



Goodhope

A CARSON CUMBERBATCH COMPANY

Shalimar (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

103rd Annual General Meeting 31st May 2012

** Subject to approval from Shareholders*

Contents

| | | | |
|-------------------------------|----|-----------------------------------|-----|
| Chairman's Statement | 1 | Financial Reports | |
| Review of Industry and | | Independent Auditor's Report | 25 |
| Operational Performance | 2 | Income Statement | 26 |
| Risk Management | 4 | Balance Sheet | 27 |
| Profile of the Directors | 7 | Statement of Changes in Equity | 28 |
| Statement of Directors' | | Cash Flow Statement | 29 |
| Responsibilities | 10 | Notes to the Financial Statements | 30 |
| Annual Report of the Board of | | Five Year Summary | 60 |
| Directors on the Affairs of | | Statement of Value Added | 62 |
| the Company | 11 | US Dollar Financials | 64 |
| Audit Committee Report | 21 | Information to Shareholders and | |
| | | Investors | 71 |
| | | Glossary of Financial Terms | 74 |
| | | Notice of Meeting | 76 |
| | | Form of Proxy | 79 |
| | | Corporate Information | IBC |

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 Shalimar (Malay) PLC for the year ended 31st March 2012, and welcome you to the One Hundred and Third Annual General Meeting of the Company.

Your Company had another successful year, with profit before tax increasing to Rs. 255.72 mn for the year ended 31st March 2012, compared to Rs. 193.87 mn during the previous year. Shalimar (Malay) PLC recorded a net profit after tax of Rs. 210.34 mn during the year compared to a net profit after tax of Rs. 153.02 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. 7.50 per share in February 2012. Taking into consideration the performance during the year, the Company proposes a final dividend of Rs. 17.00 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.

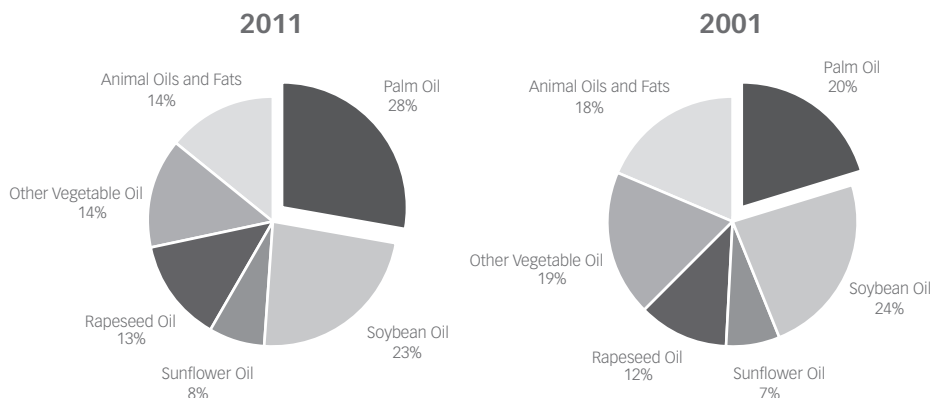
Hence, we forecast palm oil prices to trade above MYR 3,000 over the short to medium term, supported by a supply deficit to meet the increasing demand.

Overview of Financial Performance and Operational Performance

Your Company recorded a profit after tax of Rs. 210.34 mn during the year under review, as compared to Rs 153.02 mn recorded in the previous year. Profit before tax was Rs 255.72 mn as compared to Rs.193.87 mn recorded in the previous year.

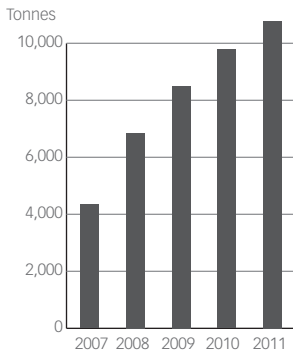
The Company's crop production increased as the plantations reached its peak yielding cycle arising from the replanting program carried out previously, as well as due to improved yields resulting from better agronomy management practices being deployed. Cost of production has been maintained

World Oil Production



Source : Oil World

Crop Production

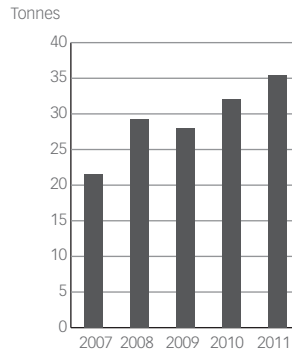


at a sustainable level despite increasing costs, wage increases and inflationary impact; through increased productivity and cost management practices. This coupled together with sustained CPO prices witnessed during the year contributed to steady operating margins and an increased profit before tax.

As at 31st March 2012, total plantation hectarage was 305.81 Ha, of which 304.50 Ha was classified as mature and the rest as 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

Yield Per Hectare



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 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

Risk Management

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 Ltd 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.

He served as Past Chairman of the Federation of Exporters' Associations of

Profile of the Directors

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.

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.

Kenneth Sellayah

Kenneth Sellayah is a Director of Good Hope PLC and Prime Property Management Services (Pvt) Ltd. He is also a former Director of Shaw Wallace &

Hedges Ltd., General Manager of Ceylon Trading Company Ltd., Director of several of its subsidiaries and Managing Director of Scanships Ltd. He served as Chairman of the Coconut and General Products Exporters Association and the Exports Section of the Ceylon Chamber of Commerce. He is a former Director of CPC (Lanka) Ltd., CPC Agrifoods Ltd., and a member of several Committees of the Ceylon Chamber of Commerce. He is a member of the Institute of Exports, UK and the Chartered Management Institute, 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. 07 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 Shalimar (Malay) PLC, a public limited liability Company incorporated in Sri Lanka in 1909.

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 investments.

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 & 3. These 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. 210.34 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 | 2011 |
|---|------------------|----------|
| | Rs. '000 | Rs. '000 |
| Profit after taxation | 210,340 | 153,020 |
| Profit brought forward from previous year | 346,154 | 262,535 |
| Profit available for appropriation | 556,494 | 415,555 |
| Appropriation | | |
| Dividend paid | (149,215) | (69,401) |
| Unappropriated profits carried forward | 407,279 | 346,154 |

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 page 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

The Financial Statements of the Company comprising of 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 59.

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, for the financial year ended 31st March 2012 is given in Note 5 and Note 23.2 to the Financial Statements on pages 43 and 59 respectively.

9.3 Directors' Interests in Contracts & Shares

Directors' interests in contracts of the Company are disclosed in Note 23.3 on page 59 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 interests in ordinary shares of the Company.

| | No. of shares | |
|------------------------|------------------------|-----------------------|
| | 31st March 2012 | 1st April 2011 |
| Mr. H. Selvanathan | - | 150 |
| Mr. M. Selvanathan | - | 150 |
| Mr. I. Paulraj | - | 150 |
| Mr. D.C.R. Gunawardena | - | 1 |
| Mr. A.K. Sellayah | - | - |
| Mr. P.C.P. Tissera | - | - |
| Mr. K.C.N. Fernando | - | - |

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 provided in the Inner Back Cover of this Annual Report.

11.1 Directors to Retire by Rotation

In terms of Articles 87 & 88 of the Articles of Association of the Company, Mr. D. C. R. Gunawardena retires by rotation and being eligible, offers himself for re-election.

11.2 Appointment of Directors who are over Seventy Years of age

Mr. I. Paulraj and Mr. A. K. Sellayah 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 were 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 described in Note 23 on pages 57 & 58 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.

| Directors | Executive/Non-Executive/Independent |
|------------------------|-------------------------------------|
| Mr. H. Selvanathan | Executive |
| Mr. M. Selvanathan | Executive |
| Mr. I. Paulraj | Non-Executive/ Independent * |
| Mr. A.K. Sellayah | Non-Executive/ Independent** |
| Mr. D.C.R. Gunawardena | Non-Executive |
| Mr. P.C.P. Tissera | Executive |
| Mr. K.C.N. Fernando | Executive |

* The Board has determined that Mr. I. 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 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. A. K. Sellayah is an Independent Director inspite of being on the Board for more than nine years and 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.

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 comprise of the following members as shown in the table below.

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.

