



Goodhope

A CARSON CUMBERBATCH COMPANY

Shalimar (Malay) PLC

Annual Report 2012/13



Financial Calendar

Financial Year End 31st March 2013

Announcement of Results

First Quarter ended 30th June 2012 14th August 2012

Second Quarter ended 30th September 2012 14th November 2012

Third Quarter ended 31st December 2012 14th February 2013

Dividend Declaration

Interim 6th December 2012

Final* 22nd April 2013

104th Annual General Meeting 29th May 2013

** Subject to approval from Shareholders*

Contents

Chairman's Statement	1	Financial Reports	
Review of Industry and		Independent Auditors' Report	22
Operational Performance	2	Income Statement	23
Risk Management	5	Statement of Comprehensive Income	24
Profile of the Directors	7	Statement of Financial Position	25
Statement of Directors'		Statement of Changes in Equity	26
Responsibilities	10	Cash Flow Statement	27
Annual Report of the Board of		Notes to the Financial Statements	28
Directors on the Affairs of		Five Year Summary	61
the Company	11	Statement of Value Added	63
Audit Committee Report	19	US Dollar Financials	64
		Information to Shareholders and	
		Investors	71
		Glossary of Financial Terms	74
		Notice of Meeting	76
		Notes	77
		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 2013, and welcome you to the One Hundred and Fourth Annual General Meeting of the Company.

The Company's plantations in Malaysia continued to perform well recording a steady improvement in crop production. This is a reflection of the majority of the palms still being at peak production cycle subsequent to the replanting of the plantations. However, the Crude palm Oil (CPO) prices continue to fluctuate and impact the revenue generation by the Company. The impact of the increased crop production was off-set by comparatively lower sales prices realized due to lower CPO prices that prevailed during the year.

Accordingly, during the year ended 31st March 2013 the Company recorded a profit before tax of Rs. 223.97 mn after taking into consideration other operating income, as compared to Rs. 279.13 mn recorded in the year to 31st March 2012. The net profit after tax for the period under review was Rs. 178.94 mn as compared to Rs. 221.20 mn recorded in the previous financial year.

The review of industry and operational performance in pages 2 to 4 of this Annual Report further elaborates on the financial and operational performance of the Company.

The CPO prices are expected to remain volatile, given the high stock levels in Malaysia and Indonesia, import duty regimes practiced by key consuming markets such as India and China which are structured towards protecting domestic oil seed production as well as low

demand from key consuming markets due to effects of the prolonged economic crisis.

Industry analysts expect palm oil prices to average around MYR 2,300 - MYR 2,500 over the coming year subject to seasonal movements outside of this range. We will continue with our focus on sustaining and extending yield cycles and managing costs through enhanced productivity and efficiency levels.

These Financial Statements have been prepared in accordance with the first time adoption requirements of Sri Lanka Accounting Standards (SLFRS/LKAS) as described in Note 2.10 to the Financial Statements.

In conclusion, I would like to extend my gratitude to 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 in 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 and the Remuneration Committee for their invaluable efforts.

(Sgd.)

H. Selvanathan
Chairman

22nd April 2013

Review of Industry and Operational Performance

Palm Oil Industry Scenario

The year under review was a challenging one for the palm oil industry, with the palm oil prices dropping by about 30% before settling down at a price range of MYR 2,300 - MYR 2,500. The year started off well with prices in the range of MYR 3,000, however the record stock levels both in Malaysia and Indonesia exerted downward pressure on CPO prices. CPO prices were further impacted by lower demand from consuming countries and import duty increases in countries like India towards protecting its domestic palm oil refining industry.

Many short term measures were taken by the industry aimed at stabilizing the CPO prices, the Malaysian government reduced its export tax rates to boost export of CPO. However, the increasing production of CPO both in Indonesia and Malaysia continue to be a critical factor, raising stock levels and resultantly impacting CPO prices. Palm oil consumption is expected to increase in the

coming year and match the incremental CPO supply. Palm oil prices will also mirror movements of crude petroleum prices, whereby an increase in petroleum prices could boost palm oil consumption for energy purposes and for bio-diesel usage.

Industry analysts expect the prices would continue to trade around the current levels of MYR 2,300 - MYR 2,500 over the coming year, with seasonal movements outside of this range.

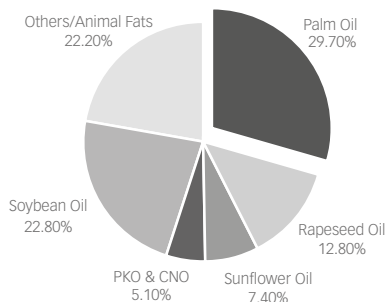
Overview of Financial Performance

The Company recorded a profit after tax of Rs. 178.94 mn during the year under review, as compared to the Rs. 221.20 mn recorded in the previous year. Profit before tax was Rs. 223.97 mn as compared to Rs. 279.13 mn recorded in the previous year.

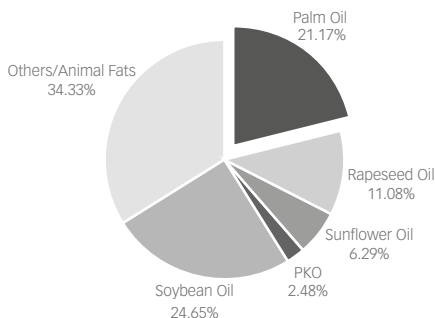
As mentioned above, the lower market prices that prevailed during the period resulted in a 16.5% drop in the Net Sales

World Oil Production

2012/13 - 187.6 mn tonnes (forecast)

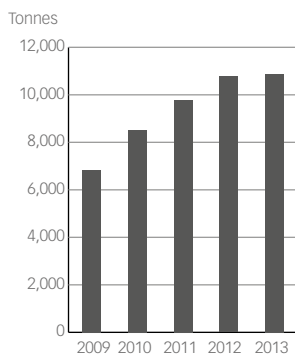


2002 - 120.9 mn tonnes



Source : Oil World

Crop Production



Average (NSA) for the Company. Hence despite an increase in crop, the lower NSA resulted in an overall reduction in profitability during the period. The previous year's profit had a non recurrent gain of Rs. 43 mn arising from the repatriation of a long term advance and hence has also contributed towards the adverse variance in comparison with the previous year.

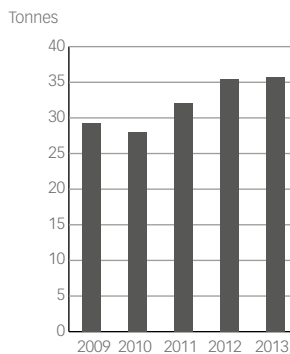
Biological Gains

The net earnings for the year includes a gain of Rs. 22.03 mn (2012 - Rs. 20.74 mn) arising from the change in fair value of biological assets which were assessed based on an independent professional valuation. With the transition into SLFRS, the biological assets which were previously recognized at cost less amortization as part of property, plant and equipment are now measured at fair value. Further details have been described in Note 10 to the Financial Statements.

Investment Income

During the year, the Company earned a dividend income of Rs. 42.53 mn (2012 - Rs.

