



Goodhope

A CARSON CUMBERBATCH COMPANY

Indo-Malay PLC

Annual Report 2011/12



Financial Calendar

Financial Year End 31st March 2012

Announcement of Results

First Quarter ended 30th June 2011 9th August 2011

Second Quarter ended 30th September 2011 14th November 2011

Third Quarter ended 31st December 2011 14th February 2012

Year ended 31st March 2012 6th May 2012

Dividend Declaration

Interim 17th February 2012

Final* 31st May 2012

106th Annual General Meeting 31 May 2012

** Subject to approval from Shareholders*

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Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and audited Financial Statements of Indo-Malay PLC for the year ended 31st March 2012, and welcome you to the One Hundred and Sixth Annual General Meeting of the Company.

Your Company had another successful year, with profit before tax increasing to Rs.187.99 mn for the year ended 31st March 2012, compared to Rs.165.87 mn during the previous year. Indo-Malay PLC recorded a net profit after tax of Rs.153.58 mn during the year compared to a net profit after tax of Rs.131.61 mn in the previous year, inclusive of dividends and other income received.

Your Company's plantations have now reached the peak production cycle arising from the replanting program carried out previously. Accordingly, the increased crop production as well as sustained CPO prices during the year contributed towards a better operating profit. Continued focus on good agronomy practices and higher productivity has ensured that cost of production is maintained at sustainable levels.

Your Company distributed an interim dividend of Rs. 10.60 per share in February 2012. Taking into consideration the performance during the year, the Company proposes a final dividend of Rs. 16.00 per share to be approved by shareholders.

As indicated in my previous review, the global edible oils and fats industry has seen its landscape change over the last few years. CPO prices remained at over Malaysian Ringgit (MYR) 3,000 during the year ended 31st March 2012, complemented by favorable demand and supply conditions. We expect that palm oil prices will trade around MYR 3,000 over the short to medium term.

In conclusion, I would like to extend my gratitude to all business associates, financiers and regulatory authorities in Sri Lanka and Malaysia for their continued support. I would be failing in my duties if I don't extend the appreciation of the Board of Directors of the Company to the shareholders for their continued support and confidence placed in the Directors. I also wish to thank our management and staff in Malaysia and Sri Lanka for all their hard work and dedication towards improving the performance of the Company. Last but not least, I would like to extend my appreciation to my fellow Board Members for their support and guidance throughout the year, and to the members of the Audit Committee for their invaluable efforts.

(Sgd.)

H. Selvanathan
Chairman

20th April 2012

Review of Industry and Operational Performance

Palm Oil Industry Scenario

Palm Oil prices demonstrated stability during the year, trading at around MYR 3,000 throughout the year except for a couple of months. This was despite an increase in the production of CPO, thereby reflecting the sustained demand side fundamentals and increasing usage of palm based products. Support for palm oil will continue from increasing demand for palm based products and its relative competitiveness vis-a-vis other edible oils.

In Malaysia, production of palm oil is affected by unavailability of land for new plantings; however, better yields in the newly replanted areas are expected to increase the country's production in the future. The pace of new plantations being set up in Indonesia has also been lower due to the scarcity of suitable land and social and regulatory issues.

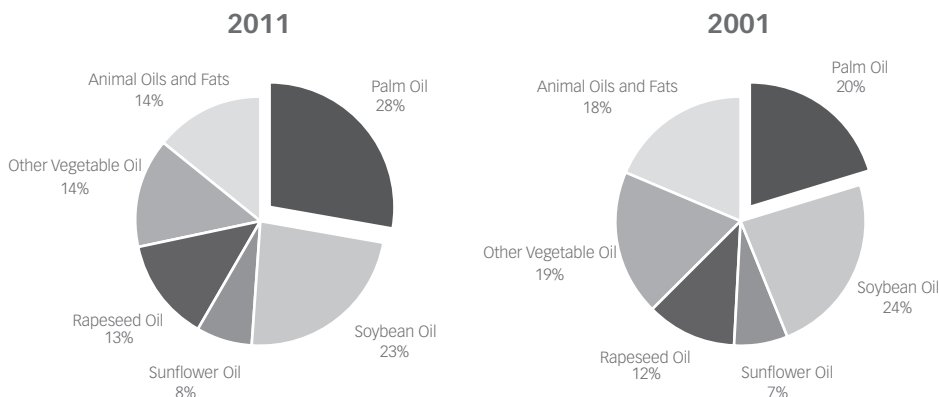
Hence, we forecast palm oil prices to trade above of MYR 3,000 over the short to medium term, supported by a supply deficit to meet the increasing demand.

Overview of Financial Performance and Operational Performance

Your Company recorded a profit after tax of Rs.153.58 mn during the year under review, as compared to Rs.131.61 mn recorded in the previous year. Profit before tax was Rs.187.99 mn as compared to Rs.165.87 mn recorded in the previous year.

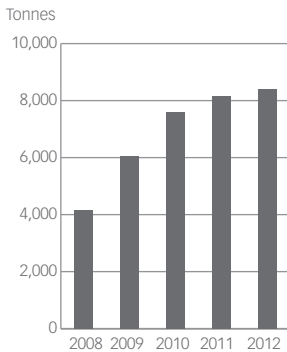
The Company's crop production increased as the plantations reached its peak yielding cycle arising from the replanting program carried out previously, as well as due to improved yields resulting from better agronomy management practices being deployed. Cost of production has been

World Oil Production

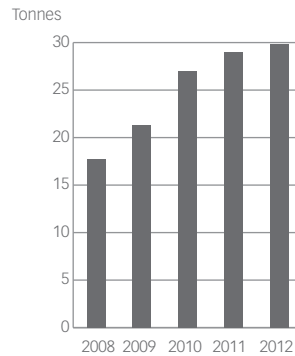


Source: Oil World

Crop Production



Yield per Hectare



maintained at a sustainable level despite increasing costs, wage increases and inflationary impact; through increased productivity and cost management practices. This coupled together with sustained CPO prices witnessed during the year contributed to steady operating margins and an increased profit before tax.

As at 31st March 2012, total plantation hectarage was 283.89, of which 281.26 Ha was classified as mature and the rest as immature area & infrastructure.

All the areas previously replanted have now reached mature stage and yielding crop.

To be able to facilitate the Group's expansion plans in Indonesia, your Company had advanced funds to Shalimar Developments Sdn. Bhd. (SDSB) in the past with the intention of progressively capitalizing these funds as equity. As these

Indonesian plantations have now reached maturity and have an improved cash flow position, the un-capitalized amount has been repatriated to the Company in the year under review.

As the plantation matures and yields stabilize over the coming years, the cost of production will be impacted by increasing costs of inputs as well as due to general inflationary impact on costs. Hence, at an operational level your Company will focus on increasing operational and labour productivity and stringent cost management initiatives to sustain cost competitiveness.

Agro Harapan Lestari Sdn. Bhd.

Managers

20th April 2012

Risk Management

The Company is of the view that Risk Management is one of the driving factors for the sustainability of operations and has identified the following risk profile. These risks are continuously managed and reviewed for mitigations at Group level, while the necessary action plans are carried out at Company level.

Business Environment Risks

The adverse weather conditions and various acts of God can hinder the operations at unexpected times. Nevertheless, the Company has not undertaken any measures to indemnify losses that may arise due to natural calamities.

Ganoderma and Bagworms are diseases that can directly affect the potential crop production which would ultimately impact the Company's performance. The Company is investing in agronomy and plantation management practices in order to minimise the impact that would be caused by any sudden up-rise of these diseases.

Commodity Price Risk

The sale of Oil Palm Fresh Fruit Bunches (FFB) is the main source of cash inflow for the Company. As the prices are determined by the international market prices for Crude Palm Oil (CPO) the Company may be adversely affected by unfavourable price fluctuations. Our end product is FFB and hence no price hedging is done.

Operational Risk

The fact that the Company does not own any CPO processing mills in Malaysia means the operations are dependent on third party millers. This has a direct adverse effect as the Company acts as a price taker. There are continuous negotiations with millers for better rates while the Company is on the lookout for other millers so as to minimise the bargaining power of mill owners.

Labour Risk

The plantation sector is heavily reliant on a skilled labour force, thus, hiring and retention can be identified as key issues.

Since the rapid industrialization in the last few years, there has been a shift of employment from plantations to the

manufacturing sector. As a mitigation strategy the Company engages contractors for harvesting activities and hires foreign workers to bridge any workforce shortages. In addition, the Company is in the process of evaluating performance related pay schemes in order to improve productivity and efficiency.

The Company is susceptible to wage revisions imposed by the Malaysian Palm Oil Association (MPOA) which might result adversely on the cost structure. The Company has to abide by these revisions as a mandatory requirement.

Credit Risk

The Company is exposed to credit risk primarily from its trade receivables, which arise from its operating activities and its deposits with Banking Institutions. The Company's objective is to seek continual revenue growth while minimizing losses incurred due to increased credit risk exposure.

The Company trades only with recognized and credit worthy third parties and all customers are subject to a credit verification process. In addition,

receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is minimal.

Foreign Exchange Risk

The Company's exposure to foreign exchange risk is minimal as the Malaysian and Sri Lankan operations are primarily domestic and transactions are recorded in the respective functional currency, i.e, Malaysian Ringgit and Sri Lankan Rupee.

However, a significant element of the risk is generated through the translation of results into the Sri Lankan Rupee as majority of the assets are from the Malaysian operations.

Liquidity Risk

The Company manages liquidity risk exposures through effective working capital management. The Company also has planning guidelines in place to ensure that the short term and medium term liquidity is managed at acceptable levels.

The Malaysian plantation property of the Company has been pledged as security to a foreign bank to secure financing

Risk Management

facilities under Goodhope Asia Holdings Ltd (the Company's parent). The above credit line from the lender is also secured by charges created over other assets and plantation properties of the Group in Indonesia and Malaysia.

Further, in order to minimize the impact of an eventual claim on the Company, an internal arrangement has been established among the four Malaysian Plantation Companies to limit the exposure to 25% of such a claim.

Agro Harapan Lestari Sdn. Bhd.

Managers

20th April 2012

Profile of the Directors

Hari Selvanathan

Hari Selvanathan is the Deputy Chairman of Carson Cumberbatch PLC and President Commissioner of the palm oil related companies in Indonesia. He holds Directorships in several subsidiary companies within the Carsons Group and is also a Director of Sri Krishna Corporation (Private) Ltd. He is also the Chairman of Express Newspapers (Ceylon) Ltd and Carsons Management Services (Private) Ltd, the Group's Management Company. He is the Past President of the National Chamber of Commerce and Past Vice Chairman of the International Chamber of Commerce (Sri Lanka).

He counts over 20 years experience in commodity trading in International Markets and holds a Bachelor of Commerce Degree.

Mano Selvanathan

Mano Selvanathan is the Chairman of Sri Krishna Corporation (Private) Ltd, Ceylon Finance & Securities (Private) Ltd and Selinsing PLC. He is a Group Director of most companies in the Carson Cumberbatch Group in Sri Lanka, Indonesia, Malaysia, Singapore and India, and is an active member of its Executive Management Forums. He is also the Deputy Chairman of Ceybank Asset

Management Limited and a Director of Holcim (Lanka) PLC. He is the Past Chairman of the Indo-Lanka Chamber of Commerce & Industry and has served as the Chairman of the Ceylon Chamber of Commerce and as the President of the Rotary Club of Colombo North. He was conferred the highest National Honour in Sri Lanka, the 'DESAMANYA' title by H.E. the President of Sri Lanka, in recognition of services rendered to the nation.

In January 2011 he was awarded the prestigious 'PRAVASI BHARATIYA SAMMAN AWARD' by the President of India in Delhi. He holds a Bachelors Degree in Commerce. He is also the Hon. Consul of the Republic of Chile in Sri Lanka.

Israel Paulraj

Israel Paulraj is the Chairman of Ceylon Guardian Investment Trust PLC, Ceylon Investment PLC, Guardian Capital Partners PLC (formerly Watapota Investments PLC) and Rubber Investment Trust Ltd. He serves as a Director of Carson Cumberbatch PLC and of several of the subsidiary companies within the Carsons Group. He is the Chairman of the Incorporated Trustees of the Church of Ceylon.

Profile of the Directors

He served as Past Chairman of the Federation of Exporters' Associations of Sri Lanka and the Coconut Products Traders Association. He was a member of the Executive Committee of the Ceylon Chamber of Commerce and the Sri Lanka Shippers Council of the National Chamber of Commerce. He served on the Board of Arbitrators of the Ceylon Chamber of Commerce. He has served as Hony. General Secretary of the Central Council of Social Services, Hony. Treasurer of the Christian Conference in Asia, President of the Church of Ceylon Youth Movement and Hony. Treasurer of the National Christian Council of Sri Lanka.

He also served on the Presidential Task Force on Non-Traditional Export and Import Competitive Agriculture set up by President R. Premadasa. He also served as Chairman of the Ecumenical Loan Fund of Sri Lanka and on its International Board in Geneva. He was a member of the Commercial Law Reform Commission and has served on the Parliamentary Consultative Committee on Internal and International Trade.

He holds a Bachelor of Law Degree and an Executive Diploma in Business Administration.

Tennyson Rodrigo

Tennyson Rodrigo is a Director of Good Hope PLC and Indo-Malay PLC. He is the former Managing Director and Chief Executive of Capital Development and Investment Company PLC, Chairman of CDIC Sassoon Cumberbatch Stockbrokers (Pvt) Ltd and the Past Chairman of the Audit Committee of Eagle Insurance PLC. He is the Expert Advisor to the Carson Cumberbatch PLC - Audit Committee in respect of the Real Estate, Hotels & Airlines, Investment Holding and Financial Services and Management Services Sector Companies of the Carsons Group. He holds a Bachelor of Science in Chemistry and Mathematics from the University of Ceylon and a Bachelor of Science (Hons) Degree in Chemical Engineering from the University of New South Wales, Australia. He is a Chartered Engineer and a Member of the Institute of Chemical Engineers, UK.