14.3 Audit Committee

As per the rule 7.10.6 of the Listing Rules of the Colombo Stock Exchange the Audit Committee of

| 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

CCPLC, the Ultimate Parent Company functions as the Audit Committee of the Company and comprises of the following members:

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

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

Audit Committee Report is given on page 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:

| Directors | Meetings Attended (out of 03) |
|------------------------|--------------------------------------|
| Mr. H. Selvanathan | 3 |
| Mr. M. Selvanathan | 3 |
| Mr. I. Paulraj | 2 |
| Mr. D.C.R. Gunawardena | 3 |
| Mr. A.K. Sellayah | 3 |
| Mr. P.C.P. Tissera | 2 |
| Mr. K.C.N. Fernando | 3 |

16. Dividend

Subject to the approval of the shareholders at the Annual General Meeting, a final dividend of Rs. 17.00 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. 117.98 mn subject to approval at the forthcoming Annual General Meeting.

Further, the Company has paid an interim dividend of Rs. 7.50 per share resulting in a total outflow of Rs. 52.05 mn during the year.

17. Solvency Test

Taking into account the said distribution, the Directors are satisfied that the Company would meet 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 have issued a Certificate of Solvency confirming the same.

18. Stated Capital

The Stated Capital of the Company as at 31st March 2012 was Rs. 69,400,800 comprising of 6,940,080 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. 1,910.10 mn (2011: Rs.1,629.68 mn) comprising of Capital Reserves of Rs. 1,511.31 mn and revenue reserve of Rs. 398.79 mn. Total reserves combined with Stated Capital as at 31st March 2012 was Rs. 1,979.50 mn (2011: Rs. 1,699.08 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. 1.25 mn (2011: Rs 10.79 mn).

The movements in property, plant & equipment and Investments during the year are set out in Notes 9 and 10 on pages 48 and 49 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 37.00 mn (2011: MYR 37.00 mn). The values reflected in the Financial Statement as at 31st March 2012 is Rs. 1,551.78 mn compared to Rs. 1,338.40 mn in 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

The market value/valuation of the Company's investment as at 31st March 2012 was Rs. 91.83 mn (2011: Rs. 91.83 mn) as disclosed under Note 10 on page 49 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 21 on page 55 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 71 and 72 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 frame.

28. Annual General Meeting

The One Hundred and third Annual General Meeting of the Company will be held on the 31st day of May 2012 at 3.30 p.m at the 8th Floor, No. 65C, Dharmapala Mawatha, Colombo 07. The Notice of Annual General Meeting is on page 76 of this Annual Report.

29. Twenty Major Shareholders

| <i>As at 31st March</i> | | | | |
|--|----------------------|--------------|----------------------|----------|
| Name of Shareholders | 2012 | | 2011 | |
| | No. of shares | % | No. of shares | % |
| Goodhope Asia Holdings Ltd | 5,582,800 | 80.44 | 5,290,482 | 76.23 |
| Selinsing PLC | 744,984 | 10.73 | 744,984 | 10.73 |
| Good Hope PLC | 215,136 | 3.10 | 215,136 | 3.10 |
| Indo-Malay PLC | 153,576 | 2.21 | 153,576 | 2.21 |
| Mr. A. Gobikrishna | 92,533 | 1.33 | 92,533 | 1.33 |
| Est.of Mr. F. C. Fellowes Gordon (Deceased) | 92,533 | 1.33 | 92,533 | 1.33 |
| Mr. K. C. Vignarajah | 24,317 | 0.35 | 12,400 | 0.18 |
| Mrs. S. Vignarajah | 4,700 | 0.07 | 3,300 | 0.05 |
| Mr. J. A. A. Chandrasiri | 2,500 | 0.04 | 2,500 | 0.04 |
| Mr. S. Vasudevan | 2,300 | 0.03 | 2,300 | 0.03 |
| Dr. D. Jayanntha | 2,100 | 0.03 | - | 0.00 |
| Acuity Partners (Pvt) Limited/ Mr. N. K. Punchihewa | 2,000 | 0.03 | - | 0.00 |
| Mr. I. G. K. R. K. Jayaweera | 1,300 | 0.02 | 1,600 | 0.02 |
| Mr. M. M. A. Ameen | 1,200 | 0.02 | 1,200 | 0.02 |
| Mrs. V. Saraswathy | 1,030 | 0.01 | 1,230 | 0.02 |
| Mr. W. Dharmawardana | 1,000 | 0.01 | 1,000 | 0.01 |
| Miss. K. R. Vignarajah | 800 | 0.01 | - | 0.00 |
| Dr. R. D. Kahandawa Arachchi | 700 | 0.01 | 1,200 | 0.02 |
| Best Real Invest Co Services (Private) Limited | 700 | 0.01 | - | 0.00 |
| Mr. H. W. Senaweera | 600 | 0.01 | 600 | 0.01 |
| Mrs. H. M. S. Seneviratne | 600 | 0.01 | 600 | 0.01 |

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 pages 4 to 6 of this Annual Report. Action plans to monitor and manage these risks are incorporated into our business plan 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 Shalimar (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 Shalimar (Malay) PLC have been reviewed by the Audit Committee Members at Audit Committee Meetings. The draft Financial Statements of Shalimar (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 Shalimar (Malay) PLC at the Annual General Meeting.

(Sgd.)

V. P. Malalasekera

Chairman – Audit Committee

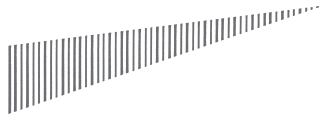
Carson Cumberbatch PLC

20th April 2012

Financial Reports

| | |
|-----------------------------------|----|
| Independent Auditors' Report | 25 |
| Income Statement | 26 |
| Balance Sheet | 27 |
| Statement of Changes in Equity | 28 |
| Cash Flow Statement | 29 |
| Notes to the Financial Statements | 30 |

Independent Auditors' Report


ERNST & YOUNG
Chartered Accountants

 201, De Saram Place
 P.O. Box 101
 Colombo 10
 Sri Lanka

 Tel : (0) 11 2463500
 Fax Gen : (0) 11 2697369
 Tax : (0) 11 5578180
 eysl@lk.ey.com

TO THE SHAREHOLDERS OF SHALIMAR (MALAY) PLC
Report on the Financial Statements

We have audited the accompanying financial statements of Shalimar (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 principles 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.

Ernst & Young
 Chartered Accountants

 20th April, 2012
 Colombo

Partners: A D B Talwatte FCA FCMA M P D Cooray FCA FCMA R N de Saram ACA FCMA Ms. N A De Silva ACA Ms. Y A de Silva ACA W R H Fernando FCA FCMA W K B S P Fernando FCA FCMA A P A Gunasekera FCA FCMA A Herath FCA D K Hulangamuwa FCA FCMA LLB (Lond) H M A Jayasinghe FCA FCMA Ms. A A Ludowyke FCA FCMA Ms. G G S Manatunga ACA Ms. L C G Nanayakkara FCA FCMA N M Sulaiman ACA ACMA B E Wijesuriya ACA ACMA

Income Statement

| <i>For the year ended 31st March</i> | | 2012 | 2011 |
|--|------|-----------------|-----------------|
| | Note | Rs. '000 | Rs. '000 |
| Revenue | 3 | 289,960 | 260,213 |
| Direct operating costs | | (56,139) | (47,312) |
| Gross profit | | 233,821 | 212,901 |
| Other income and gains | 4 | 42,945 | 145 |
| | | 276,766 | 213,046 |
| Administrative expenses | | (21,047) | (19,180) |
| Profit before taxation | 5 | 255,719 | 193,866 |
| Income tax expense | 6 | (45,379) | (40,846) |
| Profit for the year | | 210,340 | 153,020 |
| Earnings per ordinary share* (Rs.) | 7 | 30.31 | 22.05 |
| Dividend per ordinary share** (Rs.) | 7.1 | 24.50 | 14.00 |