Yield Per Hectare



34.82 mn) from its investment portfolio which includes the 13.33% holding in Shalimar Developments Sdn. Bhd. (SDSB). With the transition into SLFRS, these investments which were previously carried at cost are now measured at fair value. The resultant gains have been accounted for in accordance with the transitional provision for the first time adoption of SLFRS as has been described in Note 2.10 to the Financial Statements.

Overview of Operational Performance

FFB production increased by 1.08% during the year, reflecting the peak production cycle of palms. However, it is expected that crop production over the next 2-3 years would be impacted by biological stress preceding higher crop production levels sustained over the last few years.

We will continue with our stringent agronomy and plantation management regime complimented with improved supervision and management of the plantations. Fertilization is carried out towards sustaining

Review of Industry and Operational Performance

the peak yields recorded and emphasis is laid on good agronomy practices, pest and disease management, water and drainage management and improved harvesting standards.

Cost of production has been maintained through higher productivity and improved field conditions. Wage increases continue to be a burden on the cost of production especially as it is not linked to commensurate productivity increases. The challenge would be to sustain the cost of production over the next few years as the palms mature and move out of the peak yielding cycle. Hence, at an operational level we will focus on increasing operational and labour productivity and undertake stringent cost management initiatives to sustain our cost competitiveness.

Another emerging challenge is the availability of workers within the plantations, given stringent conditions being imposed by the government in the recruitment of foreign workers. Renewal of permits for foreign workers has become difficult and this could lead to a shortage of harvesters within the plantations.

As at 31st March 2013, the total plantation hectareage was 304.5, and was classified as mature.

Agro Harapan Lestari Sdn. Bhd.

Managers

22nd April 2013

Risk Management

The Company is of the view that Risk Management is a driving factor for the sustainability of operations and has identified the following risk profile. Early detection of risks and timely deployment of necessary mitigating actions will ensure that the Company's objectives are accomplished.

The risks are continuously managed and reviewed for effective mitigations at Goodhope Asia Holdings Ltd (GAHL) Group level, while the necessary action plans are carried out at Company level.

The Indonesian plantation, in which the Company has an investment in, also falls under the Risk Management Framework of the GAHL Group.

Commodity Price Risk

Sale of Oil Palm Fresh Fruit Bunches (FFB) is the main source of cash inflow for the Company. The price for Crude Palm Oil (CPO) is determined by international market forces, thus, the Company as a price taker has minimal control over price fluctuations. Our end product is FFB; hence no price hedging is done.

Business Environment Risks

The adverse weather and other natural calamities can cause hindrances to the biological assets at unexpected times. The Company has taken adequate measures to ensure proper water management in flood prone areas so that long term benefits can be reaped through higher yields.

Potential crop production is affected by diseases such as Ganoderma, leaf eating

insects and Bagworms ultimately impacting yields. The Company has set in place mechanisms to monitor pest attacks and palms affected by Ganoderma are mounded in order to prolong its productivity life. The Company will also replant areas significantly impacted by Ganoderma considering its future yield potential. Additionally, the Company constantly invests in agronomy and plantation management practices to mitigate the impact that would be caused by any sudden up-rise of these diseases.

Labour Risk

In view of the industry being labour intensive, skilled labour is a critical success factor. Thus, hiring and retention is of strategic importance to improve efficiency of the workforce.

It has become a challenge to attract local workers for plantation work, and to worsen the situation the Malaysian Government has imposed some restrictions on attracting labour from foreign regions, especially from Indonesia. Further, there has been a noticeable shift of employment from plantations to the manufacturing sector creating a void in the labour market. We seek to employ contractors for harvesting activities to bridge these shortages.

Wage increases continue to be a burden on the cost of production especially as it is not linked to commensurate productivity increases. This creates the need to manage costs through higher productivity and improved field conditions.

Risk Management

Operational Risk

The Company's operations are significantly affected by the dependency on third party millers as we do not own CPO processing mills in Malaysia. The Company has minimal influence as a price taker; nevertheless, we are continuously negotiating with millers for better rates while seeking alternative millers to reduce the bargaining power of existing mill owners.

Financial Risks

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 in to the Rupee as majority of the assets are from the Malaysian operations.

Credit Risk

The credit risk is primarily encountered through trade receivables, which arise from its operating activities and deposits with banking institutions. 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 on-going basis with the result that the Company's exposure to bad debts is minimal.

Liquidity Risk

The Company manages such 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 impact of these financial risks are enumerated to the Financial Statements in Note 24 to the Financial Statement.

Agro Harapan Lestari Sdn. Bhd.

Managers

22nd April 2013

Profile of the Directors

Hariharan Selvanathan

Hariharan 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 a 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.

Manoharan Selvanathan

Manoharan 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) Ltd.

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 the services rendered to the nation.

In January 2011 he was awarded with 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.

Chandima Gunawardena

Chandima Gunawardena serves as a Non-Independent, Non-Executive Director of Carson Cumberbatch PLC and in most of the Carsons Group Companies in Sri Lanka and overseas. He is also a Director of Bukit Darah PLC. Since assuming Non-Executive status in the Group in 2011, he serves as an advisor to the Group's Strategic Planning and Management forums in Sri Lanka; and serves on Board Committees including the Audit Committees of the Group in Sri Lanka and overseas covering all operating sectors 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 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

Profile of the Directors

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.

Israel Paulraj

Israel Paulraj is the Chairman of Ceylon Guardian Investment Trust PLC, Ceylon Investment PLC, Guardian Capital Partners 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 served as Past Chairman of the Federation of Exporters' Associations of Sri Lanka and the Coconut Products Traders Association. He was a member of the Executive Committee of the Ceylon Chamber of Commerce and the National Chamber of Commerce of Sri Lanka Shippers Council. 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 has also served as the Chairman of the Incorporated Trustees of the Church of Ceylon.

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.

Chandana Tissera

Chandana Tissera is a Director of Carson Cumberbatch PLC and presently serves as the Chief Executive Officer for the Plantations, Oil and Fats 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 Director Finance of the Carsons Group.

He has previously served on the Board of Union Assurance PLC and counts over 28 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 and Equity Two PLC. He is also a Director of 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 39 years of work experience and holds a Technician's Certificate of the Institute of Work Study Practitioners, of UK.

Kenneth Sellayah

Kenneth Sellayah is a Director of Good Hope PLC and Prime Property Management Services (Pvt) Ltd. He was 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.

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 and 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

22nd April 2013

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

The details set out herein provide the pertinent information required by the Companies Act No. 7 of 2007, Listing Rules of the Colombo Stock Exchange and recommended best accounting practices. The Annual Report was approved by the Directors at a meeting held on 22nd April 2013.

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 2013 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 to 4. These reports form an integral part of the Annual Report of the Board of Directors on the Affairs of the Company.

4. Financial Results

The Company recorded a net profit after tax of Rs. 178.94 mn for the year. An abridgement of the Company's performance is presented in the table below.

5. Auditors' Report

The Auditors' Report on the Financial Statements is given on page 22 of this Annual Report.

6. Significant Accounting Policies

The Accounting policies adopted in the preparation of the Financial Statements are given on pages 28 to 40 in the Notes to the Financial Statements.