Chandima Gunawardena

Chandima Gunawardena is a Director of Carson Cumberbatch PLC. He serves as a Director in most of the Carsons Group Companies in Sri Lanka and overseas. Since assuming Non-Executive status in the Group, he serves as an advisor to the

Group's Strategic Planning and Management forums and on Board Committees including Audit Committees of the Group.

He has over four decades of experience in varied fields of business and commercial activities and has held senior positions in the Corporate & Mercantile Sectors and State Institutions. He was appointed to the Carsons Group Directorate in 1990.

He has served on the Management Committee of the Ceylon Chamber of Commerce for over 10 years, and was a Founder Council Member of the Sri Lanka Institute of Directors (SLID) and continued to serve in the council for over 10 years. He is a Fellow of the Chartered Institute of Management Accountants, UK.

Chandana Tissera

Chandana Tissera is a Director of Carson Cumberbatch PLC and presently serves as the Chief Executive Officer for the Overseas Plantation Sector of the Carsons Group. He is also a Director of several other subsidiary companies of the Group. He has served as the Chief Executive Officer of the Investment Sector and as the Head of Finance of the Carsons Group.

He has previously served on the Board of Union Assurance PLC and counts over 27 years of experience in the fields of manufacturing, financial services, capital market operations, overseas plantations, project development and management services. He is a Fellow of the Institute of Management, UK.

Nalake Fernando

Nalake Fernando is a Director of the Property Management Companies of the Carson Cumberbatch Group - Equity One PLC, Equity Two PLC, Equity Three (Private) Ltd, Equity Seven Ltd, Equity Lands (Private) Ltd, Carsons Management Services (Private) Ltd and in some of the Boards of the Malaysian Plantation Companies of the Carsons Group. He was the country representative for Sri Lanka with Dalekeller & Associates Ltd, Designers and Skidmore Owings and Merrill Architects. He was also a Director of SKC Management Services Ltd. He Counts over 38 years of work experience and holds a Technician's Certificate of the Institute of Work Study Practitioners, UK.

Statement of Directors' Responsibilities

The responsibilities of the Directors in relation to the Financial Statements are detailed in the following paragraphs, while the responsibilities of the Auditors are set out in the Report of the Auditors.

According to the Companies Act No. 7 of 2007 and the Sri Lanka Accounting & Auditing Standards Act No. 15 of 1995, Directors are required to prepare Financial Statements for each financial year, giving a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for the said period.

In preparing these Financial Statements the Directors are required to ensure that:

- appropriate accounting policies have been selected and applied consistently while material departures, if any, have been disclosed and explained,
- all applicable Accounting Standards have been complied with, and
- reasonable and prudent judgments and estimates have been made.

The Directors are responsible for ensuring that the Company maintains sufficient accounting records to disclose with reasonable accuracy, the financial position of the Company in order to ensure that the Financial Statements of

the Company meet with the requirements of the Sri Lanka Accounting & Auditing Standards Act No. 15 of 1995 and the Companies Act No. 7 of 2007. They are also responsible for taking reasonable measures to safeguard the assets of the Company and in this regard to give proper consideration to the establishment of an appropriate system of internal controls with a view to prevent, detect and rectify frauds and other irregularities.

These Financial Statements have been prepared on a going concern basis, after reviewing the financial position and the cash flows, since the Directors are of the view that the Company has adequate resources to continue in operation for the foreseeable future.

The Directors are also of the view that they have discharged their responsibilities as set out in this statement.

By Order of the Board,

(Sgd.)

K. D. de Silva (Mrs.)

Director

Carsons Management Services (Pvt) Ltd.

Secretaries

20th April 2012

Annual Report of the Board of Directors on the Affairs of the Company

The details set out herein provide the pertinent information required by the Companies Act No. 7 of 2007, Listing Rules of the Colombo Stock Exchange and recommended best accounting practices. The Annual Report was approved by the Directors at a meeting held on 20th April 2012.

1. General

The Directors have pleasure in presenting to the shareholders their Report together with the audited Financial Statements for the year ended 31st March 2012 of Indo-Malay PLC a public limited liability company incorporated in Sri Lanka in 1906.

2. The Principal Activities of the Company

There were no significant changes in the nature of the principal activities of the Company during the financial year under review, where the principal activity of the

Company continues to be cultivation of oil palm and managing and holding of an investment portfolio.

3. Review of Operations

The review of the Company's operations during the year, with comments on financial results is stated in the Chairman's Statement on page 1 and Review of Industry and Operational Performance on pages 2 and 3. These reports form an integral part of the Annual Report of the Board of Directors on the Affairs of the Company.

4. Financial Results

The Company recorded a net profit after tax of Rs.153.58 mn for the year. An abridgement of the Company's performance is presented in the table below:

<i>For the year ended 31st March</i>	2012 Rs. '000	2011 Rs. '000
Profit after taxation	153,577	131,611
Profit brought forward from previous year	286,925	221,799
Profit available for appropriation	440,502	353,410
Appropriation		
Dividend paid	(82,931)	(66,485)
Unappropriated profit carried forward	357,571	286,925

Annual Report of the Board of Directors on the Affairs of the Company

5. Auditors' Report

The Auditors' Report on the Financial Statements is given on page 25 of this Annual Report.

6. Significant Accounting Policies

The Accounting Policies adopted in the preparation of the Financial Statements are given on pages 30 to 42, in the Notes to the Financial Statements.

The accounting policies adopted are consistent with those of the previous financial year.

7. Financial Statements

Financial Statements of the Company comprising the Balance Sheet, Statements of Income, Changes in Equity and Cash Flows together with the accompanying Notes to the Financial Statements for the year ended 31st March 2012 are set out in pages 26 to 58.

8. Statement of Directors' Responsibilities

The Statement of Directors' Responsibilities for the Financial Statements is given on page 10 of this Annual Report.

9. Interests Register

9.1 Directors' Interests

The Company maintains an Interest Register in conformity

with the provisions of the Companies Act No. 7 of 2007.

The relevant details as required by the Companies Act No. 7 of 2007 have been entered in the Interest Register during the year under review.

The Interest Register is available for inspection as required under the Companies Act.

9.2 Remuneration of Directors

The Directors' remuneration of the Company for the financial year ended 31st March 2012 is given in Notes 5 and 23.2 to the Financial Statements, on pages 43 and 58 respectively.

9.3 Directors' Interests in Contracts & Shares

Directors' interest in contracts of the Company are disclosed under Note 23.3 in page 58 to the Financial Statements and have been declared at meetings of the Directors. The Directors have no direct or indirect interest in any other contracts or proposed contracts in relation to the business of the Company while they had the following interest in ordinary shares of the Company.

	No. of shares	
	31st March 2012	1st April 2011
Mr. H. Selvanathan	-	2,192
Mr. M. Selvanathan	-	3,868
Mr. I. Paulraj	-	-
Mr. D.C.R. Gunawardena	-	-
Mr. P.C.P. Tissera	-	-
Mr. K.C.N. Fernando	-	-
Mr. T. Rodrigo (Appt. w.e.f. 21.02.2012)	-	20,373
Mr. S. Mahendrarajah (Alternate to Mr. I. Paulraj)	-	-

10. Corporate Donations

There were no donations granted during the year.

11. Directors

The names of the Directors who served during the financial year are given under Corporate Information in the Inner Back Cover of the Annual Report.

11.1 Appointment of Directors

Mr. T. Rodrigo was appointed to the Board with effect from 21st February 2012.

11.2 Directors to Retire by Rotation

In terms of Articles 85 & 86 of the Articles of Association of the Company, Mr. H. Selvanathan

retires by rotation and being eligible, offers himself for re-election.

11.3 Appointment of Directors who are over Seventy Years of Age

Mr. I. Paulraj and Mr. T. Rodrigo who are over seventy years of age are to be re-appointed as Directors of the Company for a further period of one year from the conclusion of the Annual General Meeting and that the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not be applicable.

12. Auditors

The Company's Auditors during the year under review was Messrs. Ernst & Young, Chartered Accountants.

A sum of Rs. 605,000 was paid to them by the Company as audit fees for the year ended 31st March 2012 (2011: Rs. 579,000).

The retiring Auditors have expressed their willingness to continue in office. A resolution to re-appoint them as Auditors of the Company and authorizing the directors to fix their remuneration will be proposed at the Annual General Meeting.

Annual Report of the Board of Directors on the Affairs of the Company

The Audit Committee reviewed the appointment of the Auditors, its effectiveness and its relationship with the Group, including the level of audit and non-audit fees paid to the Auditors.

12.1 Auditors' Relationship or any Interest with the Company

The Directors are satisfied that, based on written representations made by the Independent Auditors to the Board, the Auditors did not have any interest with the Company that would impair their independence.

13. Related Party Transactions Exceeding 10% of the Equity or 5% of the Total Assets of the Company

The transactions carried out by the Company with its related parties during the year ended 31st March 2012, including those that exceeded 10% of the Shareholder Equity or 5% of the Total Assets as at 31st March 2012 are given in Note 23 on page 57 to the Financial Statements.

14. Corporate Governance

The Board has ensured that the Company has complied with the Corporate Governance Rules as

per the Listing Rules of the Colombo Stock Exchange (CSE).

14.1. Board of Directors

The following Directors held office as at the Balance Sheet date and their brief profiles are given on pages 7 to 9 of this Annual Report.

*The Board has determined that Mr. I.

Directors	Executive/ Non-Executive/ Independent
Mr. H. Selvanathan	Executive
Mr. M. Selvanathan	Executive
Mr. I. Paulraj	Non-Executive/ Independent *
Mr. D.C.R. Gunawardena	Non-Executive
Mr. P.C.P. Tissera	Executive
Mr. K.C.N. Fernando	Executive
Mr. T. Rodrigo	Non-Executive/ Independent **
(Appt. w.e.f. 21.02.2012)	

Paulraj is an Independent Director in spite of being on the Board for more than nine years and being a Director of many other companies within the Carson Cumberbatch Group, of which a majority of the other Directors of the Company are also Directors, since he is not directly involved in the management of the Company.

** The Board has determined that Mr. T. Rodrigo is an Independent Director in spite of being a Director of Good Hope PLC in which majority of the other Directors of the Board are also Directors, since he is not directly involved in the management of the Company.

The Managers of the Company are Agro Harapan Lestari Sdn. Bhd.

The Committee has formulated a remuneration policy based on market and industry factors and individual performance for all Group companies.

Aggregated remuneration paid to the Non-Executive Directors are disclosed under Note 5 on page 43.

Executive Directors are not compensated for their role on the Board.

14.2 Remuneration Committee

In terms of Rule 7.10.5 (a) of the Listing Rules of the Colombo Stock Exchange, the Remuneration Committee of Carson Cumberbatch PLC (CCPLC), the Ultimate Parent Company, functions as the Remuneration Committee of the Company and comprises of the following members as shown in the table below.

14.3 Audit Committee

As per Rule 7.10.6 of the Listing Rules of the Colombo Stock Exchange the Audit Committee of CCPLC, the Ultimate Parent Company, functions as the Audit

Remuneration Committee Members	Executive/Non-Executive/Independent
Mr. I. Paulraj - Chairman	Non-Executive/Independent Director of CCPLC
Mr. M. Moonasinghe	Non-Executive/ Independent Director of CCPLC
Mr. D.C.R. Gunawardena	Non-Executive Director of CCPLC

Annual Report of the Board of Directors on the Affairs of the Company

Committee of the Company and comprises the following members:

Audit Committee Members	Executive/ Non-Executive/ Independent
Mr. V.P. Malalasekera	Non-Executive/ Independent Director of CCPLC
Mr. D.C.R. Gunawardena	Non-Executive Director of CCPLC
Mr. F. Mohideen	Non-Executive/ Independent Director of CCPLC

Additionally, Mr. S.C.P. Chelliah acts as the Expert Advisory member to the plantation sector.

The Audit Committee Report is given on pages 21 to 23 of this Annual Report.

15. Directors' Meetings

Three Board Meetings were convened during the financial year and the attendance of the Directors were as follows:

Director	Meetings Attended (out of 03)
Mr. H. Selvanathan	3
Mr. M. Selvanathan	3
Mr. I. Paulraj	2
Mr. D.C.R. Gunawardena	3
Mr. P.C.P. Tissera	2
Mr. K.C.N. Fernando	3
Mr. T. Rodrigo (Appt. w.e.f. 21.02.2012)	1
Mr. S. Mahendrarajah (Alternate to Mr. I Paulraj)	-

16. Dividend

Subject to the approval of the shareholders at the Annual General Meeting, a final dividend of Rs. 16.00 per share is recommended by the Directors for the year ended 31st March 2012.

However, in accordance with Sri Lanka Accounting Standard (SLAS) No. 12 (Revised 2005), events after the Balance Sheet date, this proposed final dividend has not been recognized as a liability as at 31st March 2012. This would result in a total outflow of Rs. 111.97 mn subject to approval at the forthcoming Annual General Meeting.

Further, the Company has paid an interim dividend of Rs. 1.25 per

share resulting in a total outflow of Rs. 8.75 mn during the year.

17. Solvency Test

Taking into account the said distribution, the Directors were satisfied that the Company met the solvency test requirement under Section 56 (2) of the Companies Act No. 7 of 2007 immediately after the distribution.

The Company's Auditors, Messrs. Ernst & Young issued a Certificate of Solvency confirming the same.