The Accounting Policies and Notes from pages 30 to 59 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

| <i>As at 31st March</i> | Note | 2012 Rs. '000 | 2011 Rs. '000 |
|--|------|------------------|------------------|
| Assets | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | 9 | 1,639,985 | 1,426,456 |
| Investments | 10 | 91,834 | 91,834 |
| Trade and other receivables | 11 | - | 48,972 |
| Total non-current assets | | 1,731,819 | 1,567,262 |
| Current Assets | | | |
| Inventories | | 372 | 358 |
| Trade and other receivables | 11 | 17,498 | 18,343 |
| Cash and cash equivalents | | 265,959 | 150,739 |
| Total current assets | | 283,829 | 169,440 |
| Total Assets | | 2,015,648 | 1,736,702 |
| Equity and Liabilities | | | |
| Equity | | | |
| Stated capital | 12 | 69,401 | 69,401 |
| Capital reserves | 13 | 1,511,306 | 1,299,226 |
| Revenue reserves | 14 | 398,793 | 330,457 |
| Total equity | | 1,979,500 | 1,699,084 |
| Non-Current Liabilities | | | |
| Retirement benefit obligations | 15 | 3,173 | 2,236 |
| Deferred tax liability | 16 | 18,254 | 17,940 |
| Total non-current liabilities | | 21,427 | 20,176 |
| Current Liabilities | | | |
| Trade payables and accruals | 17 | 6,780 | 13,194 |
| Taxation payable | | 7,941 | 4,248 |
| Total current liabilities | | 14,721 | 17,442 |
| Total Equity & Liabilities | | 2,015,648 | 1,736,702 |
| Net assets per ordinary share (Rs.) | | 285.23 | 244.82 |

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 59 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 1st April 2010 | 69,401 | 1,226,464 | (19,043) | 262,535 | 1,539,357 |
| Profit for the year | - | - | - | 153,020 | 153,020 |
| Final ordinary dividend - 2009/2010 | - | - | - | (69,401) | (69,401) |
| Adjustment on translation of Malaysian operation's Financial Statements | - | 72,762 | 3,346 | - | 76,108 |
| Balance as at 31st March 2011 | 69,401 | 1,299,226 | (15,697) | 346,154 | 1,699,084 |
| Balance as at 1st April 2011 | 69,401 | 1,299,226 | (15,697) | 346,154 | 1,699,084 |
| Profit for the year | - | - | - | 210,340 | 210,340 |
| Final ordinary dividend - 2010/2011 | - | - | - | (97,164) | (97,164) |
| Interim Dividend - 2011/2012 | - | - | - | (52,051) | (52,051) |
| Adjustment on Translation of Malaysian operation's Financial Statements | - | 212,080 | 7,211 | - | 219,291 |
| Balance as at 31st March 2012 | 69,401 | 1,511,306 | (8,486) | 407,279 | 1,979,500 |

The Accounting Policies and Notes from pages 30 to 59 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

Cash Flow Statement

| For the year ended 31st March | | 2012 | 2011 |
|---|------|------------------|-----------------|
| | Note | Rs. '000 | Rs. '000 |
| Cash Flows from Operating Activities | | | |
| Profit before taxation | | 255,719 | 193,866 |
| Adjustment for: | | | |
| Depreciation on property plant and equipment | 9 | 3,741 | 3,230 |
| Provision for retirement benefit obligations | 15 | 580 | 220 |
| Gain from return of long term advances made towards share capital | | (11,035) | - |
| Exchange differences on currency translations of Malaysian operations | | 3,702 | 2,649 |
| Interest Income | | (1,346) | (1,390) |
| Operating profit before working capital changes | | 251,361 | 198,575 |
| Decrease /(increase) in inventories | | (14) | 269 |
| Decrease in Trade and Other Receivables | | 845 | 13,298 |
| (Decrease)/Increase in Trade Payables and Accruals | | (5,620) | 2,072 |
| Cash generated from operating activities | | 246,572 | 214,214 |
| Tax paid | | (41,451) | (40,302) |
| Retirement benefit obligations paid | 15 | - | (138) |
| Net cash inflows from operating activities | | 205,121 | 173,774 |
| Cash Flows from Investing Activities | | | |
| Purchase of property, plant & equipment | 9 | (1,247) | (10,793) |
| Return of long term advances made towards share capital | | 60,007 | - |
| Interest Income | | 1,346 | 1,390 |
| Net cash (outflows)/inflows from investing activities | | 60,106 | (9,403) |
| Cash Flows from Financing Activities | | | |
| Dividend paid - Ordinary | | (150,007) | (69,401) |
| Net cash used in financing activities | | (150,007) | (69,401) |
| Net increase in cash and cash equivalents | | 115,220 | 94,970 |
| Cash and cash equivalents at the beginning of the year | | 150,739 | 55,769 |
| Cash and cash equivalents at the end of the year (Note A) | | 265,959 | 150,739 |
| Note A | | | |
| Cash and cash equivalents | | | |
| Cash and bank balances | | 221,226 | 14,041 |
| Short-term deposits | | 44,733 | 136,698 |
| | | 265,959 | 150,739 |

The Accounting Policies and Notes from pages 30 to 59 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

Notes to the Financial Statements

1. CORPORATE INFORMATION

1.1 General

Shalimar (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 1 and the principal place of business is situated at Ladang Shalimar, 45700 Bukit Rotan, Selangor Darul Ehsan, 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 Shalimar (Malay) PLC for the year ended 31st March 2012 were

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 Shalimar (Malay) PLC comprise the Balance Sheet and the Statements of Income, Changes in Equity and Cash Flow, together with the Accounting Policies and Notes to the Financial Statements.

These financial 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

The 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 10 and unless otherwise indicated in the Financial Statements.

All values presented in the Financial Statements are in Sri Lanka Rupees 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 the 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 Rupee) 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 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.

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.

Notes to the Financial Statements

(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.

(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

Notes to the Financial Statements

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 |

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 value is 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 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 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.

Quoted investments and units purchased from unit trusts classified as short-term investments are stated at the lower of cost and market value determined on an aggregate portfolio basis.

(c) Market Value/Valuation of the Investment Portfolio

The market values of the investment portfolio are 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.

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.

Notes to the Financial Statements

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 externally funded.

(b) 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 expense in the Income Statement in the year in which it is incurred.

Notes to the Financial Statements

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 proceeds from sale of fresh fruit bunches in Malaysia 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 and 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 and equipment in state of efficiency has been charged to income in arriving at the profit of 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 respect of related party transactions 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 | 2.5.1 | 9 |
| Deferred tax | 2.4.2.2 | 16 |
| Impairment of assets | 2.5.7 | - |
| Retirement benefit obligations | 2.6.1 | 15 |
| Determination and conversion of foreign currencies | 2.4.1 | 8 |
| Investment | 2.5.2 | 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 and Measurement and SLFRS 7 – Disclosures will result in changes to the current method of recognizing financial assets, financial liabilities and equity instruments. These 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.

| <i>For the year ended 31st March</i> | | 2012 | 2011 |
|---|----------------|-----------------|----------|
| | | Rs. '000 | Rs. '000 |
| 3. REVENUE | | | |
| Oil Palm: | | | |
| Sale of fresh fruit bunches | 253,793 | | 221,904 |
| Investment: | | | |
| Dividend income | 34,821 | | 36,919 |
| Interest income | 1,346 | | 1,390 |
| | 289,960 | | 260,213 |
| 4. OTHER INCOME AND GAINS | | | |
| Sundry income | 989 | | 145 |
| Foreign exchange gain | 30,921 | | - |
| Gain from return of long-term advances made towards share capital | 11,035 | | - |
| | 42,945 | | 145 |
| 5. PROFIT BEFORE TAXATION | | | |
| Is stated after charging all expenses including the following: | | | |
| Depreciation (Note 10) | 3,741 | | 3,230 |
| Management fees | 2,243 | | 2,175 |
| Auditors' remuneration | 550 | | 524 |
| Directors' fees | 200 | | 175 |
| Personnel costs (Note 5.1) | 20,188 | | 14,310 |
| 5.1 Personnel Costs | | | |
| Salaries, wages and other staff related expenses | 18,761 | | 13,300 |
| Defined contribution plan expenses - EPF | 847 | | 790 |
| Retirement benefit obligations (Note 15) | 580 | | 220 |
| | 20,188 | | 14,310 |

Notes to the Financial Statements

| <i>For the year ended 31st March</i> | 2012 Rs. '000 | 2011 Rs. '000 |
|--|--------------------------|--------------------------|
| 6. TAXATION | | |
| 6.1 Current Income Tax | | |
| Tax on current year profits (Note 6.2) | 45,143 | 41,142 |
| Deferred Income Tax | | |
| Provision/(Reversal) during the year (Note 15) | 236 | (296) |
| | 45,379 | 40,846 |
| 6.2 Reconciliation of Accounting Profit/(Loss) with Taxable Profit | | |
| Profit before taxation | 255,719 | 193,866 |
| Less : Aggregate of dividend income, FCBU interest income and other non taxable items | (37,022) | (38,154) |
| Gain form return of long-term advances made towards share capital | (11,035) | - |
| Aggregate of tax allowable claims | (2,770) | (1,283) |
| Investment/Interest Income | (1) | (190) |
| Add: Aggregate of tax disallowable expenses | 15,862 | 6,720 |
| Tax adjusted profit from operation | 220,753 | 160,959 |
| Add: Investment/Interest Income | 1 | 190 |
| Total statutory income | 220,754 | 161,149 |
| Taxable Income | 220,754 | 161,149 |
| Taxation in Sri Lanka | | |
| Taxation on operational profits | 26,490 | 24,679 |
| Previous Year (over)/ under provision | (137) | 167 |
| | 26,353 | 24,846 |
| Tax credit claimed (Note 6.3(b)) | (26,490) | (24,144) |
| Taxation in Malaysia | 45,280 | 40,440 |
| Total tax charge | 45,143 | 41,142 |

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 46 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 Section 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 would 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 is based on the profit after taxation over the weighted average number of ordinary shares in issue during the year.

