5,622,307	44,244	5,736,584

	Stated Capital	Fair Value Reserve	Retained Earnings	Total Shareholders' Funds
Balance as at 1st April 2019	70,033	5,819,628	47,642	5,937,303
Loss for the period	-	-	(1,136)	(1,136)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	-	-	(1,136)	(1,136)
Balance as at 31st December 2019	70,033	5,819,628	46,506	5,936,167

*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)

	2019	2018	31.03.2019
Net cash outflows from operating activities	(3,722)	(2,904)	(2,612)
Net cash inflows / (outflows) from investing activities	2,725	(23,632)	(24,163)
Net cash inflows from financing activities	2	11,995	11,741
Decrease in cash and cash equivalents	(995)	(14,541)	(15,034)
Cash and cash equivalents at the beginning of the period	21,120	36,154	36,154
Cash and cash equivalents at the end of the period	20,125	21,613	21,120
Cash and cash equivalents:			
Cash and bank balances	18,119	18,146	17,572
Short-term deposits	2,006	3,467	3,548
	20,125	21,613	21,120

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 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 nine months ended 31st December

	2019 Rs'000	2018 Rs'000
External Revenue		
Interest income	2,076	1,367
	2,076	1,367

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

		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 2019					
Equity Investments at Fair Value through OCI (FVOCI)					
<u>Quoted equity shares</u>					
Shalimar (Malay) PLC (Note 5(b))	31st December 2019	178,885	178,885	-	-
<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		5,957,773	178,885	-	5,778,888
As at 31st March 2019					
Equity Investments at Fair Value through OCI (FVOCI)					
<u>Quoted equity shares</u>					
Shalimar (Malay) PLC (Note 5(b))	31st March 2019	178,885	178,885	-	-
<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 March 2019		5,957,773	178,885	-	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 (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 a financial assets classified under Fair Value Through OCI, and is measured at fair value.

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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 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% (2019: 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	Decrease	Increase	Decrease	Increase	Decrease
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	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 2.21% (March 2019 : 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.

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 Assets Pledged

There were no assets pledged as at the reporting date.

6.3 Events After the Reporting Period

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

7. Stated Capital

Stated capital of the company consists of,

Fully paid ordinary shares (voting)

As at 31.12.2019	As at 31.03.2019
4,811,400	4,811,400

INDO-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 2019 : Rs.0.18 mn) has been charged in arriving at the loss 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
1,186.70	1,620.00	1,620.00
976.10	1,100.10	977.10
1,050.40	1,300.00	1,300.00
45	7	178

INDO-MALAY 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	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	20,080	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. Abeyesuriya	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
		4,734,441	98.40

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

Number of public shareholders	346
Percentage of public holding	12.85%
Float adjusted market capitalization (Rs.)	649,425,451

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. N. Alles	-
Mr. S. Mahendrarajah (Director & Alternate Director to Mr. I.Paulraj)	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 26,981 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

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 (Chairman)

M. Selvanathan

I. Paulraj

D. C. R. Gunawardena

S. N. Alles

S. Mahendrarajah - Director & Alternate Director for I. Paulraj

Managers

Agro Harapan Lestari (Pvt) Ltd

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World Trade Centre

Echelon Square

Colombo 01

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Secretaries

Carsons Management Services (Private) Limited.

61, Janadhipathi Mawatha

Colombo 01

Sri Lanka.

Tel: +94 11 2039200

Fax: +94 11 2039300

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