18. Stated Capital

The Stated Capital of the Company as at 31st March 2012 was Rs. 70,032,750 comprising of 6,998,400 ordinary shares. There was no change in the Stated Capital of the Company during the year.

19. Shareholders' Funds

Total reserves of the Company as at 31st March 2012 was Rs.1,523.86 mn (2011: Rs.1,278.03 mn) comprising of capital reserves of Rs. 1,150.87 mn and revenue reserve of Rs. 372.99 mn. Total reserves combined with Stated Capital as at 31st March 2012 was Rs.1,593.89 mn (2011: Rs. 1,348.07 mn) The movements are

shown in the Statement of Changes in Equity given on page 28.

20. Capital Expenditure and Investments

The total expenditure on acquisition of property, plant & equipment during the year amounted to Rs. 0.41 mn (2011: Rs. 2.93 mn).

The movements in property, plant & equipment and Investments during the year are set out in Notes 9 and 10 on pages 46 and 48 respectively.

There were no movements in Investments during the year under review.

21. Value of the Properties

The market value of the land owned by the Company on the basis of existing use as at 31st March 2012, is MYR 28.76 mn (2011: MYR 28.76 mn). The values reflected in the Financial Statements as at 31st March 2012 is Rs. 1,216.51 mn compared to Rs. 1,049.22 mn in year 2011. The increase in value of land in the reporting currency (Sri Lankan Rupee) is due to the effects of cross currency valuation during the translation of Malaysian currency denominated assets into Sri Lankan Rupees.

Annual Report of the Board of Directors on the Affairs of the Company

22. Value of the Investment Portfolio

The market value/valuation of the Company's investment portfolio as at 31st March 2012 was Rs.231.09 mn (2011: Rs. 222.95 mn) as disclosed under Note 10 on page 48 to the Financial Statements.

23. Statutory Payments

The Directors to the best of their knowledge and belief are satisfied that all statutory payments have been paid up to date or have been provided for in the Financial Statements.

24. Going Concern

Having taken into account the financial position and future prospects, the Directors have a reasonable expectation that the Company has adequate resources to continue to be in operational existence for the foreseeable future. For this reason the Company continues to adopt the going concern basis in preparing the Financial Statements.

25. Events Occurring After the Balance Sheet Date

Subsequent to the Balance Sheet date, no material circumstances have arisen, which would require adjustments to or disclosure in the

Financial Statements other than those disclosed in Note 19 on page 55 to the Financial Statements.

26. Share Information

The details relating to earnings, net assets, market value per share and information on share trading is given on pages 70 and 71 of this Annual Report.

27. Annual Report

The Board of Directors approved the Company's Financial Statements together with the Reviews which form part of the Annual Report, on 20th April 2012. The appropriate number of copies of the Report would be submitted to the Colombo Stock Exchange, Sri Lanka Accounting and Auditing Standards Monitoring Board and the Registrar of Companies within the given time frames.

28. Annual General Meeting

The One Hundred and Sixth Annual General Meeting of the Company will be held on the 31st day of May 2012 at 9.30 a.m at the 8th Floor, No. 65 C, Dharmapala Mawatha, Colombo 07.

The Notice of the Annual General Meeting is on page 75 of this Annual Report.

29. Twenty Major Shareholders

<i>As at 31st March</i>		2012		2011	
Name of Shareholders		No. of shares	%	No. of shares	%
Goodhope Asia Holdings Ltd		6,289,751	89.87	5,406,230	77.25
Mr. R. Chandra (Decd.)		148,052	2.12	148,052	2.12
Mr. S. R. Dean		64,540	0.92	64,540	0.92
Mr. R. T. Stoneham		36,546	0.52	36,546	0.52
Mrs. I. Raymond		33,746	0.48	33,746	0.48
Ms. M. E. Turner		33,590	0.48	33,590	0.48
Mr. F. W. Obeyesekere (Decd.)		24,882	0.36	24,882	0.36
Mrs. B. F. Guzdar		23,328	0.33	23,328	0.33
Mr. C. S. A. Perera		22,904	0.33	22,904	0.33
Mrs. A. Ohman (Decd.)		19,440	0.28	19,440	0.28
Mr F. V. Nicolle		19,440	0.28	19,440	0.28
Mr. D. Thomson (Decd.)		15,552	0.22	15,552	0.22
Mr. R. G. Bartholomew (Decd.)		15,552	0.22	15,552	0.22
Mr. D. D. Dubash		15,552	0.22	15,552	0.22
Mr. R. Prasada Singh (Decd.)		15,552	0.22	15,552	0.22
Mrs. S. Cameron		15,552	0.22	15,552	0.22
Mrs. K. S. Rodrigo		14,941	0.21	27,788	0.40
Mrs. J. M. T. Dever		13,372	0.19	13,372	0.19
Mr. N. J. P. Hewett		13,372	0.19	13,372	0.19
Mrs. M. D. Abeyesuriya		12,960	0.19	12,960	0.19

Annual Report of the Board of Directors on the Affairs of the Company

30. Risk Management

We are conscious of our need to manage risks and have identified and listed out our risk profile as given on page 4 of this Annual Report. Action plans to monitor and manage these risks are incorporated into our business plans and reviewed on a continuous basis.

31. Human Resources

The Company has no employees other than the plantation workers in its Malaysian operations, since the business and operation of the Company are managed by Agro Harapan Lestari Sdn. Bhd. The Company has had no material issues pertaining to employees and industrial relations during the year ended 31st March 2012.

Signed for and on behalf of the Board,

(Sgd.)

H. Selvanathan

Chairman

(Sgd.)

P.C.P. Tissera

Director

20th April 2012

Audit Committee Report

Audit Committee

As provided by the Colombo Stock Exchange Listing Rules, the Audit Committee of Carson Cumberbatch PLC (CCPLC), is the Audit Committee of the Company.

The Members of the Audit Committee are as follows:

Audit Committee Members	Executive/ Non-Executive/ Independent
Mr. V.P. Malalasekera	Non-Executive/ Independent (CCPLC)
Mr. D.C.R. Gunawardena	Non-Executive (CCPLC)
Mr. F. Mohideen	Non-Executive/ Independent (CCPLC)

Mr. V.P. Malalasekera is a Non-Executive, Independent Director of CCPLC and a former Director of Ceylon Tobacco Company PLC.

Mr. D.C.R. Gunawardena is a Non-Executive Director of CCPLC and in most of its Group Companies.

Mr. F. Mohideen, a Non-Executive, Independent Director of CCPLC, was the

former Deputy Secretary to the Treasury and a former Director of Bank of Ceylon and Securities and Exchange Commission of Sri Lanka.

In addition, Mr. S.C.P. Chelliah is the Expert Advisor to the Audit Committee for the Plantation Sector.

The audit aspects of Indo-Malay PLC are conducted within the Agenda of CCPLC - Audit Committee and the Committee is advised by Mr. Chelliah as a member of the Panel of Expert Advisors to the Audit Committee of CCPLC, for the Plantation Sector of the Group. Mr. Chelliah, a Consultant, was the former Vice President of Bumiputera Commerce Bank, Kuala Lumpur, presently known as Commerce International Merchant Bankers Berhad.

Meetings of the Audit Committee

CCPLC - Audit Committee held four (04) Meetings during the financial year to discuss matters relating to the Company.

Audit Committee Report

The attendance of the Members of the Committee was as follows:

	Meetings Attended (out of four)
Mr. V.P. Malalasekera	04
Mr. D.C.R. Gunawardena	03
Mr. F. Mohideen	04

The Audit Committee Meetings were attended by the internal auditors, as well as the senior management staff members.

The Committee met the external auditors twice during the year, i.e. to discuss the audit scope and to deliberate the draft Financial Report and Accounts. The Audit Committee also met the external auditors, Messrs. Ernst & Young and discussed the draft Financial Report and Accounts, without the management being present.

Purpose of the Audit Committee

To assist the Board of Directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control over financial reporting, the audit process and the Company's process for monitoring compliance with laws and regulations, Company policies and procedures and the code of conduct.

To ensure that the internal audit activity is well managed, so that it adds value to the organization by being objective in providing relevant assurance, contributing to the effectiveness and efficiency of governance, risk management and control processes.

Financial Statements

The Interim Financial Statements of Indo-Malay PLC have been reviewed by the Audit Committee Members at Audit Committee Meetings. The draft Financial Statements of Indo-Malay PLC for the year ended 31st March 2012 were also reviewed at a Meeting of the Audit Committee Members, together with the external auditors, Messrs. Ernst & Young, prior to release of same to the Regulatory Authorities and to the shareholders. The Audit Committee Members were provided with confirmations and declarations as required, by the Managers, Agro Harapan Lestari Sdn. Bhd., that the said Financial Statements were prepared in accordance with the Sri Lanka Accounting Standards and the information required by the Companies Act No. 7 of 2007 therein and presented a true and fair view of the Company's state of affairs as at that date and the Company's activities during the year under review.

Internal Audit

In accordance with the recommendation of the Audit Committee, financial audits are carried out annually, whilst field audits at estate level are planned and implemented every alternate year. Accordingly, the internal audit has formulated a plan covering the financial aspect for the next financial year and the plan was approved by the Audit Committee.

External Audit

The Members of the Audit Committee have determined that Messrs. Ernst & Young, Auditors were independent on the basis that they did not carry out any special assignment on the operations of the Company. The Committee has reviewed the external audit plan as well as management letters and followed up on issues raised.

The Members of the Audit Committee have concurred to recommend to the Board of Directors the re-appointment of Messrs. Ernst & Young as Auditors for the financial year ending 31st March 2013, subject to the approval of the shareholders of Indo-Malay PLC at the Annual General Meeting.

(Sgd.)

V.P. Malalasekera

Chairman – Audit Committee

Carson Cumberbatch PLC

20th April 2012

Financial Reports

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Independent Auditors' Report

 ERNST & YOUNG

Chartered Accountant

201 De Sarmiento Place

P.O. Box 1071

Figura 10

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**TO THE SHAREHOLDERS OF INDO -
MALAY PLC**

Report on the Financial Statements

We have audited the accompanying financial statements of Indo-Malay PLC ("Company"), which comprise the balance sheet as at 31 March 2012, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Scope of Audit and Basis of Opinion

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. We therefore believe that our audit provides a reasonable basis for our opinion

Opinion

In our opinion, so far as appears from our examination, the Company maintained proper accounting records for the year ended 31 March 2012 and the financial statements give a true and fair view of the Company's state of affairs as at 31 March 2012 and its profit and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Report on Other Legal and Regulatory Requirements

In our opinion, these financial statements also comply with the requirements of Section 151(2) of the Companies Act No. 7 of 2007.

Books by

Ernst & Young
Chartered Accountants
20th April 2012
Colombo

Income Statement

<i>For the year ended 31st March</i>		2012	2011
	Note	Rs. '000	Rs. '000
Revenue	3	240,329	222,163
Direct operating costs		(49,898)	(39,246)
Gross profit		190,431	182,917
Other Income and gains	4	15,757	-
Administrative expenses		(18,202)	(17,043)
Profit before taxation	5	187,986	165,874
Income tax expense	6	(34,409)	(34,263)
Profit for the year		153,577	131,611
Earnings per ordinary share (Rs.)*	7	21.94	18.81
Dividend per ordinary share (Rs.)**	7.1	17.25	10.60

The Accounting Policies and Notes from pages 30 to 58 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

* Includes non-recurring items described in note 4 on page 43 of the Financial Statements.

** Includes interim dividend paid and final dividend proposed for the year.

Balance Sheet

As at 31st March		2012	2011
	Note	Rs. '000	Rs. '000
Assets			
Non-Current Assets			
Property, plant & equipment	9	1,284,681	1,118,341
Long-term investments	10	150,290	150,290
Trade and other receivables	11	-	8,311
Total non-current assets		1,434,971	1,276,942
Current Assets			
Inventories		587	421
Trade and other receivables	11	18,158	16,398
Cash and cash equivalents		181,015	91,105
Total current assets		199,760	107,924
Total Assets		1,634,731	1,384,866
Equity and Liabilities			
Equity			
Stated capital	12	70,033	70,033
Capital reserves	13	1,150,870	987,047
Revenue reserves	14	372,987	290,987
Total equity		1,593,890	1,348,067
Non-Current Liabilities			
Deferred tax liability	17	14,711	14,835
Retirement benefit obligations	15	1,928	1,169
Total non-current liabilities		16,639	16,004
Current Liabilities			
Trade payables and accruals	16	20,078	18,242
Taxation payable		4,124	2,553
Total current liabilities		24,202	20,795
Total Equity and Liabilities		1,634,731	1,384,866
Net assets per ordinary share (Rs.)		227.75	192.63

I certify that these Financial Statements are in compliance with the requirements of the Companies Act No. 7 of 2007.

(Sgd.)

S. Karunasena

Chief Financial Officer

The Accounting Policies and Notes from pages 30 to 58 form an integral part of these Financial Statements.

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Signed for and on behalf of the Managers,

Signed for and on behalf of the Board,

(Sgd.)

R. Jiffrey

Director

(Sgd.)

H. Selvanathan

Chairman

(Sgd.)

P.C.P. Tissera

Director

Agro Harapan Lestari Sdn. Bhd.