Notes to the Financial Statements

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 | 2011 |
|--|--------------------|-------------|
| Amount used as the Numerator | | |
| Net profit after taxation (Rs.) | 210,340,000 | 153,019,357 |
| Net profit attributable to ordinary shareholders (Rs.) | 210,340,000 | 153,019,357 |
| Number of ordinary shares used as the Denominator (Note 12) | 6,940,080 | 6,940,080 |
| Earnings Per Ordinary Share (Rs.)* | 30.31 | 22.05 |
| * Includes non-recurring items described in Note 4 on page 43 of the Financial Statements. | | |

| <i>For the year ended 31st March</i> | 2012 | 2011 |
|--------------------------------------|-----------------|----------|
| | Rs. '000 | Rs. '000 |

7.1 Dividends Paid or Proposed

Dividends paid during the year

| | | |
|--|---------------|--------|
| Final dividend for 2011: Rs.14 per share (2010: Rs 10/-) per share | 97,164 | 69,401 |
| Interim Dividend for 2012: Rs. 7.50 Per share (2011: Rs. Nil per share) | 52,051 | - |

Proposed for approval at Annual General Meeting (not recognised as a liability as at 31st March)

| | | |
|--|----------------|--------|
| Rs. 17.00 per share (2011: Rs. 14 per share) | 117,981 | 97,164 |
|--|----------------|--------|

8. FOREIGN CURRENCY TRANSLATIONS

The Accounting Policy of foreign currency translation is 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 | 2011 |
| | Rs. | Rs. |
| Malaysian Ringgit | 42.29 | 36.47 |
| Sterling Pound | 205.93 | 177.96 |
| U.S. Dollar | 130.20 | 110.46 |

9. PROPERTY, PLANT & EQUIPMENT

| | Freehold Land | Freehold Buildings | Plant & Machinery | Furniture, Fittings & Equipment | Motor Vehicles | Mature Plantation | 31st March 2012 | 31st March 2011 |
|-------------------------------------|------------------|--------------------|-------------------|---------------------------------|----------------|-------------------|------------------|------------------|
| | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 |
| Cost/Valuation | | | | | | | | |
| Beginning of the year | 1,338,395 | 22,350 | 1,025 | 811 | 7,580 | 80,380 | 1,450,541 | 1,365,370 |
| Additions | - | 436 | 9 | 495 | 307 | - | 1,247 | 10,793 |
| Translation adjustment for the year | 213,389 | 3,564 | 166 | 195 | 1,252 | - | 218,566 | 74,377 |
| End of the year | 1,551,784 | 26,350 | 1,200 | 1,501 | 9,139 | 80,380 | 1,670,354 | 1,450,540 |
| Depreciation | | | | | | | | |
| Beginning of the year | - | 5,912 | 668 | 811 | 7,579 | 9,114 | 24,084 | 20,056 |
| Charge for the year | - | 933 | 53 | 21 | 57 | 2,677 | 3,741 | 3,230 |
| Translation adjustment for the year | - | 1,081 | 114 | 132 | 1,217 | - | 2,544 | 798 |
| End of the year | - | 7,926 | 835 | 964 | 8,853 | 11,791 | 30,369 | 24,084 |
| Net Book Value | | | | | | | | |
| As at 31st March 2012 | 1,551,784 | 18,424 | 365 | 537 | 286 | 68,589 | 1,639,985 | |
| As at 31st March 2011 | 1,338,395 | 16,438 | 357 | - | 1 | 71,265 | | 1,426,456 |

Notes to the Financial Statements

9. PROPERTY, PLANT & EQUIPMENT (Contd.)

- (i) The carrying value of the freehold land, if the asset was carried at historical cost would be Rs. 0.22 mn (2011: Rs. 0.22 mn).
- (ii) Property, plant & equipment includes fully depreciated assets having a gross carrying amount of Rs. 14.83 mn (2011: Rs. 12.10 mn)
- (iii) The freehold land was in malaysia revalued on an existing use basis as at 31st March 2012 subsequent to the last detailed revaluation on 31st March, 2009 by Encik W. M. Malik, member of the Institution of Surveyors, Malaysia, a partner with W. M. Malik & Kamaruzuman. The carrying value of the freehold land 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 refinance the Group's debt obligation in Note 20 on page 55.

10. INVESTMENTS

10.1 Movements in Long-Term and Short-Term Investments - Company

| | Unquoted Investments Related | As at 31st March 2012 Total | As at 31st March 2011 Total |
|------------------------------------|------------------------------------|--------------------------------------|--------------------------------------|
| | Rs. '000 | Rs. '000 | Rs. '000 |
| Beginning of the year (cost) | 91,834 | 91,834 | 91,834 |
| End of the year (Note 11.2) | 91,834 | 91,834 | 91,834 |

10.2 Investment Portfolio - Company

| As at 31st March | 2012 | | | | 2011 | | | |
|------------------------------------|------------------|------------------|-------------------------------------|------------------------------|------------------|------------------|-------------------------------------|------------------------------|
| | No. of Shares | Cost Rs. '000 | Directors' Valuation Rs. '000 | Market Value/ Rs. '000 | No. of Shares | Cost Rs. '000 | Directors' Valuation Rs. '000 | Market Value/ Rs. '000 |
| Long-Term Investments | | | | | | | | |
| UNQUOTED - RELATED FOREIGN* | | | | | | | | |
| Shalimar Developments Sdn. Bhd. | 525,652 | 91,834 | 91,834 | 91,834 | 525,652 | 91,834 | 91,834 | 91,834 |
| Total investment portfolio | | 91,834 | 91,834 | 91,834 | | 91,834 | 91,834 | 91,834 |

* The unquoted investments are reflected at cost.
Directors valuation is based on initial cost of investment.

Notes to the Financial Statements

11. TRADE AND OTHER RECEIVABLES

| | Current | Non Current | Total 2012 |
|-------------------------------------|---------------------|----------------|---------------|
| | Rs. '000 | Rs. '000 | Rs. '000 |
| Trade debtors | 16,571 | - | 16,571 |
| Other debtors | 396 | - | 396 |
| Deposits and prepayments | 472 | - | 472 |
| | 17,439 | - | 17,439 |
| Other Receivables - Related Company | | | |
| Company | Relationship | | |
| Shalimar Development Sdn. Bhd. | Fellow Subsidiary | - | - |
| Carson Cumberbatch PLC | Ultimate Parent | 59 | 59 |
| | 17,498 | - | 17,498 |

| | Current | Non Current | Total 2011 |
|-------------------------------------|---------------------|----------------|---------------|
| | Rs. '000 | Rs. '000 | Rs. '000 |
| Trade debtors | 17,268 | - | 17,268 |
| Other debtors | 62 | - | 62 |
| Deposits and prepayments | 1,013 | - | 1,013 |
| | 18,343 | - | 18,343 |
| Other Receivables - Related Company | | | |
| Company | Relationship | | |
| Shalimar Development Sdn. Bhd. | Fellow Subsidiary | - | 48,972 |
| Carson Cumberbatch PLC | Ultimate Parent | - | - |
| | 18,343 | 48,972 | 67,315 |

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 at 31st March | 2012 | 2011 |
| | Rs. '000 | Rs. '000 |

12. STATED CAPITAL

| | | |
|---------------------------------------|--------|--------|
| Issued and fully paid Ordinary shares | | |
| 6,940,080 ordinary shares | 69,401 | 69,401 |
| | 69,401 | 69,401 |

13. CAPITAL RESERVES

| | | |
|---------------------------|-----------|-----------|
| Capital accretion reserve | 1,511,306 | 1,299,226 |
| | 1,511,306 | 1,299,226 |

| <i>As at 31st March</i> | 2012 Rs. '000 | 2011 Rs. '000 |
|------------------------------|--------------------------|--------------------------|
| 14. REVENUE RESERVES | | |
| Retained profits | 407,279 | 346,154 |
| Currency translation reserve | (8,486) | (15,697) |
| | 398,793 | 330,457 |

The movements in the above reserves are given in the Statement of Changes in Equity.