<i>For the year ended 31st March</i>	2013	2012
	Rs. '000	Rs. '000
Profit after taxation	178,941	221,198
Profit brought forward from previous year	467,115	395,132
Profit available for appropriation	646,056	616,330
Appropriation		
Dividend paid	(302,587)	(149,215)
Unappropriated profits carried forward	343,469	467,115

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

7. Financial Statements

The Company is now compliant with the new Sri Lanka Accounting Standards (SLFRS/LKAS). These Financial Statements have been formulated and produced in accordance with the first time adoption requirements of these Accounting Standards as explained in Note 2.10 to the Financial Statements. Further, impact of first time adoption of SLFRS/LKAS are given in Notes 2.10.1 to 2.10.4 to the Financial Statements.

The Financial Statements of the Company comprising of the Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Cash Flow Statement together with the accompanying Notes to the Financial Statements for the year ended 31st March 2013 are set out in pages 23 to 60.

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 Interests Register in conformity with the provisions of the Companies Act No. 7 of 2007.

All Directors have made declarations as provided for in Section 192(2) of the Companies Act aforesaid.

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

The Interests 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 2013 is given in Note 5 and Note 23.2 to the Financial Statements on pages 45 and 59 respectively.

9.3 Directors' Interests in Contracts and 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	1st
	March	April
	2013	2012
Mr. H. Selvanathan	-	-
Mr. M. Selvanathan	1	-
Mr. I. Paulraj	-	-
Mr. D.C.R. Gunawardena	-	-
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. P.C.P. Tissera 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. 637,000 was paid to them by the Company as audit fees for the year ended 31st March 2013 (2012: Rs. 550,000).

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 forthcoming Annual General Meeting.

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.

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

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 2013, including those that exceeded 10% of the Shareholder Equity or 5% of the Total Assets as at 31st March 2013, are described in Note 23 on pages 57 & 59 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 reporting 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

Each of the Non-Executive Directors of the Company has submitted a signed declaration on Independence/Non-Independence as per Rule 7.10.2.b., of the Listing Rules of the Colombo Stock Exchange. The said declarations were tabled at a Board Meeting held on 22nd April 2013, in order to enable the Board of Directors to determine the Independence/Non-Independence of the Non-Executive Directors.

Accordingly, the Board has determined the following Non-Executive Directors as Independent Directors on the Board.

*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 in spite 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 comprises of the following members.

Members	Executive/ Non-Executive/ Independent
Mr. I. Paulraj (Chairman)	Non-Executive/ Independent Director of CCPLC
Mr. M. Moonesinghe	Non-Executive/ Independent Director of CCPLC
Mr. D.C.R. Gunawardena	Non-Executive Director of CCPLC

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 45.

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 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 (Chairman)	Non-Executive/ Independent Director of CCPLC
Mr. D.C.R. Gunawardena	Non-Executive Director of CCPLC
Mr. F. Mohideen	Non-Executive/ Independent Director of CCPLC

The Audit Committee Report is given on page 19 to 20 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 3)
Mr. H. Selvanathan	2
Mr. M. Selvanathan	3
Mr. I. Paulraj	3
Mr. D.C.R. Gunawardena	3
Mr. A.K. Sellayah	1
Mr. P.C.P. Tissera	3
Mr. K.C.N. Fernando	3

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

16. Dividend

Subject to the approval of the shareholders at the Annual General Meeting, the Board of Directors recommend a final dividend of Rs. 14.23 per share for the year ended 31st March 2013. However, in accordance with Sri Lanka Accounting Standard LKAS 10 - Events after the Reporting Period, this proposed final dividend has not been recognized as a liability as at 31st March 2013. This would result in a total outflow of Rs.98.76 mn subject to approval at the forthcoming Annual General Meeting.

Further, the Company has paid an interim dividend of Rs.17.00 per share resulting in a total outflow of Rs. 184.61 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 2013 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 2013 was Rs. 5,489.26 mn (2012: Rs. 5,497.58 mn) comprising of Retained Earnings of Rs. 343.47 mn (2012: Rs. 467.12 mn) and Other reserves of Rs. 5,145.80 mn (2012: Rs. 5,030.48 mn). Total reserves combined with Stated Capital as at 31st March 2013 was Rs. 5,558.67 mn (2012: Rs. 5,566.99 mn). The movements are shown in the Statement of Changes in Equity given on page 26.

20. Capital Expenditure and Investments

The total expenditure on acquisition of property, plant & equipment during the year amounted to Rs. 10.54 mn (2012: Rs. 1.25 mn).

The movements in property, plant & equipment and investments during the year are set out in Notes 9 and 10 on pages 48 to 50 respectively.

21. Value of the Properties

The market value of freehold land reflected in the Financial Statements as at 31st March 2013 is Rs. 1,515.78 mn compared to Rs. 1,551.78 mn in 2012. The details of freehold land valuation is given in Note 9 on page 48 to the Financial Statements.

22. Value of the Investment

The market value/valuation of the Company's investment as at 31st March 2013 was Rs. 3,741.26 mn

(2012: Rs. 3,584.07 mn) as disclosed under Note 11 on page 50 and 51 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 Reporting Date

Subsequent to the reporting 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 56 to the Financial Statements.

26. Share Information

The details relating to earnings, net assets, market value per share and information on share trading is given on pages 71 to 73 of this Annual Report.

27. Annual Report

The Board of Directors on 22nd April 2013, approved the Company's Financial Statements together with the Reviews which form part of the Annual Report. The appropriate number of copies of the report would be submitted to the Colombo Stock Exchange, Sri Lanka Accounting and Auditing Standards Monitoring Board and the Registrar of Companies within the given time frames.

28. Annual General Meeting

The One Hundred and Fourth Annual General Meeting of the Company will be held on the 29th day of May 2013 at 3.00 p.m at the 8th Floor, No. 65C, Dharmapala Mawatha, Colombo 7. The Notice of Annual General Meeting is on page 76 of this Annual Report.

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

29. TWENTY MAJOR SHAREHOLDERS

As at 31st March	2013		2012	
	No. of shares	%	No. of shares	%
Goodhope Asia Holdings Ltd	5,586,996	80.50	5,582,800	80.44
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
Estate of Mr. F.C. Fellowes Gordon (Decd.)	92,533	1.33	92,533	1.33
Mr. K.C. Vignarajah	24,340	0.35	24,317	0.35
Mr. S.S. Vignarajah	4,700	0.07	4,700	0.07
Mr. J.A.A. Chandrasiri	2,500	0.04	2,500	0.04
Mr. N.K. Punchihewa	2,500	0.04	-	0.00
Dr. D. Jayanthi	2,100	0.03	2,100	0.03
Best Real Invest Co Services (Private) Limited	1,645	0.02	700	0.01
Mr. M.M.A. Ameen	1,200	0.02	1,200	0.02
Mr. W. Dharmawardana	980	0.01	1,000	0.01
Miss K.R. Vignarajah	800	0.01	800	0.01
Dr. R.D. Kahandawa Arachchi	700	0.01	700	0.01
Mr. I.G.K.R.K. Jayaweera	637	0.01	1,300	0.02
Mr. H.W. Senaweera	605	0.01	600	0.01
Mrs. H.M.S. Seneviratne	593	0.01	600	0.01
Mrs. N.K.L. Munavir	557	0.01	541	0.01

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 5 and 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.