20th April 2012

Statement of Changes in Equity

	Stated Capital Rs. '000	Capital Accretion Reserve Rs. '000	Currency Translation Reserve Rs. '000	Retained Profits Rs. '000	Total Equity Rs. '000
Balance as at 01 April 2010	70,033	930,841	453	221,799	1,223,126
Profit for the year	-	-	-	131,611	131,611
Final Ordinary dividend 2009/2010	-	-	-	(66,485)	(66,485)
"Adjustment on Translation of Malaysian operation's Financial Statements"	-	56,206	3,609	-	59,815
Balance as at 31 March 2011	70,033	987,047	4,062	286,925	1,348,067
Balance as at 01 April 2011	70,033	987,047	4,062	286,925	1,348,067
Profit for the year	-	-	-	153,577	153,577
Final Ordinary dividend 2010/2011	-	-	-	(74,183)	(74,183)
Interim Ordinary Dividend 2011/2012	-	-	-	(8,748)	(8,748)
"Adjustment on Translation of Malaysian operation's Financial Statements"	-	163,823	11,354	-	175,177
Balance as at 31 March 2012	70,033	1,150,870	15,416	357,571	1,593,890

The Accounting Policies and Notes from pages 30 to 58 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

Cash Flow Statement

For the year ended 31st March

	Note	2012 Rs. '000	2011 Rs. '000
Cash Flows from Operating Activities			
Profit before taxation		187,986	165,874
Adjustments for:			
Depreciation on property, plant & equipment	9	2,792	2,653
Provision for retirement benefit obligations	15	572	(26)
Gain from return of long term advance made towards Share capital		(1,914)	-
Exchange differences in currency translation of Malaysian operations		6,643	2,183
Operating profit before working capital changes		196,079	170,684
(Increase)/decrease in inventories		(166)	131
Increase in trade and other receivables		(1,760)	(6,963)
Decrease in trade payables and accruals		(3,567)	(21,941)
Net cash (used in)/generated from operating activities		190,586	141,911
Tax paid		(32,962)	(31,868)
Retirement benefit obligations paid	15	-	(286)
Net cash inflow from operating activities		157,624	109,757
Cash Flows from Investing Activities			
Purchase of property, plant & equipment	9	(411)	(202)
Return of long term advance made towards share capital		10,225	-
Net cash (outflows)/inflows from investing activities		9,814	(202)
Cash Flow from Financing Activities			
Dividend paid - Ordinary		(77,528)	(62,100)
Net cash outflow from financing activities		(77,528)	(62,100)
Net increase in cash and cash equivalents		89,910	47,455
Cash and cash equivalents at the beginning of the year		91,105	43,650
Cash and cash equivalents at the end of the year (Note A)		181,015	91,105

Note A

Cash and Cash Equivalents

Cash and bank balances	94,660	21,767
Short-term deposits	86,355	69,338
	181,015	91,105

The Accounting Policies and Notes from pages 30 to 58 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

Notes to the Financial Statements

1. CORPORATE INFORMATION

1.1 General

Indo-Malay PLC ("Company") is a public quoted company with limited liability, incorporated and domiciled in Sri Lanka. The registered office of the Company is located at No. 61, Janadhipathi Mawatha, Colombo 01 and the principal place of business is situated at Ladang Berjuntai, Selangor, Malaysia.

1.2 Principal Activities and Nature of Operations

During the year, the principal activities of the Company were cultivation of Oil Palm and selling of fresh fruits and managing and holding of an investment portfolio.

1.3 Parent Entity and Ultimate Parent Entity

The Company's parent entity is Goodhope Asia Holdings Ltd. In the opinion of the Directors, the Company's Ultimate Parent undertaking and controlling party is Carson Cumberbatch PLC (CCPLC) which is incorporated in Sri Lanka.

1.4 Date of Authorization for Issue

The Financial Statements of Indo-Malay PLC for the year ended

31st March 2012 was authorized for issue in accordance with a resolution of the Board of Directors on 20th April 2012.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 General Accounting Policies

2.1.1 Statement of Compliance

The Financial Statements of Indo-Malay PLC comprises the Balance Sheet and the Statements of Income, Changes in Equity and Cash Flows, together with the Accounting Policies and Notes to the Financial Statements.

These statements are prepared in accordance with the Sri Lanka Accounting Standards (SLAS) laid down by the Institute of Chartered Accountants of Sri Lanka, and also in compliance with the Companies Act No. 7 of 2007.

2.1.2 Basis of Preparation

These Financial Statements of the Company are prepared under the historical cost convention except for the revaluation of freehold land in Malaysia as disclosed in Note 9 and unless otherwise indicated in these Financial Statements.

All the values presented in the financial statements are in

Sri Lanka Rupee Thousands (Rs.'000)
unless otherwise indicated.

2.1.3 Change in Accounting Policies and Comparative Information

The Accounting Policies have been consistently applied by the Company unless otherwise stated and are consistent with those used in the previous year and the previous year's figures and phrases have been rearranged wherever necessary to conform to current year's presentation.

2.2 Summary of Significant Accounting Policies

2.2.1 Conversion of Foreign Currencies

(a) Presentation Currency

The Financial Statements are presented in Sri Lankan Rupees.

(b) Investment Operations in Sri Lanka

The functional currency of the investment activities in Sri Lanka is Sri Lankan Rupees. Transactions in foreign currencies are initially translated into functional currency using the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies as at the Balance Sheet date are translated at the functional

currency rate of exchange ruling at that date. The exchange differences arising on translation are taken to the Income Statement.

(c) Operations in Malaysia

The functional currency of the foreign operations in Malaysia is the Malaysian Ringgit. As at the reporting date, the assets and liabilities of the Malaysian operations are translated into the presentation currency (Sri Lankan Rupees) at the rate of exchange ruling at the Balance Sheet date and the items in the Income Statement are translated at the average exchange rate for the period. The exchange differences arising on the translation are taken directly to the Currency Translation Reserve in the Equity Statement.

2.2.2 Taxation

(a) Current Taxes

The Company's liability to taxation is computed in accordance with the provisions of the Inland Revenue Act No. 10 of 2006 and the subsequent amendments thereto. Full consideration is given to the tax laws prevailing in the countries of incorporation and operation.

Notes to the Financial Statements

Liability to taxation of the Company is made after claiming relief available in terms of the Double Taxation Agreement entered into between the Governments of Malaysia and Sri Lanka.

(b) Deferred Taxation

Deferred tax is provided on temporary differences at the Balance Sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor the taxable profit;
- Deferred tax assets are recognized for all deductible differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax credits and

unused tax losses can be utilized, except:

- Where the deferred tax assets relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor the taxable profit.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the deferred tax assets to be utilized. Unrecognized deferred tax assets are re-assessed at each Balance Sheet date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the assets are realized or the liabilities are settled, based on tax rates and tax laws that have been enacted or substantially enacted at the Balance sheet date.

Current tax and deferred tax relating to items recognized directly in equity are also recognized in equity and not in the Income Statement.

Deferred tax assets and liabilities are set off if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.2.3 Borrowing Costs

All borrowing costs are recognised as an expense in the period in which they are incurred, unless they are incurred in respect of qualifying assets in which case they are capitalized.

2.2.4 Events Occurring after the Balance Sheet Date

The materiality of the events occurring after the Balance Sheet date is considered and appropriate adjustments or disclosures are made in the Financial Statements.

2.3 Assets and Bases of their Valuation

Assets classified as current assets in the Balance Sheet are cash and those which are expected to be realised in cash during the normal operating cycle of the Company's

business or within one year from the Balance Sheet date.

Assets other than current assets are those which the Company intends to hold beyond a period of one year from the Balance Sheet date.

2.3.1 Property, Plant & Equipment and Depreciation

(a) Valuation

Property, plant & equipment are stated at cost or valuation less accumulated depreciation, provided on the basis stated in (c) below.

(b) Cost

Cost of property, plant & equipment is the cost of acquisition or construction together with any expenses incurred in bringing the assets to its working condition for its intended use.

Expenditure incurred for the purpose of acquiring, extending or improving assets of a permanent nature by means of which to carry on the business or to increase the earning capacity of the business has been treated as capital expenditure.

Notes to the Financial Statements

(c) Depreciation

The provision for depreciation is calculated by using a straight line method on the cost or valuation of all property, plant & equipment other than freehold land, in order to write off such amounts over the estimated useful lives. The principal annual rates used are:

	No. of Years
Freehold buildings	20
Plant & machinery	10
Furniture, fittings & office equipment	8
Motor vehicles	4
Mature plantation	30
Roads & bridges	50

No depreciation is provided on freehold land and immature plantation.

Depreciation of an asset begins when it is available for use whereas depreciation of an asset is ceased at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized.

The appropriateness of useful lives of the assets and the residual values are assessed annually.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(d) Construction-in-Progress

Construction-in-progress is transferred to the respective asset accounts at the time of the first utilization of the asset or at the time the asset is commissioned.

(e) Plantations

(i) Permanent Land Development Costs

Land development costs incurred in respect of developing the land for cultivation which are permanent in nature, are capitalized as "land cost".

(ii) Limited Life Land Development Costs

Limited life land development costs incurred in respect of new planting, replanting, inter-planting and crop diversifying including infilling cost of the oil palm plantation are capitalized in accordance with the Sri Lanka Accounting Standard No. 32.

The limited life land development costs are amortized over the estimated productive lives of the commercial harvest which has the following characteristics:

Time lag between planting and commercial harvesting is 3 years, during which period no depreciation is charged.

Duration of commercial harvesting is 30 years.

(iii) Revaluation of Land

Revaluation of the freehold land in Malaysia is carried out at least once in every five years in order to ensure that the book values reflect the market value. Any surplus or deficit arising there from is adjusted through the Capital Accretion Reserve.

2.3.2 Investments

(a) Classification

Investments in subsidiaries and associate companies of the Goodhope Asia Holdings Group are classified as long-term investments. Other investments which are held for yield or capital appreciation are also classified as long-term investments. All other investments are classified as short-term investments.

(b) Valuation

All long-term investments including unquoted investments are stated in the Balance Sheet at

cost, where the cost of the investment is the cost of acquisition inclusive of brokerage fees, duties and bank fees less any amounts written off to reflect any permanent diminution in value of such investments.

The carrying amount of long-term investments is reduced to recognize a decline other than temporary in the value of investments, determined on an individual investment basis.

(c) Market Value/Valuation of the Investment Portfolio

The market values of the investment portfolio is based on the following:

(i) Marketable Equity Securities are stated at the values published in the Official Valuation List of the Colombo Stock Exchange as at the Balance Sheet date. Where an official valuation is not available the market value is stated at the last transacted price.

(ii) Unquoted investments are stated at cost unless otherwise stated.

Notes to the Financial Statements

2.3.3 Short-Term Deposits

Short-term deposits in the Balance Sheet comprise short-term deposits with an original maturity of three months or less.

2.3.4 Inventories

Inventories except for fresh fruit bunches are stated at cost or net realizable value whichever is lower, after making due allowance for obsolete and slow moving items. Fresh fruit bunches are stated at since realized values.

The value of consumables is determined on a weighted average cost basis.

2.3.5 Trade and Other Receivables

Trade and other receivables are stated at the amounts estimated to be realized. Where necessary, provisions are made for bad and doubtful debts.

Other receivables and dues from related parties are recognized at cost less allowances for bad and doubtful receivables

2.3.6 Cash & Cash Equivalents

For the purposes of the Cash Flow Statement, cash & cash equivalents comprise of cash at banks and in

hand, short-term deposits with banks, net of bank overdrafts and overnight borrowings.

Interest paid and received and dividend received are classified as operating cash flows while dividend paid are classified as financing cash flows for the purpose of presentation of Cash Flow Statement, reported based on the indirect method.

2.3.7 Impairment of Non Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable

amount, the asset is considered impaired and is written down to its recoverable amount.

2.4 Liabilities and Provisions

Liabilities classified as current liabilities in the Balance Sheet are those obligations payable on demand or within one year from the Balance Sheet date. Items classified as non-current liabilities are those obligations which become payable beyond a period of one year from the Balance Sheet date.

All known liabilities have been accounted for in preparing these Financial Statements. Provisions and liabilities are recognized when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefits will be required to settle the obligation.

2.4.1 Retirement Benefit Obligations

(a) Defined Benefit Plans - Retirement Gratuity

Gratuity is a defined benefit plan. The Company is liable to pay gratuity in terms of relevant statute.

The Company's operations in Malaysia are liable to pay Retirement Gratuity where

employees have served in the Company's operations in Malaysia for more than five years and fulfilling the conditions in the Malaysian Agricultural Producers' Association and National Union Plantation Worker's Agreements.

In order to meet this liability, a provision is carried forward in the Balance Sheet in a manner computed using the prescribed formulae in Appendix E of SLAS 16 (Revised).

The resulting difference between brought forward provision at the beginning of the year, net of any payment made, and the carried forward provision at the end of a year, is dealt with in the Income Statement.

The gratuity liability is not funded.

(2) Defined Contribution Plans - EPF

All employees who are eligible for Defined Provident Fund contributions in Malaysia are covered by relevant contribution funds in line with the relevant statutes.

Employer's contribution to the Provident Fund covering the employees is recognized as an

Notes to the Financial Statements

expense in the Income Statement in the year in which it is incurred.

2.4.2 Capital Commitments and Contingencies

All material capital commitments and contingent liabilities which exist as at the Balance Sheet date are disclosed in the respective notes to the Financial Statements.

2.5 Income Statement

2.5.1 Revenue

Revenue represents sale of fresh fruit bunches from Malaysian operations and investment income from Sri Lankan operations.

2.5.2 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable net of trade discounts and sales taxes. The following specific criteria are used for the purpose of recognition of revenue:

Sale of fresh fruit bunches - upon delivery and acceptance by customers.

Dividend income - when the shareholders' right to receive dividend is established.

Interest income - accrued on a time proportionate basis.

Other income - on an accrual basis.

Net gains and losses of a revenue nature, resulting from disposal of property, plant & equipment have been accounted for in the Income Statement.

Gains or losses on the disposal of investments are accounted for in the Income Statement on the basis of realised net profit.

Gain on return of long term funds advanced towards share capital has been accounted as other income in the income statement.