15. RETIREMENT BENEFIT OBLIGATIONS

15.1 Provision for the year

| | | |
|--|------------|------|
| Service charge for the year | 273 | 205 |
| Interest charge for the year | 89 | 81 |
| (Gain)/loss arising from the change in assumptions | 218 | (66) |
| | 580 | 220 |

| | | |
|---|--------------|-------|
| 15.2 Balance at the beginning of the year | 2,236 | 2,036 |
| Provisions during the year | 273 | 205 |
| Interest charge for the year | 89 | 81 |
| (Gain)/loss arising from the changes in assumptions | 218 | (66) |
| Payment made during the year | - | (138) |
| Exchange loss | 357 | 118 |
| | 3,173 | 2,236 |

- 15.3** The Company has calculated the defined benefit plan gratuity in accordance with the formula method as described in appendix (E) of Revised SLAS for the year ended 31st March 2012 and 31st March 2011. 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% |

Notes to the Financial Statements

16. 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 and equipment | 1,657 | 1,042 | 614 | 571 |
| Deferred tax on Mature / Immature Plantation | 17,147 | 17,816 | (669) | (669) |
| | 18,804 | 18,858 | (55) | (98) |
| Deferred Tax Assets | | | | |
| Defined benefit plans | (693) | (554) | (140) | (47) |
| Provision for ex-gratia | 52 | (379) | 431 | (151) |
| | (641) | (933) | 291 | (198) |
| Effect of exchange rate movement | 92 | 15 | | - |
| Deferred income tax income/(expense) | | | 236 | (296) |
| Net Deferred Tax Liability | 18,254 | 17,940 | | |

17. TRADE PAYABLES AND ACCRUALS

| As at 31st March | | 2012 | 2011 |
|--------------------------------------|---------------------|--------------|----------|
| | | Rs. '000 | Rs. '000 |
| Trade creditors | | 3,798 | 8,377 |
| | Relationship | | |
| Other creditors | | | |
| Carsons Management Service (Pvt) Ltd | Group Company | 69 | 69 |
| Accrued expenses | | 2,181 | 3,221 |
| Unclaimed dividend | | 732 | 1,527 |
| | | 6,780 | 13,194 |

19. SEGMENTAL REPORTING
(A) INDUSTRY

| <i>For the year ended 31st March</i> | Palm Oil | | Investments | | Company | |
|--------------------------------------|-----------------|----------------|--------------------|---------------|----------------|----------------|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 |
| Revenue | | | | | | |
| External revenue | 253,793 | 221,904 | 36,167 | 38,309 | 289,960 | 260,213 |
| | 253,793 | 221,904 | 36,167 | 38,309 | 289,960 | 260,213 |
| Result | | | | | | |
| Segment result | 180,287 | 159,255 | 75,432 | 34,611 | 255,719 | 193,866 |
| Taxation | (45,516) | (40,145) | 137 | (701) | (45,379) | (40,846) |
| | 134,771 | 119,110 | 75,569 | 33,910 | 210,340 | 153,020 |
| Other Information | | | | | | |
| Segment assets | 1,874,892 | 1,565,650 | 140,756 | 171,052 | 2,015,648 | 1,736,702 |
| Segment liabilities | 34,344 | 35,128 | 1,804 | 2,490 | 36,148 | 37,618 |
| Capital expenditure | 1,247 | 10,793 | - | - | 1,247 | 10,793 |
| Depreciation | 3,741 | 3,230 | - | - | 3,741 | 3,230 |
| Retirement benefit charge | 580 | 220 | - | - | 580 | 220 |

Notes to the Financial Statements

19. SEGMENTAL REPORTING CONTD.

(B) GEOGRAPHICAL

| <i>For the year ended 31st March</i> | 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 | 253,793 | 221,904 | 36,167 | 38,309 | 289,960 | 260,213 |
| | 253,793 | 221,904 | 36,167 | 38,309 | 289,960 | 260,213 |
| Result | | | | | | |
| Segment result | 180,287 | 159,255 | 75,432 | 34,610 | 255,719 | 193,865 |
| Taxation | (45,516) | (40,145) | 137 | (701) | (45,379) | (40,846) |
| | 134,771 | 119,110 | 75,569 | 33,909 | 210,340 | 153,131 |
| Other Information | | | | | | |
| Segment assets | 1,874,892 | 1,565,650 | 140,756 | 171,052 | 2,015,648 | 1,736,702 |
| Segment liabilities | 34,344 | 35,128 | 1,804 | 2,490 | 36,148 | 37,618 |
| Capital expenditure | 1,247 | 10,793 | - | - | 1,247 | 10,793 |
| Depreciation | 3,741 | 3,230 | - | - | 3,741 | 3,230 |
| Retirement benefit charge | 580 | 220 | - | - | 580 | 220 |

19. CONTRACTS FOR CAPITAL EXPENDITURE

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

20. ASSETS PLEDGED

There were no assets pledged other than as disclosed under Note 22 of these Financial Statements.

21. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE**21.1 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. 17.00 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. 117.98 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.

22. 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's expansion programme of the plantation asset base and to refinance Group's existing debt obligations.

Notes to the Financial Statements

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 Indo-Malay PLC and Selinsing PLC. As such total loss which would be incurred by Shalimar (Malay) PLC in the event of a successful claim is limited to 25% of the combined loss.

23. RELATED PARTY DISCLOSURES

23.1 Transactions with Related Companies

| Name of the Company | Relationship | Nature of Transaction | 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 | 15,535 | - |
| | | Expenses incurred on behalf-Net | - | - |
| 2 Carson Cumberbatch PLC (CCPLC) | Ultimate Parent | Expenses incurred on behalf-Net | 59 | 59 |
| 3 Shalimar Developments Sdn. Bhd. (SDSB) | Fellow Subsidiary | Return of long-term advances made towards share capital | 48,972 | - |
| | | Dividend income | 34,821 | - |
| 4 Indo-Malay PLC | Fellow Subsidiary | | - | - |
| | | Dividend paid | (3,302) | - |
| 5 Selinsing PLC | Fellow Subsidiary | Dividend paid | (16,017) | - |
| | | Tractor rent income | 133 | - |
| | | Expenses incurred on behalf-Net | 249 | - |
| 6 Good Hope PLC | Fellow Subsidiary | Dividend paid | (4,625) | - |
| 7 Goodhope Asia Holdings Ltd | Immediate Parent | Dividend paid | (119,447) | - |
| | | Temporary advances | 124,112 | - |
| 8 Carsons Management Services (pvt) Ltd. | Group Company | Secretarial expenses | (378) | (69) |
| 9 AHL Business Solutions (Pvt) Ltd. | Fellow Subsidiary | Data processing fee | (819) | - |
| 10 PT Agro Indomas | Fellow Subsidiary | Temporary advances | 4,054 | - |
| TOTAL amounts due to Related Parties | | | (69) | |
| TOTAL amounts due from Related Parties | | | 59 | |

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

| 23.1 Transactions with Related Companies contd. | | | Nature of Transaction | Transaction Value During the Year | Amounts Outstanding As at 31st March |
|---|--|-------------------|---|-----------------------------------|--------------------------------------|
| Name of the Company | Relationship | | | | |
| 2011 | | | | | |
| 1 | Agro Harapan Lestari Sdn. Bhd. (AHLSEB) | Fellow Subsidiary | Management fees, technical support services, sales commission and performance incentive | 13,426 | - |
| 2 | Shallimar Developments Sdn. Bhd. (SDSEB) | Fellow Subsidiary | Expenses incurred on behalf-Net Long-term net (borrowings)/lending * | - | 48,972 |
| 3 | Indo-Malay PLC | Fellow Subsidiary | Dividend income | 36,919 | |
| 4 | Selinsing PLC | Fellow Subsidiary | Dividend paid | 1,382 | |
| 5 | Good Hope PLC | Fellow Subsidiary | Dividend paid | 6,705 | |
| 6 | Goodhope Asia Holdings Ltd. | Immediate Parent | Expenses incurred on behalf-Net | 81 | |
| 7 | Carsons Management Services (Pvt) Ltd. | Group Company | Dividend paid | 1,936 | |
| 8 | AHL Business Solutions (Pvt) Ltd. | Fellow Subsidiary | Dividend paid | 47,614 | |
| | | | Secretarial expenses | 640 | (69) |
| | | | Data processing fee | 891 | |
| TOTAL amounts due to Related Parties | | | | | (69) |
| TOTAL amounts due from Related Parties | | | | | 48,972 |

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

| <i>For the year ended 31st March</i> | 2012 | 2011 |
|--------------------------------------|-----------------|----------|
| | Rs. '000 | Rs. '000 |

23.2 Compensation to Key Management Personnel

| | | |
|-----------------|------------|-----|
| Emoluments/Fees | 200 | 175 |
|-----------------|------------|-----|

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 Note 23.1 on page 58 and Note 23.2 above.