Company has had no material issues pertaining to employees and industrial relations during the year ended 31st March 2013.

Signed for and on behalf of the Board,

(Sgd.)

H. Selvanathan

Chairman

(Sgd.)

P.C.P. Tissera

Director

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

(Sgd.)

K.D. de Silva (Mrs.)

Director

Carsons Management Services (Pvt) Ltd

Secretaries

22nd April 2013

Audit Committee Report

Audit Committee

As provided by the Colombo Stock Exchange Listing Rules, the Audit Committee of Carson Cumberbatch PLC (CCPLC), the Ultimate Parent Company, functions as 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. He is a fellow of the Chartered Institute of Management Accountants, UK.

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.

The audit aspects of Shalimar (Malay) PLC are conducted within the Agenda of CCPLC - Audit Committee.

Meetings of the Audit Committee

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

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

	Meetings Attended (out of 4)
Mr. V.P. Malalasekera	4
Mr. D.C.R. Gunawardena	4
Mr. F. Mohideen	4

The Audit Committee Meetings were attended by the Chief Executive Officer- Plantations, Oils and Fats Sector, Chief Financial Officer .- Plantations, Oils and Fats Sector, 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.

Audit Committee Report

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.

Transition to New/Revised Sri Lanka Accounting Standards

With effect from 1st January 2012 it is mandatory for the Company to comply with the requirements of new/revised Sri Lanka Accounting Standards (SLFRS/LKAS). These standards require changes to some of the accounting treatments adopted by the Company.

The transition to the new/revised Accounting Standards and the impact of same on the Company's Financial Statements have been independently validated by the External Auditors during the year end audit.

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 2013 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 (SLFRS) 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, which are carried out by the Plantation Sector Internal Audit Team. Accordingly, the Internal Audit has formulated a plan covering the field audits for the next financial year and the plan has been approved by the Audit Committee.

External Audit

The Members of the Audit Committee have determined that Messrs. Ernst & Young, Chartered Accountants 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, Chartered Accountants, as Auditors for the financial year ending 31st March 2014, 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

22nd April 2013

Financial Reports

Independent Auditors' Report	22
Income Statement	23
Statement of Comprehensive Income	24
Statement of Financial Position	25
Statement of Changes in Equity	26
Cash Flow Statement	27
Notes to the Financial Statements	28

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
Fax : (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 Statement of Financial Position as at 31 March 2013, and the income statement, Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Scope of Audit and Basis of Opinion

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

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

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

Opinion

In our opinion, so far as appears from our examination, the Company maintained proper accounting records for the year ended 31 March 2013 and the Financial Statements give a true and fair view of the Financial Position of the Company as at 31 March 2013 and its Financial Performance and Cash Flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Report on Other Legal and Regulatory Requirements

These financial statements also comply with the requirements of Section 151(2) of the Companies Act No.7 of 2007.

Ernst & Young

Chartered Accountants

22nd April, 2013
Colombo

Income Statement

<i>For the year ended 31st March</i>		2013	2012
	Note	Rs. '000	Rs. '000
Revenue	3	292,349	289,960
Direct operating costs		(62,844)	(53,462)
Gross Profit		229,505	236,498
Gain arising from changes in fair value of biological assets	10	22,030	20,737
Other income and gains	4	151	42,945
Administrative expenses		(27,713)	(21,047)
Profit Before Tax	5	223,973	279,133
Income tax expense	6	(45,032)	(57,935)
Profit for the Year		178,941	221,198
 Earnings per Share (Rs.)	7	 25.78	31.87
Dividend per Share * (Rs.)	7.1	40.83	24.50

Accounting Policies and Notes from pages 28 to 60 form an integral part of these Financial Statements.

Figures in brackets indicate deductions..

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

Statement of Comprehensive Income

<i>For the year ended 31st March</i>		2013	2012
	Note	Rs. '000	Rs. '000
Profit for the Year		178,941	221,198
Other Comprehensive Income			
Exchange differences on translation of foreign operations	14	(54,458)	34,018
Gain on revaluation of freehold land	9	12,587	212,080
Gain on available-for-sale financial assets	11.1	157,195	1,015,482
Other Comprehensive Income for the Year, Net of Tax		115,324	1,261,580
Total Comprehensive Income for the Year, Net of Tax		294,265	1,482,778

The Accounting Policies and Notes from pages 28 to 60 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

Statement of Financial Position

As at		31st March 2013 Rs. '000	31st March 2012 Rs. '000	01st April 2011 Rs. '000
	Note			
Assets				
Non-Current Assets				
Property, plant and equipment	9	1,544,088	1,571,396	1,355,191
Biological assets	10	211,105	195,598	148,054
Other non-current financial assets	11	3,741,261	3,584,066	2,568,584
Total Non-Current Assets		5,496,454	5,351,060	4,071,829
Current Assets				
Inventories		274	372	358
Trade and other receivables	12	11,338	17,026	66,302
Advance and prepayments		883	472	1,013
Cash and cash equivalents		127,156	265,959	150,739
Total Current Assets		139,651	283,829	218,412
Total Assets		5,636,105	5,634,889	4,290,241
Equity and Liabilities				
Equity				
Stated capital	13	69,401	69,401	69,401
Retained earnings		343,469	467,115	395,132
Other reserves	14	5,145,798	5,030,473	3,768,893
Total Shareholders' Funds		5,558,668	5,566,989	4,233,426
Non-Current Liabilities				
Deferred tax liability	15	54,281	50,005	37,137
Retirement benefit obligations	16	3,129	3,173	2,236
Total Non-Current Liabilities		57,410	53,178	39,373
Current Liabilities				
Trade and other payables	17	15,024	4,599	9,973
Provision and accrued expenses		1,382	2,181	3,221
Taxation payable		3,621	7,941	4,248
Total Current Liabilities		20,027	14,721	17,442
Total Equity & Liabilities		5,636,105	5,634,889	4,290,241
Net assets per ordinary share (Rs.)		800.95	802.15	610.00

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

(Sgd.)

C. S. Karunasena

Chief Financial Officer

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

The Accounting Policies and Notes from pages 28 to 60 form an integral part of these Financial Statements

Signed for and on behalf of the Managers,

Signed for and on behalf of the Board,

(Sgd.)

M.R. Jiffrey

Director

(Sgd.)

H. Selvanathan

Chairman

(Sgd.)

P. C. P. Tissera

Director

Agro Harapan Lestari Sdn. Bhd.