2.5.3 Expenditure Recognition

The expenses are recognized on an accrual basis. All expenditure incurred in the ordinary course of business and in maintaining the property, plant & equipment in a state of efficiency has been charged to income in arriving at the profit for the year.

For the purpose of presentation of the Income Statement the Directors

are of the opinion that “function of expenses” method presents fairly the elements of the Company’s performance, and hence such presentation method is adopted.

2.6 Segment Reporting

A segment is a distinguishable component of the Company that is engaged either in providing a product or service (Industry Segment), or in providing a product or service within a particular economic environment (Geographical Segment), which is subject to risks and rewards that are different from those of other segments. Segment information for identifiable operating units of the Company is disclosed in Note 18 to the Financial Statements.

The primary segment of the Company is considered as Industry Segment.

2.7 Related Party Disclosures

Disclosures are made in accordance with SLAS 30.

2.8 Critical Accounting Estimates and Judgments

The preparation of Financial Statements in conformity with SLAS requires management to make

judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Estimates/Judgments made by management in the application of SLAS that have a significant effect on the Financial Statements are mentioned below:

Notes to the Financial Statements

	Policy	Note
Property, plant & equipment valuation and depreciation	2.3.1	9
Deferred tax	2.2.2	17
Impairment of assets	2.3.7	-
Employee benefit liabilities	2.4.1	15
Long-term investments	2.3.2	10

2.9 Sri Lanka Accounting Standards Effective From 1st January 2012

The Company will be adopting the new Sri Lanka Accounting Standards (new SLAS) comprising LKAS and SLFRS applicable for financial periods commencing from 1st April 2012 as issued by the Institute of Chartered Accountants of Sri Lanka. The Company has commenced reviewing its accounting policies and financial reporting in readiness for the transition. As the Company has a 31st March year end, priority has been given to considering the preparation of an opening Balance Sheet in accordance with the new SLAS as at 1st April 2011. This will form the basis of accounting for the new SLAS in the future, and is required when the Company prepares its first new SLAS

compliant Financial Statements for the year ending 31st March 2013. Set out below are the key areas where accounting policies will change and may have an impact on the Financial Statements of the Company. The Company is in the process of quantifying the impact on the Financial Statements arising from such changes in Accounting Policies.

- (a) SLFRS 1 – First Time Adoption of Sri Lanka Accounting Standards requires the Company to prepare and present opening new SLFRS Financial Statements at the date of transition to new SLAS. The Company shall use the same Accounting Policies in its opening new SLAS Financial Statements and throughout all comparable periods presented in its first new SLAS Financial Statements.

LKAS 1 – Presentation of Financial Statements requires an entity to present, in a Statement of Changes in Equity, all owner changes in equity. All non owner changes in equity are required to be presented in one Statement of Comprehensive Income or in two statements (a separate Income Statement and a Statement of Comprehensive

Income). Components of comprehensive income are not permitted to be presented in the Statement of Changes in Equity. This standard also requires the Company to disclose information that enables users of its Financial Statements to evaluate the entity's objectives, policies and processes for managing capital.

- (b) LKAS 41 - Agriculture will be applied in the local context for fair valuation of biological assets and agricultural produce when they relate to agricultural activity.

The Standard defines Agricultural Activity as the management by an entity of the biological transformation and harvest of biological assets for sale or for conversion into agricultural produce or into additional biological assets. Hence this Standard can be applied where there have been active management of the biological assets covered by the agricultural activity. LKAS 41 permits the fair valuation of managed biological assets in a plantation.

- (c) LKAS 16 – Property plant & equipment requires a company to initially measure an item of property

plant & equipment at cost, using the cash price equivalent at the recognition date. If payment is deferred beyond normal credit terms, the difference between the cash price equivalent and the total payment is recognized as interest over the period, unless such interest is capitalized in accordance with LKAS 23 – Borrowing Costs.

All site restoration costs including other environmental restoration and similar costs must be estimated and capitalized at initial recognition, in order that such costs can be depreciated over the useful life of the asset.

This standard requires depreciation of assets over their useful lives, where the residual value of assets is deducted to arrive at the depreciable value. It also requires that significant components of an asset be evaluated separately for depreciation.

- (d) LKAS 32 – Financial Instruments: Presentation, LKAS 39 – Financial Instruments: Recognition & Measurement and SLFRS 7 – Disclosures will result in changes to the current method of recognizing financial assets, financial liabilities and equity instruments. These

Notes to the Financial Statements

standards will require measurement of financial assets and financial liabilities at fair value at initial measurement. The subsequent measurement of financial assets classified as fair value through profit and loss and available for sale will be at fair value, with the gains and losses routed through the Statements of Comprehensive Income and other comprehensive income respectively.

Financial assets classified as held to maturity and loans and receivables will be measured subsequently at amortized cost. These assets will need to be assessed for any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') coupled with a reliable estimate of the loss event (or events) impact on the estimated future cash flows of the financial asset or group of financial assets. As such the current method of assessing for impairment will have to be changed to meet the requirements of these new standards.

Financial liabilities will be either classified as fair value through profit or loss or at amortized cost. At

present, the Company does not identify, categorize and measure financial assets and liabilities as per the requirements of the standard and also does not recognize certain derivative instruments on the Balance Sheet.

- (e) LKAS 12 – Income Tax requires deferred tax to be provided in respect of temporary differences which will arise as a result of adjustments made to comply with the new SLAS.

The Institute of Chartered Accountants of Sri Lanka has resolved an amendment to Sri Lanka Accounting Standard 10, whereby the provision contained in paragraphs 30 and 31 of SLAS 10 – Accounting Policies, Changes in Accounting Estimates and Errors, would not be applicable for Financial Statements prepared in respect of financial periods commencing before 1st January 2012 and hence the impact of this transition is not required to be disclosed in these Financial Statements.

For the year ended 31st March

	2012 Rs. '000	2011 Rs. '000
3. REVENUE		
Oil Palm:		
Sale of fresh fruit bunches	201,697	182,964
Investments:		
Dividend Income	37,952	38,301
Interest Income	680	898
	240,329	222,163
4 OTHER INCOME		
Gain from return of long term advances made towards share capital	1,914	-
Sundry income	459	-
Foreign exchange gain	13,384	-
	15,757	-
5 PROFIT BEFORE TAXATION		
is stated after charging all expenses including the following:		
Depreciation (Note 9)	2,792	2,653
Directors' fees	200	100
Management and professional fees	2,072	2,009
Auditors' remuneration	550	524
Personnel costs (Note 5.1)	17,890	13,009
5.1 Personnel Costs		
Salaries, wages and other staff related expenses	16,462	12,321
Defined contribution plan expenses - EPF	856	714
Retirement benefit obligations (Note 15)	572	(26)
	17,890	13,009
6. TAXATION		
6.1 Current Income Tax		
Tax on current year profit (Note 6.2)	34,542	34,612
Deferred Income Tax		
Net deferred tax reversal for the year (Note 17)	(133)	(349)
	34,409	34,263

Notes to the Financial Statements

<i>For the year ended 31st March</i>	2012 Rs. '000	2011 Rs. '000
6.2 Reconciliation of Accounting Profits with Taxable Profits		
Profit before taxation	187,986	165,874
Less: Aggregate of dividend income, FCBU interest income and other non taxable items	(38,974)	(39,199)
Aggregate of tax allowable claims	(2,595)	(1,012)
Gain from return of long term advances made towards share capital	(1,914)	-
Add: Aggregate of tax disallowable expenses	12,990	5,650
Total statutory income	157,493	131,313
Taxable income	157,493	131,313
Taxation in Sri Lanka		
Taxation on operational profits	18,899	19,697
Social Responsibility Levy	-	387
Previous year under/over provision	(107)	1,075
	18,792	21,159
Tax credits claimed (Note 6.3 (b))	(18,899)	(19,697)
Taxation in Malaysia	34,649	33,150
Total Tax Charge	34,542	34,612

6.3 Taxation of Profits

- (a) The provision for taxation on profits from plantation activities is based on the Company's liability to income tax in Malaysia.

Profits from plantation activities are liable to tax in Malaysia at a rate of 25% (2011: 25%). During the year ended 31st March 2012, as provided for under Section 45 of the Inland Revenue Act No. 10 of 2006 and amendments thereto, these profits are liable to tax in Sri Lanka at 12% (2011: 15%).

- (b) In terms of the double tax treaty agreement entered into between the Governments of Sri Lanka and Malaysia, the Company is entitled to claim credit for tax paid in Malaysia, when calculating the Company's tax liability in Sri Lanka on profits from plantation in Malaysia.
- (c) In terms of Sections 9 & 10 of the Inland Revenue Act No. 10 of 2006 and amendments thereto, dividend and interest income received from Malaysia is exempt from income tax.
- (d) Profits of the Company, other than such referred to in Note 6.3 (a) and (c) are liable to tax at a rate of 28% (2011: 35%).

6.4 Dividend Tax

Dividend distribution consists of a distribution of operational profits and a redistribution of dividend income. Redistribution of dividend income received from an already taxed source is not liable to dividend tax.

7. EARNINGS PER ORDINARY SHARE

The calculation of Earnings Per Ordinary Share of Rs. 21.94 (2011: Rs.18.81) is based on the profit after taxation over the weighted average number of ordinary shares in issue during the year. The following reflects the income and share data used for the computation of the Earnings Per Ordinary Share.

<i>For the year ended 31st March</i>	2012 Rs.	2011 Rs.
Amount used as the Numerator		
Net profit after taxation	153,577,099	131,611,587
Net profit attributable to ordinary shareholders	153,577,099	131,611,587
Number of Ordinary Shares used as the Denominator (Note 12)		
	6,998,400	6,998,400
Earnings Per Ordinary Share (Rs.)*	21.94	18.81

* Includes non-recurring items described in note 4 on page 43 of the Financial Statements.

<i>For the year ended 31st March</i>	2012 Rs.'000	2011 Rs.'000
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7.1 Dividends Paid or Proposed

Dividend paid during the year: Final dividend for

2011: Rs. 10.60 per share (2010: Rs. 9.50 per share) **74,183** 66,485

Interim dividend for 2012: Rs.1.25 per share (2011: Nil) **8,748** -

Proposed for approval at AGM: (not recognised as a liability as at 31st March 2012)

Final dividend for 2012: Rs. 16.00 per share **111,974** 74,183
(2011: Rs. 10.60 per share)

Dividend per share is calculated by considering both proposed and interim paid dividend during the year.

8. FOREIGN CURRENCY TRANSLATIONS

The Accounting Policy on conversion of foreign currencies shown under Note 2.2.1 of summary of significant accounting policies. The principal exchange rates used for conversion of foreign currency balances are as follows:

<i>As at 31st March</i>	Closing Rate 2012 Rs.	2011 Rs.
Malaysian Ringgit	42.29	36.47
Sterling Pound	205.93	177.96
US Dollar	130.20	110.46

Notes to the Financial Statements

9. PROPERTY, PLANT & EQUIPMENT

	Freehold Land	Buildings	Plant & Machinery	Furniture, Fittings & Equipment	Motor Vehicles	Mature Plantation	Immature Plantation	Roads & Bridges	Total as at 31st March 2012	Total as at 31st March 2011
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cost/Valuation										
Beginning of the year	1,049,215	14,598	686	815	2,891	67,651	1,108	1,225	1,138,189	1,076,967
Additions	-	-	-	150	-	-	261	-	411	2,934
Currency translation	167,297	2,328	109	156	461	-	-	195	170,547	58,288
End of the year	1,216,512	16,926	795	1,121	3,352	67,651	1,369	1,420	1,309,147	1,138,189
Depreciation										
Beginning of the year	-	6,341	386	815	2,891	8,901	-	514	19,848	16,611
Charge for the year	-	451	56	8	-	2,253	-	25	2,792	2,653
Currency translation	-	1,078	70	131	461	-	-	86	1,826	584
End of the year	-	7,870	512	954	3,352	11,154	-	625	24,466	19,848
Net Book Value										
As at 31st March 2012	1,216,512	9,056	283	167	-	56,497	1,369	795	1,284,681	
As at 31st March 2011	1,049,215	8,257	300	-	-	58,750	1,108	711		1,118,341

9. PROPERTY, PLANT & EQUIPMENT (Contd.)

- (i) The carrying value of the freehold land, if the asset was carried at historical cost would be Rs. 0.60 mn (2011: Rs. 0.60 mn).
- (ii) Property, plant & equipment includes fully depreciated assets having a gross carrying amount of Rs. 11 mn (2011: Rs. 8.99 mn).
- (iii) The freehold land in Malaysia was revalued on an existing use basis as at 31st March 2009 by an independent valuer Encik W. M. Malik, member of the Institution of Surveyors, Malaysia, a partner with W. M. Malik & Kamaruzuman. The Company has obtained a confirmation of the value of freehold land as at 31st March 2012 from the same valuer, and the carrying value approximates its fair value.
- (iv) The total revaluation surplus over the book value has been credited to the Capital Accretion Reserve and included under Capital Reserves.
- (v) Depreciation of mature plantation commences three years after capitalizing limited life land development cost.
- (vi) All property, plant & equipment are located in Malaysia.
- (vii) The freehold land situated in Malaysia has been charged to Standard Chartered Bank, Singapore, to secure credit facilities obtained by the immediate holding company, Goodhope Asia Holdings Ltd, in order to facilitate the Group's expansion program of the plantation asset base, which includes PT Agro Indomas and PT Agro Bukit and to refinance the Group's debt obligation in Note 23 on pages 56 and 57.