23.4 Share Transactions

- (a) During the year 2011/12 Goodhope Asia Holdings Ltd (GHL), the Parent Company has acquired 292,318 shares of the Company. Accordingly, the Parent Company shareholding has increased from 76.23% to 80.44%. Such share transfers were mainly offered by way of the following Voluntary Offer.

The 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 3rd May 2011. Accordingly, 251,470 shares of the Company were transferred to GHL on 3rd May 2011.

- (b) During the year key management personnel have sold 451 shares of the Company.

23.5 Off Balance Sheet Items

Guarantees given on behalf of Goodhope Asia Holdings Ltd, has been mentioned under Note 22 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 | 289,960 | 260,213 | 124,230 | 94,443 | 255,889 |
| Profit/(Loss) before taxation | 255,719 | 193,866 | 63,449 | (6,870) | 228,192 |
| Taxation | (45,379) | (40,846) | (15,305) | (11,833) | (13,110) |
| Profit after taxation | 210,340 | 153,020 | 48,144 | (18,703) | 215,082 |
| Dividend Paid - Ordinary | 149,215 | 69,401 | 270,663 | 13,880 | 190,158 |
| <i>As at 31st March</i> | | | | | |
| Balance Sheets Assets | | | | | |
| Assets | | | | | |
| Non-Current Assets | | | | | |
| Property, plant & equipment | 1,639,985 | 1,426,456 | 1,345,316 | 1,245,801 | 1,305,464 |
| Investments in subsidiaries | - | - | - | - | 43,148 |
| Investments in associates | - | - | - | - | 270,318 |
| Other investments | 91,834 | 91,834 | 91,834 | 91,834 | 91,834 |
| Trade and other receivables | - | 48,972 | 48,972 | 32,416 | 8,040 |
| | 1,731,819 | 1,567,262 | 1,486,122 | 1,370,051 | 1,718,804 |
| Current assets | 283,829 | 169,440 | 88,037 | 322,317 | 78,890 |
| Total Assets | 2,015,648 | 1,736,702 | 1,574,159 | 1,692,368 | 1,797,694 |
| Equity and Liabilities | | | | | |
| Stated capital | 69,401 | 69,401 | 69,401 | 69,401 | 69,401 |
| Reserves | 1,910,099 | 1,629,683 | 1,469,956 | 1,589,113 | 1,690,060 |
| Total Equity | 1,979,500 | 1,699,084 | 1,539,357 | 1,658,514 | 1,759,461 |
| Non-Current Liabilities | | | | | |
| Retirement benefits | 3,173 | 2,236 | 2,036 | 1,878 | 1,783 |
| Deferred tax liability | 18,254 | 17,940 | 18,248 | 21,333 | 19,993 |
| | 21,427 | 20,176 | 20,284 | 23,211 | 21,776 |
| Current liabilities | 14,721 | 17,442 | 14,518 | 10,643 | 16,457 |
| Total Equity and Liabilities | 2,015,648 | 1,736,702 | 1,574,159 | 1,692,368 | 1,797,694 |
| <i>For the year ended 31st March</i> | | | | | |
| Cash Flow Statement | | | | | |
| Net cash inflow/(outflow) from operating activities | 205,121 | 175,164 | 52,667 | (228,561) | 169,181 |
| Net cash inflow/(outflow) from investing activities | 60,106 | (10,793) | 268,260 | 227,481 | (7,356) |
| Net cash used in financing activities | (150,007) | (69,401) | (270,566) | (13,880) | (190,896) |
| Net increase/(decrease) in cash and cash equivalents | 115,220 | 94,970 | 50,361 | (14,960) | (29,071) |

| <i>For the year ended 31st March</i> | 2012 | 2011 | 2010 | 2009 | 2008 |
|--------------------------------------|-------------|------|------|------|------|
|--------------------------------------|-------------|------|------|------|------|

Ratios and Statistics

Return on ordinary

| | | | | | |
|---------------------------------------|------------------|-----------|-----------|-----------|-----------|
| shareholders' funds (%) | 10.63 | 9.01 | 3.13 | (1.13) | 12.22 |
| Current ratio (Times) | 19.28 | 9.71 | 6.06 | 30.28 | 4.79 |
| Quick assets ratio (Times) | 19.26 | 9.69 | 6.02 | 30.24 | 4.62 |
| Earnings per ordinary share (Rs.)* | 30.31 | 22.05 | 6.94 | (2.69) | 30.99 |
| Dividend per ordinary share (Rs.) (a) | 24.50 | 14.00 | 10.00 | 39.00 | 28.40 |
| Rate of ordinary dividend (%) (a) | 245.00 | 140.00 | 100.00 | 390.00 | 284.00 |
| Dividend payout (Times) | .81 | 0.63 | 1.44 | - | 0.92 |
| Net assets per ordinary share (Rs.)** | 285.23 | 244.82 | 221.81 | 238.98 | 253.52 |
| Market value per share (Rs.) | 899.90 | 829.00 | 640.00 | 450.00 | 600.00 |
| P/E ratio (times) | 29.69 | 37.60 | 92.26 | (166.98) | 19.36 |
| Market capitalization (Rs. '000) | 6,245,378 | 5,753,326 | 4,441,651 | 3,123,036 | 4,164,048 |
| Net sales average (MYR) | 647.30 | 633.01 | 440.68 | 415.79 | 490.01 |

Plantation Operations

| | | | | | |
|---------------------------|---------------|----------|--------|--------|--------|
| Mature area (Ha) | 304.50 | 304.50 | 304.50 | 233.74 | 199.74 |
| Immature area (Ha) | - | - | - | 71.76 | 104.76 |
| Crop (Tonnes) | 10,775 | 9,785.00 | 8,511 | 6,842 | 4,344 |
| Yield per Ha (Tonnes) (b) | 35.38 | 32.13 | 27.95 | 29.27 | 21.58 |

* The earnings per ordinary share is calculated by dividing the profit over the weighted average number of ordinary shares in issue during the year & includes non-recurring items described in Note 4 on page 43 of the Financial Statements.

** 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 | 289,960 | | 260,213 | |
| Other income | 42,945 | | 145 | |
| | 332,905 | | 260,358 | |
| Bought in materials and services | (53,254) | | (48,951) | |
| | 279,651 | | 211,407 | |

Distributed as follows:

To Employees

| | | | | |
|-----------------|---------------|-------------|--------|------|
| as remuneration | 20,188 | 7.22 | 14,310 | 6.77 |
|-----------------|---------------|-------------|--------|------|

To Government

| | | | | |
|-------------|---------------|--------------|--------|-------|
| as taxation | 45,143 | 16.14 | 41,142 | 19.46 |
|-------------|---------------|--------------|--------|-------|

To Shareholders

| | | | | |
|-----------------------|----------------|--------------|--------|-------|
| as ordinary dividends | 149,215 | 53.36 | 69,401 | 32.83 |
|-----------------------|----------------|--------------|--------|-------|

Retained in the Business

| | | | | |
|---------------------|----------------|--------------|---------|--------|
| as depreciation | 3,741 | 1.31 | 3,230 | 1.53 |
| as deferred tax | 236 | 0.08 | (296) | (0.14) |
| as retained profits | 61,128 | 21.86 | 83,619 | 39.55 |
| | 279,651 | 100 | 211,406 | 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 US\$ | 2011 US\$ |
|--------------------------------------|----------------------|----------------------|
| Revenue | 2,600,746 | 2,318,960 |
| Direct operating costs | (501,608) | (421,991) |
| Gross profit | 2,099,138 | 1,896,969 |
| Other income and gains | 348,736 | 1,293 |
| | 2,447,874 | 1,898,262 |
| Administrative expenses | (187,701) | (171,461) |
| Profit before taxation | 2,260,173 | 1,726,801 |
| Income tax expense | (407,215) | (365,109) |
| Profit for the year | 1,852,958 | 1,361,692 |

Figures in brackets indicate deductions.