22nd April, 2013

Colombo

Statement of Changes in Equity

	Stated Capital Rs. '000	Capital Accretion Reserve Rs. '000	Currency Translation Reserve Rs. '000	Available for - sale reserve Rs. '000	Retained Profits Rs. '000	Total Share holders Funds Rs. '000
Balance as at 1st April 2011	69,401	1,299,226	(7,083)	2,476,750	395,132	4,233,426
Profit for the year	-	-	-	-	221,198	221,198
Other comprehensive income	-	212,080	34,018	1,015,482	-	1,261,580
Total comprehensive income	-	212,080	34,018	1,015,482	221,198	1,482,778
Final dividend - 2010/11	-	-	-	-	(97,164)	(97,164)
Interim dividend - 2011/12	-	-	-	-	(52,051)	(52,051)
Balance as at 31st March 2012	69,401	1,511,306	26,935	3,492,232	467,115	5,566,989
Balance as at 1st April 2012	69,401	1,511,306	26,935	3,492,232	467,115	5,566,989
Profit for the Year	-	-	-	-	178,941	178,941
Other Comprehensive Income	-	12,587	(54,458)	157,195	-	115,324
Total Comprehensive Income	-	12,587	(54,458)	157,195	178,941	294,265
Final Dividend - 2011/12	-	-	-	-	(117,981)	(117,981)
Interim Dividend - 2012/13	-	-	-	-	(184,606)	(184,606)
Balance as at 31st March 2013	69,401	1,523,893	(27,523)	3,649,427	343,469	5,558,668

The Accounting Policies and Notes from pages 28 to 60 form an integral part of these Financial Statements.

Nature of the reserves are described in Note 14 to the Financial Statements.

Figures in brackets indicate deductions.

Cash Flow Statement

<i>For the year ended 31st March</i>		2013	2012
	Note	Rs. '000	Rs. '000
Cash Flows from Operating Activities			
Profit before taxation		223,973	279,133
Adjustments for:			
Depreciation on property, plant and equipment	9	1,275	1,064
Provision for retirement benefit obligations	16	627	580
Interest income	3	(3,183)	(1,346)
Gain from changes in fair value of biological assets	10	(22,030)	(20,737)
Gain from return of long-term advance made towards share capital		-	(11,035)
Exchange differences in currency translation		1,160	3,702
Operating profit before working capital changes		201,822	251,361
Decrease/(Increase) in inventories		98	(14)
Decrease in trade and other receivables		5,278	845
(Decrease) in trade payables and accruals		9,578	(5,620)
Cash generated from/(used in) Operations		216,776	246,572
Tax paid		(45,029)	(41,451)
Retirement benefits obligations paid	16	(572)	-
Net Cash (Outflows)/Inflows from Operating Activities		171,175	205,121
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	9	(10,536)	(1,247)
Interest income	3	3,183	1,346
Return of long-term advance made towards share capital		-	60,007
Net Cash from Investing Activities		(7,353)	60,106
Cash Flow from Financing Activities			
Dividend paid		(302,625)	(150,007)
Net Cash used in Financing Activities		(302,625)	(150,007)
Net (Decrease)/Increase in Cash & Cash Equivalents		(138,803)	115,220
Cash & Cash Equivalents at the Beginning of the Year		265,959	150,739
Cash & Cash Equivalents at the End of the Year (Note A)		127,156	265,959
Note A			
Cash & Cash Equivalents			
Cash and bank balances		40,706	221,226
Short-term deposits		86,450	44,733
		127,156	265,959

The Accounting Policies and Notes from pages 28 to 60 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 incorporated in Singapore. In the opinion of the Directors, the Company's ultimate parent undertaking and controlling party is Carson Cumberbatch PLC 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 2013 was authorized for issue in accordance with a resolution of the Board of Directors on 22nd April 2013.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 General Accounting Policies

2.1.1 Statement of Compliance

The Financial Statements of Shalimar (Malay) PLC comprises the Statement of Financial Position and the Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows, together with the Accounting Policies and Notes to the Financial Statements.

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

2.1.2 Basis of Preparation

For all periods up to and including the year ended 31st March 2012, the Company prepared its Financial Statements in accordance with Sri Lanka Accounting Standards effective as at 31st March 2012. These Financial Statements for the year ended 31st March 2013 is the first the Company has prepared in accordance with Sri Lanka Accounting Standards comprising SLFRS and LKAS (hereafter "SLFRS"). Accordingly, the Company has prepared Financial Statements which comply with SLFRS applicable for periods ending on or after 1st April 2012, together with the comparative period data as at and

for the year ended 31st March 2012, as described in the accounting policies. In preparing these Financial Statements, the Company's opening Statement of Financial Position was prepared as at 1st April 2011, the Company's date of transition to SLFRS. Refer Note 2.10 for explanation of the transition.

The Financial Statements have been prepared on a historical cost basis, except for the following items and unless otherwise indicated in these Financial Statements,

- Biological assets are measured at fair value
- Available-for-sale financial assets are measured at fair value
- Land is measured at cost at the time of the acquisition and subsequently at revalued amount.

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

(c) Operations in Malaysia

The functional currency of the foreign operations in Malaysia is the Malaysian Ringgit. As at the reporting date, the assets and liabilities of the Malaysian operations are translated into the presentation currency (Sri Lankan Rupees) at the rate of exchange ruling at the reporting date and the items in the Income Statement are translated at the average exchange rate for the period. The exchange differences arising on translation are recognized in other comprehensive income.

2.2.2 Income Tax

(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 reporting 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 an asset or liability in a transaction that 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 deductible temporary differences arise from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor the taxable profit.

The carrying amount of deferred tax assets are reviewed at each reporting 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 reporting 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 reporting date.

Current tax and deferred tax relating to items recognized directly in the Statement of Other Comprehensive Income are also recognized in the Statement of Other Comprehensive Income 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

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective

assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.2.4 Events Occurring after the Reporting Period

The materiality of the events occurring after the reporting 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 Statement of Financial Position are cash and those which are expected to be realized in cash during the normal operating cycle of the Company's business or within one year from the reporting date.

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

2.3.1 Property, Plant & Equipment and Depreciation

(a) Valuation

Property, plant & equipment are stated at cost or valuation, net of accumulated impairment and 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 to write off such amounts over the estimated useful lives. The principal annual rates used are:

Notes to the Financial Statements

	No. of years
Freehold buildings	20
Plant & machinery	10
Furniture, fittings & office equipment	8
Motor vehicles	4

No depreciation is provided on freehold land.

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) 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".

(e) 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 Biological Assets

Biological assets, representing immature and mature palm oil plantations, are stated at fair value less costs to sell. Oil palm trees have an average life up to 26 years, with the first 30 months as immature and the remaining years as mature. As market determined prices or values are not readily available for plantations in its present condition, the Company uses the present value of expected future cash flows (excluding any future cash flows for financing the assets, taxation, or re-establishing plantations after harvest) from the asset, discounted at a current market determined pre-tax rate in determining fair values.

The Company obtains the services of an Independent Professional Valuer to establish the fair value of biological assets. Accordingly, the biological assets of the Company have been valued by KJPP Rengganis, Hamid & Partners of Indonesia.

Gains or losses arising on initial recognition of plantations at fair values less costs to sell and from the change in fair values less costs to sell of plantations at each reporting

date are included in the Income Statement for the period in which they arise.

2.3.3 Financial Assets and Liabilities - Initial Recognition and Subsequent Measurement

Financial assets within the scope of LKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value plus (in the case of assets not at fair value through profit or loss) directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include cash and short-term deposits, trade and other receivables, quoted and unquoted financial investments.

Subsequent Measurement

The subsequent measurement of financial assets depends on their classification as follows:

(a) Trade and Other Receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction cost. After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest Rate method (EIR), less impairment. The losses arising from impairment are recognized in the Income Statement as a part of administration costs.