Notes to the Financial Statements

10. INVESTMENTS

10.1 Movements in Long-Term Investments

	Quoted Investments Related Rs. '000	Unquoted Investments Related Rs. '000	Total as at 31st March 2012 Rs. '000	Total as at 31st March 2011 Rs. '000
Beginning of the year (cost)	54,657	95,633	150,290	150,290
End of the year (Note 10.2)	54,657	95,633	150,290	150,290

10.2 Investment Portfolio

As at 31st March

	2012		2011	
	No. of Shares	Market value/ Cost Rs. '000	No. of Shares	Market value/ Cost Rs. '000
Long-Term Investments				
QUOTED INVESTMENTS - RELATED				
Oil Palm				
Shalimar (Malay) PLC	153,576	54,657	153,576	54,657
Total quoted investments		54,657		54,657
				127,315
				127,315

UNQUOTED INVESTMENTS - RELATED*

Foreign Company

Shalimar Developments Sdn. Bhd.	525,651	95,633	525,651	95,633
Total unquoted investments		95,633		95,633
TOTAL INVESTMENT PORTFOLIO		150,290		222,948

The market value of the Company's quoted investment portfolio has been obtained from the Official Valuation List as at 31st March 2012 published by the Colombo Stock Exchange. Provision has not been made for temporary fluctuations in market prices of long-term investments.

*The unquoted investments are reflected at cost.

Directors valuation based on initial cost of investment.

11. TRADE AND OTHER RECEIVABLES

	Current		Non Current		Total	
	2012	2011	2012	2011	2012	2011
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Trade debtors	17,091	15,488	-	-	17,091	15,488
Debtors - Other	-	8	-	-	-	8
Related Companies						
Relationship						
Shalimar Developments Sdn. Bhd.	-	-	-	8,311	-	8,311
Fellow Subsidiary						
Carson Cumberbatch PLC	88	-	-	-	88	-
Ultimate Parent						
Deposits and prepayments	979	902	-	-	979	902
	18,158	16,398	-	8,311	18,158	24,709

To be able to facilitate the Group's expansion plans in Indonesia, your Company had advanced funds to Shalimar Developments Sdn. Bhd. (SDSB) in the past with the intention of progressively capitalizing these funds as equity. As these Indonesian plantations have now reached maturity and have an improved cash flow position, the un-capitalized amount has been repatriated to the Company in the year under review.

Notes to the Financial Statements

<i>As at 31st March</i>	2012 Rs. '000	2011 Rs. '000
12. STATED CAPITAL		
Issued & Fully Paid		
Ordinary		
6,998,400 Ordinary Shares	70,033	70,033
	70,033	70,033
13. CAPITAL RESERVES		
Capital accretion reserve	1,150,870	987,047
	1,150,870	987,047
14. REVENUE RESERVES		
Currency translation reserve	15,416	4,062
Retained profits	357,571	286,925
	372,987	290,987

The movements in the reserves are disclosed in the Statement of Changes in Equity.

15. RETIREMENT BENEFIT OBLIGATIONS**15.1 Provision During the Year**

The amount recognized in the Income Statement is as follows:

Provision made during the year	204	124
Interest charge for the year	47	56
(Gain)/loss arising from the change in assumptions	321	(206)
	572	(26)

15.2 Beginning of the Year

The movement in the liability recognized in the Balance Sheet is as follows:

Beginning of the year	1,169	1,400
Charge for the year	572	(26)
Exchange loss	187	81
Payments made during the year	-	(286)
	1,928	1,169

The Company has calculated the defined benefit plan gratuity liability in accordance with the formula method as described in appendix (E) of Revised SLAS 16. Appropriate and compatible assumptions were used in determining the cost of retirement benefits.

The principle assumptions used were as follows:

	2012	2011
Discount rate	4%	4%
Future salary increment rate	3%	3%
Staff turnover rate	9%	13%

16 TRADE PAYABLES AND ACCRUALS

<i>As at 31st March</i>	2012 Rs. '000	2011 Rs. '000
Trade creditors	3,911	8,589
Accrued expenses	3,629	2,518
Unclaimed dividend	12,469	7,066
Other creditors - Amounts due to		
Related Companies		
Carsons Management		
Services (Pvt) Ltd	69	69
Relationship		
Group Company	20,078	18,242

Notes to the Financial Statements

17. DEFERRED TAX ASSETS, LIABILITIES AND INCOME TAX

	Balance Sheet		Income Statement	
	2012	2011	2012	2011
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Deferred Tax Liability				
Deferred tax on property plant & Equipment	655	444	211	240
Deferred tax on mature/immature plantation	14,467	14,965	(498)	(523)
	15,122	15,409	(287)	(283)
Deferred Tax Assets				
Defined Benefit Plans	(433)	(278)	(155)	72
Provision for Ex-Gratia	(9)	(318)	309	(138)
	(442)	(596)	154	(66)
Effect of Exchange Rate movement	31	22		
Deferred income tax income/(expense)			(133)	(349)
Net deferred tax liability	14,711	14,835		

18. SEGMENTAL REPORTING
(A) INDUSTRY

	Palm Oil		Investments		Company	
	2012 Rs. '000	2011 Rs. '000	2012 Rs. '000	2011 Rs. '000	2012 Rs. '000	2011 Rs. '000
<i>For the year ended 31st March</i>						
Revenue						
External revenue	201,697	182,964	38,632	39,199	240,329	222,163
	201,697	182,964	38,632	39,199	240,329	222,163
Result						
Segment result	137,235	130,528	50,751	35,346	187,986	165,874
Taxation	(34,516)	(32,802)	107	(1,461)	(34,409)	(34,263)
	102,719	97,726	50,858	33,885	153,577	131,611
Other Information						
Segment assets	1,425,790	1,214,243	208,941	170,624	1,634,731	1,384,867
Segment liabilities	24,274	28,853	13,567	7,946	40,841	36,799
Capital expenditure	411	2,934	-	-	411	2,934
Depreciation	2,792	2,653	-	-	2,792	2,653
Retirement benefits/(charge)	572	(26)	-	-	572	(26)

Notes to the Financial Statements

18. SEGMENTAL REPORTING (contd.)
(B) GEOGRAPHICAL

For the year ended 31st March	Malaysia		Sri Lanka		Company	
	2012 Rs. '000	2011 Rs. '000	2012 Rs. '000	2011 Rs. '000	2012 Rs. '000	2011 Rs. '000
Revenue						
External revenue	201,697	182,964	38,632	39,199	240,329	222,163
	201,697	182,964	38,632	39,199	240,329	222,163
Result						
Segment result	137,235	130,528	50,751	35,346	187,986	165,874
Taxation	(34,516)	(32,802)	107	(1,461)	(34,409)	(34,263)
	102,719	97,726	50,858	33,885	153,577	131,611
Other Information						
Segment assets	1,425,790	1,214,243	208,941	170,624	1,634,731	1,384,867
Segment liabilities	24,274	28,853	13,567	7,946	40,841	36,799
Capital expenditure	411	2,934	-	-	411	2,934
Depreciation	2,792	2,653	-	-	2,792	2,653
Retirement benefits/(charge)	572	(26)	-	-	572	(26)

19. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE**Proposed Dividend**

After satisfying the solvency test in accordance with Section 57 of the Companies Act No. 7 of 2007, the Directors recommended the payment of final dividend of Rs. 16.00 per share for the year ended 31st March 2012. However, in accordance with Sri Lanka Accounting Standard No. 12 (Revised 2005) - Events After the Balance Sheet Date, this proposed final dividend has not been recognized as a liability as at 31st March 2012. This would result in a total outflow of Rs. 111.97 mn subject to approval at the forthcoming Annual General Meeting.

There were no circumstances which required adjustment to or disclosures in these Financial Statements other than that disclosed above.

20. ASSETS PLEDGED

There were no assets pledged other than as disclosed under Note 21 of these Financial Statements.

21. CONTINGENT LIABILITIES

There are no material contingent liabilities other than the following as at the Balance Sheet date of 31st March 2012.

Malaysian plantation properties of Indo-Malay PLC and Selinsing PLC were charged as security to Standard Chartered Bank Singapore to secure a financing facility under Goodhope Asia Holdings Ltd, the Company's parent, in order to facilitate the Group expansion programme of the plantation asset base and to refinance the Group's existing debt obligations.

An internal arrangement was established to ensure equitability amongst the four Malaysian plantation companies (Indo-Malay PLC, Selinsing PLC, Good Hope PLC, and Shalimar (Malay) PLC), with each of the four Malaysian plantation companies counter guaranteeing the combined liability that would crystallize in the event of a successful claim on properties mortgaged by the Company and Selinsing PLC. As such the total loss incurred by Indo-Malay PLC in the event of a successful claim is limited to 25% of the combined loss.

22. CONTRACTS FOR CAPITAL EXPENDITURE

There were no material contracts for capital expenditure as at the Balance Sheet date.

Notes to the Financial Statements

23. RELATED PARTY DISCLOSURES
23.1 Transactions with Related Companies

Name of the Company	Relationship	Nature of Transactions	Transaction Value during the year Rs. '000	Amounts Outstanding As at 31st March Rs. '000
2012				
1 Agro Harapan Lestari Sdn. Bhd. (AHL SB)	Fellow Subsidiary	Management fees, technical support services, sales commission and performance incentive	12,416	-
		Temporary advances	10,113	-
2 Shalimar Developments Sdn. Bhd. (SDSB)	Fellow Subsidiary	Return of long term advance made towards share capital	8,311	-
		Dividend income	34,821	-
3 Shalimar (Malay) PLC	Fellow Subsidiary	Dividend income	3,264	-
		Expenses incurred on behalf-Net	10	-
4 Carsons Management Services (Pvt) Ltd	Group Company	Secretarial expenses	744	-
		Expenses incurred on behalf of the Company	69	69
5 Goodhope Asia Holdings Ltd	Immediate Parent	Dividend paid	74,390	-
		Temporary advances	56,150	-
6 AHL Business Solutions (Pvt) Ltd	Fellow Subsidiary	Data processing fee	807	-
		Temporary advances	8,311	-
7 Good Hope PLC	Fellow Subsidiary	Expenses incurred on behalf of the Company	162	-
8 Selinsing PLC	Fellow Subsidiary	Expenses incurred on behalf of the Company	145	-
9 Carson Cumberbatch PLC	Ultimate Parent	Expenses incurred on behalf of the Company	88	88
10 PT Agro Indomas	Fellow Subsidiary	Temporary advances	6,081	-
11 Agro Harapan Lestari (Pvt) Ltd	Fellow Subsidiary	Temporary advances	18,420	-
TOTAL amounts due to Related Parties				(69)
TOTAL amounts due from Related Parties				88

To be able to facilitate the Group's expansion plans in Indonesia, your Company had advanced funds to Shalimar Developments Sdn. Bhd. (SDSB) in the past with the intention of progressively capitalizing these funds as equity. As these Indonesian plantations have now reached maturity and have an improved cash flow position, the un-capitalized amount has been repatriated to the Company in the year under review.

23. RELATED PARTY DISCLOSURES
23.1 Transactions with Related Companies

Name of the Company	Relationship	Nature of Transactions	Transaction Value during the year As at 31st March Rs. '000	Amounts Outstanding As at 31st March Rs. '000
2011				
1 Agro Harapan Lestari Sdn. Bhd. (AHL SB)	Fellow Subsidiary	Management fees, technical support services, sales commission and performance incentive	11,600	-
2 Shalimar Developments Sdn. Bhd. (SDSB)	Fellow Subsidiary	Long term net borrowings/(repayments) Dividend income	- 36,919	8,311 -
3 Shalimar (Malay) PLC	Fellow Subsidiary	Temporary advances Dividend income	18,642 1,382	- -
4 Carsons Management Services (Pvt) Ltd	Group Company	Expenses incurred on behalf of the Company	655	(69)
5 Goodhope Asia Holdings Ltd	Immediate Parent	Dividend paid	46,392	-
6 AHL Business Solutions (Pvt) Ltd	Fellow Subsidiary	Data processing fee	861	-
TOTAL amounts due to Related Parties				(69)
TOTAL amounts due from Related Parties				8,311

These advances are non-interest bearing and pending capitalization in the future.

Notes to the Financial Statements

23.2 Compensation to Key Management Personnel

<i>For the year ended 31st March</i>	2012 Rs. '000	2011 Rs. '000
Emoluments/fees	200	100

Key management personnel of the Company are members of its Board of Directors and that of its Parent and Ultimate Parent.

- 23.3** No material transactions have taken place during the year with the parties/entities in which key management personnel or their close family members have control, joint control or significant influence, which require disclosure in these Financial Statements other than those disclosed under Notes 23.1 on page 57 and 23.2 above.

23.4 Share Transactions

(a) During the year 2011/12 Goodhope Asia Holdings Ltd (GHL), the Parent Company has acquired 883,521 shares of the Company. Accordingly, the Parent Company shareholding has increased from 77.25% to 89.87%. Such share transfers were mainly offered by way of the following Voluntary Offer.

A voluntary offer was made to the shareholders of the Company on 17th March 2011. The shareholders of the Company were offered Carson Cumberbatch PLC (CCPLC) and Bukit Darah PLC (BDPLC) shares in lieu of their shareholdings in the Company. The Company's shares received by CCPLC and BDPLC via the voluntary Offer were transferred to GHL subsequent to the completion of the Voluntary Offer on 3rd May 2011. Accordingly, 853,556 shares of the Company were transferred to GHL on 3rd May 2011.

(b) During the year key management personnel have sold 853,556 shares of the Company.

23.5 Off Balance Sheet Items

Guarantees made on behalf of Goodhope Asia Holdings Ltd has been mentioned in Note 21 on page 55.