Balance Sheet

| <i>As at 31st March</i> | 2012 US\$ | 2011 US\$ |
|---------------------------------------|----------------------|----------------------|
| Assets | | |
| Non-Current Assets | | |
| Property, plant and equipment | 12,595,885 | 12,914,951 |
| Investments | 843,288 | 843,288 |
| Trade and other receivables | - | 443,384 |
| Total non-current assets | 13,439,173 | 14,201,623 |
| Current Assets | | |
| Inventories | 2,859 | 3,243 |
| Trade and other receivables | 134,391 | 166,074 |
| Cash and cash equivalents | 2,042,700 | 1,364,590 |
| Total current assets | 2,179,950 | 1,533,907 |
| Total Assets | 15,619,123 | 15,735,530 |
| Equity and Liabilities | | |
| Equity | | |
| Stated capital | 868,000 | 868,000 |
| Capital reserves | 11,607,574 | 11,763,028 |
| Revenue reserves | 2,865,920 | 2,764,096 |
| Total equity | 15,341,494 | 15,395,124 |
| Non-Current Liabilities | | |
| Retirement benefit obligations | 24,376 | 20,247 |
| Deferred tax liability | 140,201 | 162,434 |
| Total non-current liabilities | 164,577 | 182,681 |
| Current Liabilities | | |
| Trade payables and accruals | 52,064 | 119,260 |
| Taxation payable | 60,988 | 38,465 |
| Total current liabilities | 113,052 | 157,725 |
| Total Equity & Liabilities | 15,619,123 | 15,735,530 |

Notes to the Financial Statements

1. BASIS OF CONVERSION

The translation of Sri Lankan Rupee amounts into US Dollar amounts 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 | 2,764,096 | 1,876,678 |
| Ordinary dividend | (1,293,063) | (606,121) |
| Currency translation reserve | (2,461,302) | (2,003,230) |
| Profit attributable to equity holders of the Company | 1,852,958 | 1,361,692 |
| | 862,689 | 629,019 |
| Currency fluctuations | 2,003,231 | 2,135,077 |
| End of the year | 2,865,920 | 2,764,096 |

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 | 2,270,577 | 1,982,153 | 330,169 | 336,807 | 2,600,746 | 2,318,960 |
| | 2,270,577 | 1,982,153 | 330,169 | 336,807 | 2,600,746 | 2,318,960 |
| Result | | | | | | |
| Segment result | 1,615,698 | 1,423,004 | 644,475 | 303,797 | 2,260,173 | 1,726,801 |
| Taxation | (408,267) | (358,871) | 1,052 | (6,238) | (407,215) | (365,109) |
| | 1,207,431 | 1,064,133 | 645,527 | 297,559 | 1,852,958 | 1,361,692 |
| Other information | | | | | | |
| Segment assets | 14,538,050 | 14,175,010 | 1,081,073 | 1,560,520 | 15,619,123 | 15,735,530 |
| Segment liabilities | 263,775 | 317,864 | 13,854 | 22,542 | 276,579 | 340,406 |
| Capital expenditure | 9,578 | 97,718 | - | - | 9,578 | 97,718 |
| Depreciation | 28,733 | 28,811 | - | - | 28,733 | 28,811 |
| Retirement benefit charge | 4,455 | 2,079 | - | - | 4,455 | 2,079 |

(B) GEOGRAPHICAL

| | Palm Oil | | Investments | | Company | |
|---------------------------|-------------------|--------------|------------------|--------------|-------------------|--------------|
| | 2012 US\$ | 2011 US\$ | 2012 US\$ | 2011 US\$ | 2012 US\$ | 2011 US\$ |
| Revenue | | | | | | |
| External revenue | 2,270,577 | 1,982,153 | 330,169 | 336,807 | 2,600,746 | 2,318,960 |
| | 2,270,577 | 1,982,153 | 330,169 | 336,807 | 2,600,746 | 2,318,960 |
| Result | | | | | | |
| Segment result | 1,615,698 | 1,423,004 | 644,475 | 303,797 | 2,260,173 | 1,726,801 |
| Taxation | (408,267) | (358,871) | 1,052 | (6,238) | (407,215) | (365,109) |
| | 1,207,431 | 1,064,133 | 645,527 | 297,559 | 1,852,958 | 1,361,692 |
| Other Information | | | | | | |
| Segment assets | 14,538,050 | 14,175,010 | 1,081,073 | 1,560,520 | 15,619,123 | 15,735,530 |
| Segment liabilities | 263,775 | 317,864 | 13,854 | 22,542 | 276,579 | 340,406 |
| Capital expenditure | 9,578 | 97,718 | - | - | 9,578 | 97,718 |
| Depreciation | 28,733 | 28,811 | - | - | 28,733 | 28,811 |
| Retirement benefit charge | 4,455 | 2,079 | - | - | 4,455 | 2,079 |

Five Year Summary

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

Operating Results

| | | | | | |
|--------------------------------------|------------------|-----------|-----------|-----------|-----------|
| Revenue | 2,600,746 | 2,318,960 | 1,087,447 | 859,276 | 2,318,885 |
| Profit/(Loss) before taxation | 2,260,173 | 1,726,801 | 555,400 | (62,505) | 2,067,893 |
| Taxation | (407,215) | (365,109) | (133,972) | (107,661) | (118,804) |
| Profit after taxation | 1,852,958 | 1,361,692 | 421,428 | (170,166) | 1,949,089 |
| Dividend - Ordinary | 1,293,063 | 606,121 | 2,369,249 | 126,285 | 1,723,226 |

As at 31st March

Balance Sheet

Assets

Non-Current Assets

| | | | | | |
|-----------------------------|-------------------|------------|------------|------------|------------|
| Property, plant & equipment | 12,595,885 | 12,914,951 | 11,801,018 | 10,767,509 | 12,104,441 |
| Investments in subsidiaries | - | - | - | - | 400,074 |
| Investments in associates | - | - | - | - | 2,506,426 |
| Other investments | 843,288 | 843,288 | 805,562 | 793,726 | 851,497 |
| Trade and other receivables | - | 443,384 | 429,578 | 280,173 | 74,548 |
| | 13,439,173 | 14,201,623 | 13,036,158 | 11,841,408 | 15,936,987 |

Current Assets

| | | | | | |
|--|------------------|-----------|---------|-----------|---------|
| | 2,179,950 | 1,533,907 | 772,255 | 2,785,800 | 731,479 |
|--|------------------|-----------|---------|-----------|---------|

Total Assets

| | | | | | |
|--|-------------------|------------|------------|------------|------------|
| | 15,619,123 | 15,735,530 | 13,808,413 | 14,627,208 | 16,668,465 |
|--|-------------------|------------|------------|------------|------------|

Equity and Liabilities

| | | | | | |
|---------------------|-------------------|------------|------------|------------|------------|
| Stated capital | 868,000 | 868,000 | 868,435 | 868,435 | 868,435 |
| Reserves | 14,473,494 | 14,527,124 | 12,635,135 | 13,466,168 | 15,445,529 |
| Total Equity | 15,341,494 | 15,395,124 | 13,503,135 | 14,334,603 | 16,313,964 |

Non-Current Liabilities

| | | | | | |
|------------------------|----------------|---------|---------|---------|---------|
| Retirement benefits | 24,376 | 20,247 | 17,860 | 16,236 | 16,532 |
| Deferred tax liability | 140,201 | 162,434 | 160,068 | 184,382 | 185,378 |
| | 164,577 | 182,681 | 177,928 | 200,618 | 201,910 |

Current liabilities

| | | | | | |
|--|----------------|---------|---------|--------|---------|
| | 113,052 | 157,725 | 127,350 | 91,987 | 152,592 |
|--|----------------|---------|---------|--------|---------|

| | | | | | |
|-------------------------------------|-------------------|------------|------------|------------|------------|
| Total Equity and Liabilities | 15,619,123 | 15,735,530 | 13,808,413 | 14,627,208 | 16,668,466 |
|-------------------------------------|-------------------|------------|------------|------------|------------|

| <i>Year ended 31st March</i> | 2012 | 2011 | 2010 | 2009 | 2008 |
|------------------------------|-------------|------|------|------|------|
| | US\$ | US\$ | US\$ | US\$ | US\$ |