(b) Available-for-Sale Financial Investments

Available-for-sale financial investments include quoted and unquoted investments. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealised gains or losses recognized as other comprehensive income in the available-for-sale reserve until the investment is

Notes to the Financial Statements

derecognized, at which time the cumulative gain or loss is recognized in other operating income, or determined to be impaired, at which time the cumulative loss is reclassified to the Income Statement in finance costs and removed from the available-for-sale reserve.

Fair value of investments in unquoted ordinary shares are determined based on adjusted tangible net assets of such companies and fair value of investment in quoted shares is determined by reference to published price quotation in an active market.

The Company evaluates its available-for-sale financial assets to determine whether the ability and intention to sell them in the near term is still appropriate. When the Company is unable to trade these financial assets due to inactive markets and management's intention to do so significantly changes in the foreseeable future, the Company may elect to reclassify these financial assets in rare circumstances. Reclassification to loans and receivables is permitted when the financial assets meet the definition of loans and receivables and the Company has the intent and ability to hold these assets for the foreseeable future or until maturity.

Derecognition

A financial asset is derecognized when:

- The rights to receive cash flows from the asset have expired
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of it, the asset is recognized to the extent of the Company's continuing involvement in it.

Impairment of Financial Assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. A financial asset is deemed to be impaired if, and only if, there is objective evidence

of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

(c) Financial Assets carried at amortized Cost

For financial assets carried at amortized cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated

future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the Income Statement. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account.

(d) Financial Liabilities

Initial Recognition and Measurement

Financial liabilities within the scope of LKAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, carried at amortized cost. This includes directly attributable transaction costs.

The Company's financial liabilities include trade and other payables.

Notes to the Financial Statements

Subsequent Measurement

Trade and other payables are measured at amortized cost.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

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 Cash & Cash Equivalents

Cash and cash equivalents are cash in hand, demand deposits and short-term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of the Cash Flow Statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts. Investments with short maturities i.e. three months or less from the date of acquisition are also treated as cash equivalents.

2.3.6 Impairment of Non Financial Assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. If any such indication exists, or when annual impairment testing for a financial asset or group of financial assets 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 or 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 group 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 Statement of Financial Position are those obligations payable on demand or within one year from the reporting date. Items classified as non-current liabilities are those obligations which become payable beyond a period of one year from the reporting 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 the 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 Workers' Agreements.

The defined benefit is calculated by the management using Projected Unit Credit (PUC) method as recommended by LKAS 19 – Employee Benefits. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

The resulting difference between brought forward provision at the beginning of the year, net of any

payment made, and the carried forward provision at the end of a year, is dealt with in the Income Statement. The gratuity liability is not funded.

(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 Provident Fund covering the employees is recognized as an expense in the Income Statement in the period in which it is incurred.

2.4.2 Capital Commitments and Contingencies

All material capital commitments and contingent liabilities which exist as at the reporting 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 from Malaysian operations and investment income from Sri Lankan operations.

2.5.2 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue and associated costs incurred or to be incurred can

Notes to the Financial Statements

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.

2.5.3 Expenditure Recognition

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

For the purpose of presentation of the Income Statement, the Directors are of the opinion that "function of expenses" method presents fairly the elements of the Company's performance, and hence such presentation method is adopted.

2.6 Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are reviewed regularly by the senior management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the senior management and board of directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment.

2.7 Related Party Disclosures

Disclosures are made in respect of related party transactions in accordance with LKAS 24.

2.8 Critical Accounting Estimates Judgments and Assumptions

The preparation of Financial Statements in conformity with Sri Lanka Accounting Standards 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 Sri Lanka Accounting Standards that have a significant effect on the Financial Statements are mentioned below.

	Policy	Note
Property, plant & equipment valuation and depreciation	2.3.1	09
Deferred Tax	2.2.2 (b)	15
Impairment of assets	2.3.3 / 2.3.6	-
Employee benefit liabilities	2.4.1	16
Determination and conversion of foreign currencies	2.2.1	8
Financial assets & liabilities	2.3.3	11/12/17
Biological assets valuation	2.3.2	10

2.9 Standards Issued but not yet Effective

Standards issued but not yet effective up to the date of issuance of the Company's Financial Statements are set out below. The Company will adopt these standards when they become effective. Pending a detailed review the financial impact is not reasonably estimable as at the date of publication of these Financial Statements.

Notes to the Financial Statements

(i) SLFRS 9 - Financial Instruments: Classification and Measurement
SLFRS 9, as issued reflects the first phase of work on replacement of LKAS 39 and applies to classification and measurement of financial assets and liabilities.

(ii) SLFRS 13 - Fair Value Measurement
SLFRS 13 establishes a single source of guidance under SLFRS for all fair value measurements. SLFRS 13 provides guidance on all fair value measurements under SLFRS.

SLFRS 9 will be effective for financial periods beginning on or after 1st January 2015 whilst SLFRS 13 will be effective for financial periods beginning on or after 1st January 2014.

2.10 First Time Adoption of SLFRS

These Financial Statements, for the year ended 31st March 2013, are the first the Company has prepared in accordance with SLFRS. For periods up to and including the year ended 31st March 2012, the Company prepared its Financial Statements in accordance with Sri Lanka Accounting Standards (SLAS).

Accordingly, the Company has prepared Financial Statements which comply with SLFRS applicable for periods ending on or after 31st March 2013, together with

the comparative period data as at and for the year ended 31st March 2012, as described in the accounting policies. In preparing these Financial Statements, the Company's opening statement of financial position was prepared as at 1st April 2011, the Company's date of transition to SLFRS. This note explains the principal adjustments made by the Company in restating its SLASs statement of financial position as at 1st April 2011 and its previously published SLASs Financial Statements as at and for the year ended 31st March 2012.

Exemptions Applied

SLFRS 1 First-Time Adoption of Sri Lanka Financial Reporting Standards, allows first-time adopters certain exemptions from the retrospective application of certain SLFRS. The Company has applied the following exemptions:

- **Designation of previously recognized financial assets & liabilities**

The Company has designated equity instruments held at 1st April 2011 as available-for-sale investments in accordance with the exemption given in the SLFRS 1 which permits a first time adopter to designate financial assets and liabilities as on the date of transition to SLFRS.