Five Year Summary

<i>For the year ended 31st March</i>	2012	2011	2010	2009	2008
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000

Operating Results

Revenue	240,329	222,163	117,031	86,268	86,555
Profit before taxation	187,986	165,874	63,847	37,591	53,927
Taxation	(34,409)	(34,263)	(14,281)	(12,721)	(11,509)
Profit after taxation	153,577	131,611	49,566	24,870	42,418
Dividend Paid - Ordinary	82,931	66,485	6,998	6,998	12,877

As at 31st March

Balance Sheet

Assets

Non-Current Assets

Property, plant & equipment	1,284,681	1,118,341	1,060,356	981,320	1,031,217
Long-term investments	150,290	150,290	150,290	150,290	150,290
Trade & other receivables	-	8,311	8,311	8,311	-
	1,434,971	1,276,942	1,218,957	1,139,921	1,181,507
Current Assets	199,760	107,924	53,828	30,796	30,980
Total Assets	1,634,731	1,384,866	1,272,785	1,170,717	1,212,487

Equity and Liabilities

Stated capital	70,033	70,033	70,033	70,033	70,033
Reserves	1,523,857	1,278,034	1,153,093	1,028,853	1,064,175
	1,593,890	1,348,067	1,223,126	1,098,886	1,134,208

Non-Current Liabilities

Deferred tax liability	14,711	14,835	15,195	18,068	18,234
Retirement benefit obligations	1,928	1,169	1,400	1,003	945
	16,639	16,004	16,595	19,071	19,179

Current Liabilities	24,202	20,795	33,063	52,760	59,100
Total Equity and Liabilities	1,634,731	1,384,866	1,272,785	1,170,717	1,212,487

Cash Flow Statements

For the year ended 31st March

Net cash inflows from operating activities	157,624	109,757	41,820	4,175	79,260
Net cash flows from investing activities	9,814	(202)	(1,439)	(4,901)	(3,746)
Net cash outflows from financing activities	(77,528)	(62,100)	(6,584)	(6,589)	(11,784)
Net (decrease)/increase in cash and cash equivalents	89,910	47,455	33,797	(7,315)	63,730

Five Year Summary

<i>For the year ended 31st March</i>	2012	2011	2010	2009	2008
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Ratios & Statistics

Return on ordinary shareholders' funds (%)	9.64	9.76	4.05	2.26	3.74
Current ratio (Times)	8.25	5.19	1.63	0.58	0.52
Quick asset ratio (Times)	8.25	5.17	1.61	0.57	0.50
Earnings per ordinary share (Rs.)*	21.94	18.81	7.08	3.55	6.06
Dividend per ordinary share (Rs.) (a)	17.25	10.60	9.50	1.00	2.84
Rate of ordinary dividend (%) (a)	172.50	106.00	95.00	10.00	28.40
Dividend payout (Times)	1.21	0.56	1.34	0.28	0.47
Net assets per ordinary share (Rs.)**	227.75	192.63	174.77	157.02	162.07
Market value per share (Rs.)	1,421.00	1220.20	375.00	124.00	310.00
P/E ratio (Times)	64.75	64.87	52.95	34.89	51.15
Market capitalization (Rs.'000)	9,944,726	8,539,448	2,624,400	867,801	2,169,504
Net sales average (MYR)	649.71	627.02	444.66	436.59	505.43

Plantation Operations

Mature area (Ha)	281.26	281.26	283.89	283.89	233.05
Immature area (Ha)	2.63	2.63	2.63	-	50.84
Crop (Tonnes)	8,394	8,156	7,596	6,061	4,144
Yield per Ha (Tonnes) (b)	29.84	29.00	27.01	21.35	17.78

* The earnings per ordinary share is calculated by dividing the profit over the weighted average number of ordinary shares in issue during the year.

** Net assets per ordinary share is calculated by dividing shareholders' funds by number of ordinary shares.

(a) Based on proposed dividend and interim dividend paid.

(b) The yield is computed by taking into account the average mature hectares during the year.

Statement of Value Added

<i>For the year ended 31st March</i>	2012		2011	
	Rs. '000	%	Rs. '000	%
Revenue	240,329		222,163	
Other income	15,757		-	
	256,086		222,163	
Bought in materials and services	(47,418)		(40,626)	
	208,668		181,537	

Distributed as follows:

To Employees

as remuneration	17,890	2.04	13,010	7.17
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To Government

as taxation	34,542	3.94	34,612	19.07
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To Shareholders

as ordinary dividends	82,931	85.64	66,485	36.62
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Retained in the Business

as depreciation	2,792	0.32	2,653	1.46
as deferred tax	(133)	(0.02)	(349)	(0.19)
as retained profits	70,646	8.08	65,126	35.87
	208,668	100.00	181,537	100

The Statement of Value Added shows the quantum of wealth generated by the activities of the Company and its application.

US\$ Financials

Preparation of
US Dollar Financials

The Financial Statements of the Company are stated in Sri Lankan Rupees.
The translation of the Sri Lankan Rupee amounts into US Dollars is
included solely for the convenience of Shareholders, Investors,
Bankers and other users of Financial Statements.

US Dollar financials do not form part of the
Audited Financial Statements of the Company.

Income Statement

<i>For the year ended 31st March</i>	2012	2011
	US\$	US\$
Revenue	2,154,654	1,977,896
Direct operating costs	(445,171)	(349,859)
Gross profit	1,708,483	1,628,037
Other income and gains	128,495	-
	1,837,978	1,628,037
Administrative expenses	(162,556)	(152,248)
Profit before taxation	1,675,422	1,475,789
Income tax expense	(308,292)	(306,122)
Profit for the year	1,367,130	1,169,667

Figures in brackets indicate deductions.

Balance Sheet

<i>As at 31st March</i>	2012	2011
	US\$	US\$
Assets		
Non-Current Assets		
Property, plant & equipment	9,866,973	10,125,305
Long-term investments	1,428,600	1,428,600
Trade and other receivables	-	75,251
Total non-current assets	11,295,573	11,629,156
Current Assets		
Inventories	4,510	3,815
Trade and other receivables	139,460	148,467
Cash and cash equivalents	1,390,279	824,857
Total current assets	1,534,249	977,139
Total Assets	12,829,822	12,606,295
Equity and Liabilities		
Equity		
Stated capital	880,554	880,554
Capital reserves	8,839,246	8,936,595
Revenue reserves	2,796,337	2,455,967
Total equity	12,516,137	12,273,116
Non-Current Liabilities		
Deferred tax liability	112,983	134,314
Retirement benefit obligations	14,809	10,591
Total non-current Liabilities	127,792	144,905
Current Liabilities		
Trade payables and accruals	154,214	165,158
Taxation payable	31,679	23,116
Total current liabilities	185,893	188,274
Total Equity and Liabilities	12,829,822	12,606,295

Notes to the Financial Statements

1. BASIS OF CONVERSION

The translation of Sri Lankan Rupee amounts into US Dollar amount is solely for the convenience of the shareholders, investors, bankers and other users of Financial Statements.

The translation of the Financial Statements into US Dollars was affected based on the following exchange rates:

		2012 Rs.	2011 Rs.
Income Statement	Average rate	111.88	112.13
Monetary assets and liabilities	Closing rate	130.20	110.46
Non-current assets and liabilities	Closing rate	130.20	110.46

Gains or losses on conversions are accounted for in the revenue reserve.

2. REVENUE RESERVE

	2012 US\$	2011 US\$
Beginning of the year	2,455,967	1,683,353
Net Profit/(Loss) for the year	1,367,130	1,169,668
Balance as at the end of the year before foreign currency translation	3,823,097	2,853,021
Dividend - Ordinary	(744,845)	(580,653)
Currency translation reserve	98,203	281,801
Cumulative translation reserve	(308,118)	(98,202)
End of the Year	2,796,337	2,455,967

Notes to the Financial Statements

3 SEGMENTAL REPORTING (A) INDUSTRY

	Palm Oil		Investments		Company	
	2012 US\$	2011 US\$	2012 US\$	2011 US\$	2012 US\$	2011 US\$
Revenue						
External revenue	1,802,724	1,633,285	350,930	344,611	2,153,654	1,977,896
	1,802,724	1,633,285	350,980	344,611	2,153,654	1,977,896
Result						
Segment result	1,228,574	1,165,608	446,848	310,182	1,675,422	1,475,790
Taxation	(309,114)	(293,023)	822	(13,099)	(308,292)	(306,122)
	918,460	872,585	447,670	297,083	1,367,130	1,169,668
Other Information						
Segment assets	11,225,052	10,993,600	1,604,770	1,612,694	12,829,822	12,606,295
Segment liabilities	209,487	261,236	104,198	71,943	313,685	333,179
Capital expenditure	3,157	26,561	-	-	3,157	26,561
Depreciation	21,444	23,645	-	-	21,444	23,645
Retirement benefits/(charge)	4,393	(178)	-	-	4,393	(178)

3 SEGMENTAL REPORTING (contd.)

(B) GEOGRAPHICAL

	Malaysia		Sri Lanka		Company	
	2012 US\$	2011 US\$	2012 US\$	2011 US\$	2012 US\$	2011 US\$
Revenue						
External revenue	1,802,724	1,633,285	350,930	344,611	2,153,654	1,977,896
	1,802,724	1,633,285	350,980	344,611	2,153,654	1,977,896
Result						
Segment result	1,228,574	1,165,608	446,848	310,182	1,675,422	1,475,790
Taxation	(309,114)	(293,023)	822	(13,099)	(308,292)	(306,122)
	918,460	872,585	447,670	297,083	1,367,130	1,169,668
Other Information						
Segment assets	11,225,052	10,993,600	1,604,770	1,612,694	12,829,822	12,606,295
Segment liabilities	209,487	261,236	104,198	71,943	313,685	333,179
Capital expenditure	3,157	26,561	-	-	3,157	26,561
Depreciation	21,444	23,645	-	-	21,444	23,645
Retirement benefits/(charge)	4,393	(178)	-	-	4,393	(178)

Five Year Summary

<i>For the year ended 31st March</i>	2012	2011	2010	2009	2008
	US\$	US\$	US\$	US\$	US\$

Operating Results

Revenue	2,154,654	1,977,896	1,024,431	785,758	784,368
Profit before taxation	1,675,422	1,475,789	558,887	342,390	488,690
Taxation	(308,292)	(306,122)	(125,010)	(115,869)	(104,295)
Profit after taxation	1,367,130	1,169,667	433,877	226,521	384,395
Dividend - Ordinary	744,845	580,653	(61,257)	(63,744)	116,691

As at 31st March

Balance Sheet

Assets

Non-Current Assets

Property, plant & equipment	9,866,973	10,125,305	9,301,368	8,481,588	9,561,586
Long-term investments	1,428,600	1,428,600	1,318,333	1,298,967	1,393,510
Trade and other receivables	-	75,251	72,904	71,832	-
	11,295,573	11,629,156	10,692,605	9,852,387	10,955,096

Current Assets	1,534,249	977,139	472,175	266,171	287,251
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Total Assets	12,829,822	12,606,295	11,164,780	10,118,558	11,242,347
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Equity and Liabilities

Stated capital	880,554	880,554	880,554	880,554	880,554
Reserves	11,635,583	11,392,562	9,848,625	8,617,169	9,635,978
	12,516,137	12,273,116	10,729,179	9,497,723	10,516,532

Non-Current Liabilities

Deferred tax liability	112,983	134,314	133,293	156,162	169,069
Retirement benefit obligations	14,809	10,591	12,281	8,672	8,762
	127,792	144,905	145,574	164,834	177,831

Current Liabilities	185,893	188,274	290,027	456,001	547,984
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Total Equity and Liabilities	12,829,822	12,606,295	11,164,780	10,118,558	11,242,347
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<i>For the year ended 31st March</i>	2012	2011	2010	2009	2008
	US\$	US\$	US\$	US\$	US\$

Cash Flow Statements

Net cash (outflows)/inflows					
from operating activities	1,267,711	1,009,270	368,119	36,074	734,900
Net cash (outflows)/inflows					
from investing activities	8,772	(26,561)	(12,623)	(42,361)	(34,733)
Net cash used in					
financing activities	(710,560)	(540,143)	(57,754)	(56,949)	(109,263)
Net (decrease)/increase in					
cash and cash equivalents	565,423	442,565	297,742	(63,236)	590,904

Ratios & Statistics

Return on ordinary					
shareholders' funds (%)	10.92	9.53	4.05	2.38	3.66
Current ratio (times)	8.25	5.19	1.63	0.58	0.52
Earnings per ordinary share (US\$)	0.20	0.17	0.06	0.03	0.05
Dividend per ordinary share (US\$)	0.15	0.09	0.08	0.01	0.03
Rate of ordinary dividend (%)	172.50	106.00	95.00	10.00	28.40
Net assets per ordinary share (US\$)	1.79	1.75	1.53	1.36	1.50
Market value per share (US\$)	10.91	11.05	3.29	1.07	2.87
Market capitalization (US\$'000)	76,380	77,308	23,025	7,516	20,116
P/E ratio (times)	54.55	65	54.83	35.66	57.40

Information to Shareholders and Investors

1. Stock Exchange Listing

Indo-Malay PLC, is a Public Quoted Company, the ordinary shares of which are listed on the main board of the Colombo Stock Exchange of Sri Lanka.

2. Share Valuation

The market value of the Company's shares as at 31st March 2012 was Rs.1,421.00 per share (2011: Rs. 1220.20 per share).

3. Shareholders

<i>As at 31st March</i>	2012	2011
No. of Ordinary Shareholders	242	341

The number of ordinary shares held by non-residents as at 31st March 2012 was 6,811,901 which amounts to 97.34% of the total number of ordinary shares.