Cash Flow Statement

Net cash inflow/(outflow) from

operating activities **2,000,675** 1,579,548 462,691 (1,988,660) 1,456,401

Net cash inflow/(outflow)

from investing activities **(10,852)** (97,718) 2,353,158 1,966,128 (68,206)

Net cash used in

financing activities **(1,311,713)** (605,666) (2,373,386) (119,965) (1,770,014)

Net increase/(decrease) in

cash and cash equivalents **678,110** 876,136 442,463 (142,498) (381,819)

Ratios and Statistics

Return on ordinary

shareholders' funds (%) **12.08** 8.84 3.12 (1.19) 11.95

Earnings per ordinary share (US\$) **0.27** 0.20 0.06 (0.02) 0.28

Current ratio (times) **19.28** 9.73 6.06 30.28 4.79

Dividend per ordinary share (US\$) **0.22** 0.13 0.09 0.33 0.25

Rate of ordinary dividend (%) **245.00** 140 100.00 390.00 284.00

Market value per share (US\$) **6.91** 7.50 5.61 3.89 5.56

P/E ratio (times) **25.89** 38.22 92.26 (166.98) 19.36

Net assets per ordinary share (US\$) **2.21** 2.22 1.95 2.07 2.35

Market capitalization (US\$ '000) **47,968** 52,051 38,962 26,997 38,587

Information to Shareholders and Investors

1. Stock Exchange Listing

Shalimar (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

Market value of the Company Shares as at 31st March 2012 was Rs. 899.90 per share (2011: Rs. 829.00).

3. Shareholders

| <i>As at 31st March</i> | 2012 | 2011 |
|------------------------------|-------------|------|
| No. of Ordinary Shareholders | 254 | 383 |

The number of ordinary shares held by non-residents as at 31st March 2012 was 5,676,233 which amounts to 81.79% 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 | 237 | 16,171 | 0.2330 | 2 | 900 | 0.0130 | 239 | 17,071 | 0.24 |
| 1,001 - 100,000 | 8 | 17,130 | 0.2468 | - | - | - | 8 | 17,130 | 0.25 |
| 100,001 - 1,000,000 | 2 | 116,850 | 1.6837 | 1 | 92,533 | 1.3333 | 3 | 209,383 | 3.02 |
| 100,001 - 1,000,000 | 3 | 1,113,696 | 16.0473 | - | - | - | 3 | 1,113,696 | 16.05 |
| Above 1,000,000 | - | - | - | 1 | 5,582,800 | 80.4429 | 1 | 5,582,800 | 80.44 |
| Grand Total | 250 | 1,263,847 | 18.21 | 4 | 5,676,233 | 81.79 | 254 | 6,940,080 | 100.00 |

Categorization of Shareholders

| Categories of Shareholders | No. of Shareholders | Ordinary No. of Shares | % |
|----------------------------|---------------------|------------------------|-------|
| Individuals | 241 | 240,368 | 3.46 |
| Institutions | 13 | 6,699,712 | 96.54 |

Percentage of ordinary shares held by the public as at 31st March 2012 was 3.52%.

Information to Shareholders and Investors

4. Market Performance - Ordinary Shares

| <i>For the year ended 31st March</i> | 2012 | 2011 |
|--------------------------------------|----------------|---------|
| Highest (Rs.) | 980 | 1,230 |
| Lowest (Rs.) | 660 | 725 |
| Volume Traded (Shares) | 571,921 | 208,400 |
| No. of Trades | 310 | 923 |
| Value of Shares Traded (Rs. '000) | 507,053 | 182,892 |

5. Market Capitalization

Market capitalization of the Company, which is the number of ordinary shares multiplied by the market value of a share, was Rs. 6,245.38 mn as at 31st March 2012 (2011: Rs. 5753.32 mn).

6. Proposed Final Dividends - Ordinary

The Directors recommend a final dividend of Rs. 17.00 per share for the year ended 31st March 2012.

7. Record of Scrip Issues

The undermentioned scrip issue had been made by the Company.

| Year ended 31st March | Issue | Basis | No. of Ordinary Shares Capital Rs. | Cumulative Ordinary Shares Rs. |
|----------------------------------|--------------|--------------|---|---|
| 1998 | - | - | 270,000 | 2,700,000 |
| 1999 | Bonus | 10.9:1 | 2,943,000 | 32,130,000 |
| 2003 | Bonus | - | 642,600 | 38,554,000 |
| 2003 May | Bonus | - | 771,120 | 46,263,260 |
| 2004 March | Bonus | - | 2,313,360 | 69,400,800 |
| Total Shares in Issue | | | 6,940,080 | |

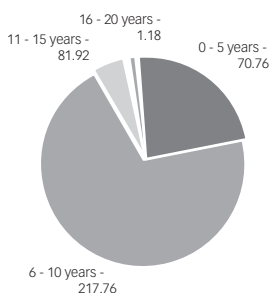
8. Malaysian Property

- 8.1** The gross area of the Oil Palm plantation is 304.5 ha.
- 8.2** The plantation is situated in the State of Selangor, District Kuala Selangor.
- 8.3** The carrying value of the property, plant & equipment as at the Balance Sheet date was at Rs. 1,163.99 mn (2011: 1,426.46) on Information to Shareholders and Investors (Contd.) an existing use basis.

9. Mature and Immature Plantation Aged Analysis

| | Mature | | | | Immature | Total |
|----------|--------|--------|---------|---------|----------|-------|
| Year | 0 - 5 | 6 - 10 | 11 - 15 | 16 - 20 | | |
| Hectares | 70.76 | 217.58 | 14.98 | 1.18 | - | 304.5 |

Plantation Age Analysis



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 35,560 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 authorised 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.

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 THIRD ANNUAL GENERAL MEETING of SHALIMAR (MALAY) PLC will be held on Thursday the 31st day of May 2012, at 3.30 p.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. D. C. R. Gunawardena who retires by rotation in terms of Articles 87 & 88 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. A. K. Sellayah 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. A. K. Sellayah who is seventy years of age and that he be re-appointed a Director 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 3.30 p.m. on 29th May 2012.
3. A person representing a Corporation is required to carry a certified copy of the resolution authorising 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]

Notes

[illegible]

Form of Proxy

*I/We..... being *a
 of..... Member/Members of SHALIMAR (MALAY) PLC, hereby appoint
 of..... bearing NIC No./Passport No..... or failing him/her.

Hariharan Selvanathan
 Manoharan Selvanathan
 Israel Paulraj
 Allen Kenneth Sellayah
 Don Chandima Rajakaruna Gunawardena
 Palehenalage Chandana Priyankara Tissera
 Kurukulasuriya Calisanctus Nakala Fernando

or failing him,
 or failing him,
 or failing him,
 or failing him,
 or failing him,
 or failing him,

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 3.30 p.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. 17.00 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.D.C.R. Gunawardene who retires by rotation in terms of Articles 87 & 88 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 A.K. Sellayah 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 69 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 65 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 3.30 p.m. on 29th May 2012.

Please fill in the following details

Name

:

:

Address

:

:

:

Jointly with

:

Share Folio No.

:

Corporate Information

NAME OF THE COMPANY

Shalimar (Malay) PLC

COMPANY REGISTRATION NUMBER

PQ 51

LEGAL FORM

A Public Quoted Company with Limited Liability Incorporated in Sri Lanka in 1909

DIRECTORS

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

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
No. 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 11 4739200
Fax: + 94 11 4739300

REGISTERED OFFICE

61, Janadhipathi Mawatha
Colombo 1, Sri Lanka
Tel: + 94 11 4739200
Fax: + 94 11 4739300

PRINCIPAL PLACE OF BUSINESS

Ladang Shalimar
45700 Bukit Rotan Selangor Darul Ehsan
Malaysia

CORPORATE WEBSITE

www.goodhopeholdings.com

HOLDING COMPANY

Goodhope Asia Holdings Ltd

ULTIMATE PARENT AND CONTROLLING ENTITY

Carson Cumberbatch PLC

This report has been
produced by Emagewise
(Pvt) Limited, a Certified
Carbon Neutral Company



Designed & produced by [emagewise](#)
Digital Plates by Imageline (Pvt) Ltd
Printed by Gunaratne Offset Ltd