Resident/Non-Resident Shareholders as at 31st March 2012

Distribution of Shares	Residents			Non-Residents			Total		
	No. of Members	No. of Shares	%	No. of Members	No. of Shares	%	No. of Members	No. of Shares	%
1 - 1,000	196	13,083	0.19	-	-	-	196	13,083	0.19
1,001 - 10,000	16	66,574	0.95	9	58,404	0.83	25	124,978	1.78
10,001 - 100,000	6	106,842	1.52	13	315,694	4.51	19	422,536	6.04
100,001 - 1,000,000	-	-	-	1	148,052	2.12	1	148,052	2.11
Above 1,000,000	-	-	-	1	6,289,751	89.88	1	6,289,751	89.88
Grand Total	218	186,499	2.66	24	6,811,901	97.34	242	6,998,400	100.00

Categorization of Shareholders

	No. of Shareholders	Ordinary No. of Shares	%
Individuals	230	707,739	10.11
Institutions	12	6,290,661	89.89

Percentage of ordinary shares held by the public as at 31st March 2012 was 10.12%.

4. Market Performance - Ordinary Shares

<i>For the year ended 31st March</i>	2012	2011
Highest - (Rs.)	1,500	1,720
Lowest - (Rs.)	901	300
Volume Traded (Shares)	1,739,459	87,800
No. of Trades	108	325
Value of Shares Traded (Rs.'000)	2,469,158	64,659

5. Market Capitalization

Market capitalization of the Company, which is the number of ordinary shares in issue multiplied by the market value of a share, was Rs. 9,944.73 mn as at 31st March 2012 (2011: Rs. 8,539.45 mn).

6. Proposed final Dividends-ordinary

The Directors recommend a final dividend of Rs. 16.00 per share for the year ended 31st March 2012.

7. Record of Scrip Issues

The undermentioned scrip issues had been made by the Company.

Year ended 31st March	Issue	Basis	No. of Shares Ordinary	Cumulative Ordinary Share Capital Rs.
1994	-	-	405,000	4,050,000
1995	Bonus	01:03	405,000	8,100,000
1998	Bonus	01:02	405,000	12,150,000
1999	Bonus	01:01	1,215,000	24,300,000
2003	Bonus	01:05	486,000	29,160,000
2003 May	Bonus	01:05	583,200	34,992,000
2004 March	Bonus	01:02	3,499,200	69,984,000
Total Shares in Issue			6,998,400	

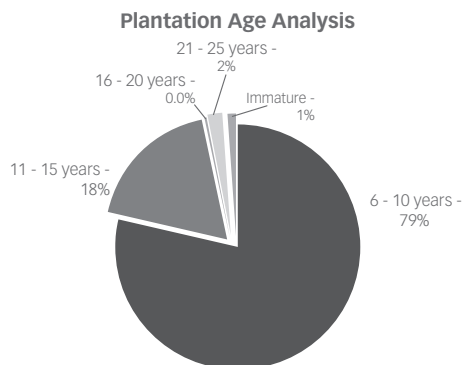
Information to Shareholders and Investors

8. Malaysian Property

- 8.1** The gross area of the Oil Palm plantation is 283.89 Ha.
- 8.2** The plantation is situated in the State of Selangor, District of Kuala Selangor.
- 8.3** The carrying value of the property, plant & equipment as at the Balance Sheet date was at Rs.1,284.68 mn (2011: Rs. 1,118.34 mn) on an existing use basis.

9. Mature and Immature Plantation Aged Analysis

	Mature					Immature	Total
Year	0 - 5	6 - 10	11 - 15	16 - 20	21 - 25		
Hectares	-	223.68	51.51	0.81	5.26	2.63	283.89



10. Indonesian Property

PT Agro Indomas, the Company's investment in Indonesia made through Shalimar Developments Sdn. Bhd. (investment vehicle in Malaysia) is located 75 km from Sampit, in close proximity to Terawan and Lampasa villages, in the district of Danua Sembuluh, in the regency of Seruyan in Central Kalimantan Province, Indonesia.

PT Agro Indomas has a land area of 35,860 Ha of which the gross planted area is 22,917 Ha. Operational performance information is given below:

	2012	2011	2010	2009	2008
Crop Production (Tonnes)	480,869	498,012	474,401	348,675	400,616
CPO (Tonnes)	117,514	124,421	121,069	89,449	99,837
PK (Tonnes)	26,384	28,723	28,479	19,286	21,572

Glossary of Financial Terms

Capital Reserves

Reserves identified for specific purposes and considered not available for distribution.

Cash Equivalents

Liquid investments with original maturities of six months or less.

Contingent Liabilities

Conditions or situations at the Balance Sheet date, the financial effects of which are to be determined by future events which may or may not occur.

Current Ratio

Current assets divided by current liabilities.

Quick Ratio

Current assets less inventories divided by current liabilities.

Dividend Per Share

Dividend paid interim and proposed, divided by the number of shares in issue which ranked for those dividends.

Dividend Payout

Total interim and proposed dividends divided by profit after tax.

Earnings Per Ordinary Share

Profits attributable to ordinary shareholders before extraordinary items

and after preference dividend divided by the weighted average number of ordinary shares in issue, ranking for dividend.

Equity

Shareholders' funds.

Events Occurring after the Balance Sheet Date

Significant events that occur between the Balance Sheet date and the date on which Financial Statements are authorized for issue.

Market Capitalization

The market value of a company at a given date obtained by multiplying the share price by the number of shares in issue.

Net Assets Per Share

Total assets less total liabilities divided by the number of ordinary shares in issue.

Net Current Assets

Current assets less current liabilities. Measures the capital required to finance day-to-day operations.

Price Earnings Ratio (P/E)

Market price of a share divided by earnings per share.

Glossary of Financial Terms

Rate of Ordinary Dividend

The Rupee amount of the dividend per share as a percentage of the nominal value of the shares.

Reserves

The total of capital and revenue reserves.

Related Parties

Parties who could control or significantly influence the financial and operating policies/decisions of the business.

Return on Shareholders' Funds

Profit attributable to ordinary shareholders divided by shareholders' funds (total of ordinary share capital and reserves).

Revenue Reserves

Reserves considered as being available for distribution.

Segment

Constituent business units grouped in terms of nature and similarity of operations.

Value Addition

The quantum of wealth generated by the activities of the Company.

Others

CPO - Crude Palm Oil

PK - Palm Kernel

FFB - Fresh Fruit Bunches

Ha - Hectare

MYR - Malaysian Ringgit

MPC - Malaysian Plantation Companies

Notice of Meeting

NOTICE IS HEREBY GIVEN that the ONE HUNDRED AND SIXTH ANNUAL GENERAL MEETING of INDO-MALAY PLC will be held on Thursday the 31st day of May 2012, at 9.30 a.m. at the 8th Floor, No. 65C, Dharmapala Mawatha, Colombo 7, for the following purposes:

1. To receive and adopt the Annual Report of the Board of Directors and the Financial Statements for the year ended 31st March 2012, together with the Report of the Auditors thereon.
2. To declare a dividend as recommended by the Directors.
3. To re-elect Mr. H. Selvanathan who retires by rotation in terms of Articles 85 & 86 of the Articles of Association of the Company.
4. To re-appoint Mr. I. Paulraj as a Director of the Company who is over seventy years of age and to consider and if deemed fit to pass the following resolution:
 "IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not be applicable to Mr. I. Paulraj who is seventy five years of age and that he be re-appointed a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year".
5. To re-appoint Mr. Tennyson Rodrigo as a Director of the Company who is over seventy years of age and to consider and if deemed fit to pass the following resolution;
 "IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not be applicable to Mr. T. Rodrigo who is eighty two years of age and that he be re-

appointed a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year".

6. To re-appoint Messrs. Ernst & Young, Chartered Accountants as Auditors of the Company as set out in Section 154 (1) of the Companies Act No. 7 of 2007 and to authorize the Directors to determine their remuneration.

By Order of the Board,

Carsons Management Services (Pvt) Ltd.

Secretaries

Colombo.

20th April 2012

Notes

1. A member is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a member of the Company. A Form of Proxy accompanies this notice.
2. The completed Form of Proxy must be deposited at the Registered Office, No. 61, Janadhipathi Mawatha, Colombo 1, not later than 9.30 a.m. on 29th May 2012.
3. A person representing a Corporation is required to carry a certified copy of the resolution authorizing him/her to act as the representative of the Corporation. A representative need not be a member.
4. The transfer books of the Company will remain open.
5. Security Check
 We shall be obliged if the shareholders/proxies attending the Annual General Meeting, produce their National Identity Card to the security personnel stationed at the entrance.

Notes

[illegible]

Form of Proxy

*I/We
 of
 being *a Member/Members of INDO-MALAY PLC, hereby appoint

.....
 of
 bearing NIC No./Passport No. or failing him/her.

Hariharan Selvanathan	or failing him,
Manoharan Selvanathan	or failing him,
Israel Paulraj	or failing him,
Don Chandima Rajakaruna Gunawardena	or failing him,
Palehenalage Chandana Priyankara Tissera	or failing him,
Kurukulasuriya Calisanctus Nalaka Fernando	or failing him,
Tennyson Rodrigo	

As *my/our proxy to attend at the Annual General Meeting of the Company to be held on Thursday the 31st day of May 2012 at 9.30 a.m. at the 8th Floor, No. 65 C, Dharmapala Mawatha, Colombo 07 and any adjournment thereof and at every poll which may be taken in consequence thereof.

	For	Against
1. To adopt the Annual Report of the Board of Directors and the Financial Statements for the year ended 31st March 2012, together with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2. To declare Rs. 16.00 per share as a final dividend for the financial year ended 31st March 2012 as recommended by the Directors.	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect Mr. H. Selvanathan who retires by rotation in terms of Articles 85 & 86 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
4. To re-appoint Mr. I. Paulraj who is over Seventy years of age as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
5. To re-appoint Mr. T. Rodrigo who is over seventy years of age as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>
6. To re-appoint Messrs. Ernst & Young, Chartered Accountants as Auditors of the Company as set out in Section 154 (1) of the Companies Act No. 7 of 2007 and to authorize the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>

Signed this day ofTwo Thousand and Twelve

Signature/s

Notes

- * Please delete the inappropriate words.
- A shareholder entitled to attend and vote at a General Meeting of the Company, is entitled to appoint a proxy to attend and vote instead of him/her and the proxy need not be a shareholder of the Company. A proxy so appointed shall have the right to vote on a show of hands or on a poll and to speak at the General Meeting of the shareholders.
- A shareholder is not entitled to appoint more than one proxy on the same occasion.
- Instructions are noted on the reverse hereof.

INSTRUCTIONS AS TO COMPLETION

- 1. Kindly perfect the Form of Proxy after filling in legibly your full name and address, by signing in the space provided. Please fill in the date of signature.
- 2. If you wish to appoint a person other than the Directors as your proxy, please insert the relevant details in the space provided overleaf.
- 3. In terms of Article 67 of the Articles of Association of the Company:

The instrument appointing a proxy shall be in writing and:

- (i) in the case of an individual shall be signed by the Appointor or by his Attorney; and
- (ii) in the case of a Corporation shall be either under its common seal or signed by its Attorney or by an officer on behalf of the Corporation.

The Company may, but shall not be bound to, require evidence of the authority of any such Attorney or officer.

A proxy need not be a member of the Company.

- 4. In terms of Article 62 of the Articles of Association of the Company;
In the case of joint-holders of a share, the senior who tenders a vote, whether in person or by proxy or by Attorney or by representative, shall be accepted to the exclusion of the votes of the other joint-holders and for this purpose seniority shall be determined by the order in which the names stands in the Register of Members in respect of the joint holding.
- 5. To be valid the completed Form of Proxy should be deposited at the Registered Office of the Company situated at No. 61, Janadhipathi Mawatha, Colombo 1 not later than 9.30 a.m. on 29th May 2012.

Please fill in the following details

Name :
.....

Address :
.....
.....

Jointly with :

Share Folio No. :

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

Hari Selvanathan (Chairman)
Mano Selvanathan
Israel Paulraj
Tennyson Rodrigo
D. Chandima R. Gunawardena
P. Chandana P. Tissera
K. C. Nalake Fernando

ALTERNATE DIRECTOR

Subramaniam Mahendrarajah
(for Israel Paulraj)

BANKERS

Standard Chartered Bank
Commercial Bank of Ceylon PLC
Deutsche Bank
HSBC Bank Malaysia Bhd.

AUDITORS IN SRI LANKA

Messrs. Ernst & Young
Chartered Accountants
201, De Saram Place
Colombo 10, Sri Lanka
Tel: + 94 11 2463500
Fax: + 94 11 2697369

AUDITORS IN MALAYSIA

Messrs. Ernst & Young
AF 0039
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara 50490
Kuala Lumpur, Malaysia
Tel: + 603 7495 8000
+ 603 2095 5332 (General Line)

MANAGERS

Agro Harapan Lestari Sdn. Bhd.
Suite 6.08, Level 6, Wisma UOA
Damansara II
6 Changkat Semantan
Damansara Heights
50490, Kuala Lumpur, Malaysia
Tel: + 603 2093 4660
Fax: + 603 2093 5660

SECRETARIES

Carsons Management Services (Pvt) Ltd.
61, Janadhipathi Mawatha
Colombo 1, Sri Lanka
Tel: + 94 4739200
Fax: + 94 4739300

REGISTERED OFFICE

61, Janadhipathi Mawatha
Colombo 1, Sri Lanka
Tel: + 94 4739200
Fax: + 94 4739300

PRINCIPAL PLACE OF BUSINESS

Ladang Berjuntai
45600 Batang Berjuntai
Selangor Darul Ehsan, Malaysia

CORPORATE WEBSITE

www.goodhopeholdings.com

HOLDING COMPANY

Goodhope Asia Holdings Ltd

ULTIMATE PARENT AND CONTROLLING ENTITY

Carson Cumberbatch PLC

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