2.10.1 Reconciliation of equity as at 1st April 2011 (date of transition to SLFRS)

	Note	SLAS Rs. '000	Remeas- urements Rs. '000	SLFRS Rs. '000
Assets				
Non-Current Assets				
Property, plant and equipment	A	1,426,456	(71,265)	1,355,191
Biological assets	A	-	148,054	148,054
Other non current financial assets	B	91,834	2,476,750	2,568,584
Total Non-Current Assets		1,518,290	2,553,539	4,071,829
Current Assets				
Inventories		358	-	358
Trade and other receivables		66,302	-	66,302
Advance and Prepayments		1,013	-	1,013
Cash and cash equivalents		150,739	-	150,739
Total Current Assets		218,412	-	218,412
Total Assets		1,736,702	2,553,539	4,290,241
Equity and Liabilities				
Equity				
Stated capital		69,401	-	69,401
Retained earnings	A & C	346,154	48,978	395,132
Other reserves	B	1,283,529	2,485,364	3,768,893
Total Shareholders Funds		1,699,084	2,534,342	4,233,426
Non-Current Liabilities				
Deferred tax liability	A & C	17,940	19,197	37,137
Retirement benefit obligations		2,236	-	2,236
Total Non-Current Liabilities		20,176	19,197	39,373
Current Liabilities				
Trade and other payables		9,973	-	9,973
Provision and accrued expenses		3,221	-	3,221
Taxation payable		4,248	-	4,248
Total Current Liabilities		17,442	-	17,442
Total Equity & Liabilities		1,736,702	2,553,539	4,290,241

Notes to the Financial Statements

2.10.2 Reconciliation of equity as at 31st March 2012

	Note	SLAS Rs. '000	Remeas- urements Rs. '000	SLFRS Rs. '000
Assets				
Non-Current Assets				
Property, plant and equipment	A	1,639,985	(68,589)	1,571,396
Biological assets	A	-	195,598	195,598
Other non current financial assets	B	91,834	3,492,232	3,584,066
Total Non-Current Assets		1,731,819	3,619,241	5,351,060
Current Assets				
Inventories		372	-	372
Trade and other receivables		17,026	-	17,026
Advance and Prepayments		472	-	472
Cash and cash equivalents		265,959	-	265,959
Total Current Assets		283,829	-	283,829
Total Assets		2,015,648	3,619,241	5,634,889
Equity and Liabilities				
Equity				
Stated capital		69,401	-	69,401
Retained earnings	A & C	407,279	59,836	467,115
Other reserves	B	1,502,820	3,527,653	5,030,473
Total Shareholders Funds		1,979,500	3,587,489	5,566,989
Non-Current Liabilities				
Deferred tax liability	A & C	18,254	31,752	50,006
Retirement benefit obligations		3,173	-	3,173
Total Non-Current Liabilities		21,427	31,752	53,179
Current Liabilities				
Trade and other payables		4,599	-	4,599
Provision and accrued expenses		2,181	-	2,181
Taxation payable		7,941	-	7,941
Total Current Liabilities		14,721	-	14,721
Total Equity & Liabilities		2,015,648	3,619,241	5,634,889

2.10.3 Reconciliation of total comprehensive income for the year ended 31st March 2012

	Note	SLAS Rs. '000	Remeas- urements Rs. '000	SLFRS Rs. '000
Revenue		289,960	-	289,960
Direct operating costs	A	(56,139)	2,677	(53,462)
Gross Profit		233,821	2,677	236,498
Gain arising on changes in fair value of biological assets	A	-	20,737	20,737
Other income and gains		42,945	-	42,945
Administrative expenses		(21,047)	-	(21,047)
Profit Before Tax		255,719	23,414	279,133
Income tax expense	C	(45,379)	(12,556)	(57,935)
Profit for the year		210,340	10,858	221,198
Other Comprehensive Income				
Exchange differences on translation of Malaysian operations		-	34,018	34,018
Revaluation of land	9	-	212,080	212,080
Gain on available - for sale financial assets	B	-	1,015,482	1,015,482
		-	1,261,580	1,261,580
Other Comprehensive Income for the Year, Net of Tax		-	1,261,580	1,261,580
Total Comprehensive Income for the Year, Net of Tax		210,340	1,272,438	1,482,778

2.10.4 Notes to the reconciliation of equity as at 1st April 2011 and 31st March 2012 and total comprehensive income for the year ended 31st March 2012

A Biological Assets

Under Previous SLAS, the Company accounted for mature and immature plantation under property, plant and equipment measured at cost less amortization. Under SLFRS, at the date of transition to SLFRS (1st April 2011), the Company has designated such assets as biological assets. LKAS 41-Agriculture: requires biological assets to be measured at fair value less cost to sell as explained in Accounting Policy 2.3.2 – Biological Assets, at the date of transition to SLFRS, the fair value less cost to sell of these assets is Rs.148 mn (2012 Rs.196 mn) and their previous SLAS carrying amount was Rs. 71 mn (2012: Rs.69 mn). The Rs.77 mn (2012: Rs.127 mn) difference between the fair value less cost to sale

Notes to the Financial Statements

and previous SLAS carrying amount has been recognized against retained earnings, net of related deferred taxes and cumulative translation reserve.

The fair values have been established by an Independent Valuer. The details of the valuation, basis of valuation, and the assumptions used are described in Note 10 to the Financial Statements. In fair valuing the biological assets, the related accumulated amortization has been reversed.

B Available -For-Sale Financial Assets

Under Previous SLAS, the Company accounted for investments in related companies equity shares as long term investment measured at cost. Under SLFRS, the Company has designated such investments as available-for-sale investments (refer Policy 2.3.3 (b)). LKAS 39 - Financial Instruments Recognition and Measurement requires available-for-sale investments to be measured at fair value. Details pertaining to the respective investments and the basis of fair valuation of these investments is described in Note 11 to the Financial Statements. At the date of transition to SLFRS, the fair value of these assets is, Rs. 2,568 mn (2012: Rs. 3,584 mn) and their previous SLAS carrying amount was Rs.92 mn (2012: Rs. 92 mn). The Rs. 2,476 mn (2012: Rs. 3,492 mn) difference between the instruments fair value and previous SLAS carrying amount has been recognized as a separate component of equity, in the available-for-sale reserve.

C Deferred Tax

Transitional Adjustments indicated above lead to temporary differences. Accordingly the Company has accounted for the tax effect of such differences. Deferred tax adjustments are recognized in correlation to the underlying transaction in retained earnings.

<i>For the year ended 31st March</i>		2013	2012
		Rs. '000	Rs. '000
3. REVENUE			
Oil Palm:			
Sales of fresh fruit bunches	246,637		253,793
Investment:			
Dividend income	42,529		34,821
Interest income	3,183		1,346
	292,349		289,960
4. OTHER INCOME AND GAINS			
Exchange Gain	-		30,921
Gain from return of long term advance made towards share capital	-		11,035
Other Income	151		989
	151		42,945
5. PROFIT BEFORE TAX			
is stated after charging all expenses including the following:			
Depreciation (Note 9)	1,275		1,064
Management and professional fees	15,863		17,778
Auditors' remuneration			
Audit fee for the current year	637		550
Directors' fees	900		200
Personnel costs (Note 5.1)	23,910		20,188
5.1 Personnel Costs			
Salaries, wages and other staff related expenses	22,228		18,761
Defined contribution plans - EPF	1,055		847
Retirement benefit obligations (Note 16)	627		580
	23,910		20,188

6 INCOME TAX

6.1 Major components of income tax expense

The major components of income tax expense for the financial year ended 31st March 2013 and 2012 are:

<i>For the year ended 31st March</i>		2013	2012
		Rs. '000	Rs. '000
Income Statement:			
Current income tax			
- Current year income tax expense	41,133		45,280
- Under/(over) provision of income tax in respect of prior year	-		(137)
	41,133		45,143
Deferred income tax			
- Origination/reversal of temporary differences	3,899		12,792
Income tax expense recognized in profit or loss	45,032		57,935

Notes to the Financial Statements

6.2 Relationship between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the year ended 31st March 2013 and 31st March 2012 are as follows:

<i>For the year ended 31st March</i>	2013 Rs. '000	2012 Rs. '000
Profit before tax	223,973	279,133
Tax at applicable rates to profits (Notes 6.3 (b) & 6.3 (e))	27,115	33,496
Adjustments:		
Income not subject to tax		
(Including biological gains (Note 6.3 (d) & Note 10)	(7,776)	(8,255)
Under/(over) provision in respect of previous years	-	(137)
Double tax credit for Malaysian Branch (Note 6.3 (c))	(19,474)	(26,490)
Others-Taxation in Malaysian Branch (Note 6.3 (a))	40,542	45,280
Non-deductible expenses	726	1,250
Deferred Tax	3,899	12,792
Income tax expense recognized in profit or loss	45,032	57,935

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 is liable to tax in Malaysia at a rate of 25% (2012: 25%).
- (b) During the year ended 31st March 2013, as provided for under Section 46 of the Inland Revenue Act No. 10 of 2006, these profits are liable to tax in Sri Lanka at 12% (2012: 12%).
- (c) In terms of the Double Tax Treaty Agreement entered into between 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 the plantation in Malaysia.
- (d) In terms of Section 9 & 10 of the Inland Revenue Act No. 10 of 2006, and amendments thereto, interest and dividend income received from Malaysia is exempt from income tax.
- (e) Profits of the Company, other than such referred to in Note 6.3 (b) and (d) are liable to tax at a rate of 28% (2012: 28%).

6.4 Dividend Tax

Dividend distribution would consist of a distribution of operational profits and a redistribution of dividend income. Redistribution of dividend income received from already taxed source would not be liable to dividend tax.

7. EARNINGS PER SHARE

The calculation of earnings per ordinary share of Rs. 25.78 (2012: Rs. 31.87) is based on the profit after taxation over the weighted average number of ordinary shares in issue during the year.

Given below is the computation of Earnings Per Share:

<i>For the year ended 31st March</i>	2013	2012
Numerator		
Profit for the year (Rs.)	178,940,669	221,198,250
Profit attributable to ordinary shareholders (Rs.)	178,940,669	221,198,250
Denominator		
Number of ordinary shares (Note 13)	6,940,080	6,940,080
Earnings Per Share (Rs.)	25.78	31.87

7.1. Dividend Paid or Proposed

Dividend paid during the year

Interim dividend for 2013: Rs. 26.60 per share

(2012: Rs. 7.50 per share)

184,606 52,051

Final Dividend for 2012: Rs.17.00 per share

(2011: Rs. 14.00 per share)

117,981 97,164

Proposed for approval at AGM (not recognized as a liability as at 31st March)

2013: 14.23 per share (2012: Rs.17.00 per share)

98,757 117,981

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

8. FOREIGN CURRENCY TRANSLATION

The Accounting Policy of foreign currency translation is shown under 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</i>	31st March 2013 Rs.	31 March 2012 Rs.	01st April 2011 Rs.
Malaysian Ringgit	40.97	42.29	36.47
US Dollar	126.87	130.20	110.46

Notes to the Financial Statements

9. PROPERTY, PLANT & EQUIPMENT

	Freehold Land	Freehold Buildings	Plant & Machinery	Furniture, Fittings and Equipment	Motor Vehicles	Capital WIP	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cost/Valuation							
As at 1st April 2011	1,338,395	22,350	1,025	811	7,580	-	1,370,161
Additions	-	436	9	495	307	-	1,247
Translation adjustment for the year	213,389	3,564	166	195	1,252	-	218,566
As at 31st March 2012	1,551,784	26,350	1,200	1,501	9,139	-	1,589,974
Additions	-	-	-	-	-	10,536	10,536
Revaluation gain	12,587	-	-	-	-	-	12,587
Translation adjustment for the year	(48,577)	(825)	(37)	(46)	(286)	-	(49,772)
As at 31st March 2013	1,515,794	25,525	1,163	1,455	8,853	10,536	1,563,325
Depreciation							
As at 1st April 2011	-	5,912	668	811	7,579	-	14,970
Charge for the year	-	933	53	21	57	-	1,064
Translation adjustment for the year	-	1,081	114	132	1,217	-	2,544
As at 31st March 2012	-	7,926	835	964	8,853	-	18,578
Charge for the year	-	1,081	61	46	87	-	1,275
Translation adjustment for the year	-	(271)	(28)	(38)	(279)	-	(616)
As at 31st March 2013	-	8,736	868	972	8,661	-	19,237
Net Book Value							
As at 31st March 2013	1,515,794	16,789	295	483	192	10,536	1,544,088
As at 31st March 2012	1,551,784	18,424	365	537	286	-	1,571,396
As at 1st April 2011	1,338,395	16,438	357	-	1	-	1,355,191

(i) The carrying value of the freehold land, if the asset was carried at historical cost would be Rs. 22 mn (2012: Rs. 22 mn).

(ii) Property, plant & equipment includes fully depreciated assets having a gross carrying amount of Rs. 14.37 mn (2012: Rs. 14.83 mn)

(iii) The freehold land was revalued on 31st March 2013 based on existing use basis, by an independent valuer Enck W. M. Malik, member of the Institution of Surveyors, Malaysia, a partner with W. M. Malik & Kamaruzaman. Gain on revaluation of freehold land in Other Comprehensive Income Statement of 2013 and 2012 depicts an asset revaluation gain of Rs. 12.59 mn and a currency revaluation gain of Rs. 212.08 mn for the respective financial years.

(iv) The total revaluation gain over the book value has been credited to the capital accretion reserve and included under other reserves.

(v) All property, plant & equipment are located in Malaysia.

(vi) During the year company acquired and paid for property plant and equipment to the aggregate value of Rs 10.54 mn (2012: Rs. 1.25 mn).

	2013 Rs. '000	2012 Rs. '000	2011 Rs. '000
10. BIOLOGICAL ASSETS			
Carrying value at the beginning of the year	195,598	148,054	131,823
Currency translation differences	(6,523)	26,807	9,399
	189,075	174,861	141,222
Gain arising from changes in fair value	22,030	20,737	6,832
Carrying value at the end of the year	211,105	195,598	148,054

Biological assets represent immature and mature palm oil plantations in Malaysia. Under the previous SLAS, these assets were classified under property, plant and equipment and measured at cost less amortization. With the transition to SLFRS, the company has designated such assets as 'biological assets' and has been measured at fair value less cost to sell.

As market determined prices or values are not readily available for plantations in its present condition, the Company uses present value of expected future cash flows from the asset, discounted at current market determined pre-tax rate in establishing the fair value.

The Company obtains the services of an independent professional valuer to establish the fair value of the biological assets. Accordingly, the biological assets of the Company have been valued as at 1st April 2011, 31st March 2012 and 31st March 2013 by KJPP Rengganis, Hamid & Partners of Indonesia. These valuations are performed in accordance with international valuations standards using the following key assumptions:

- (a) Projected economic production life of palm oil plants is 22 years (2012: 22 years) after maturity.
- (b) Malaysian discount rate per annum of 8.25% in 2013 (2012: 8.33%).
- (c) This valuation is based on market FFB Price. FFB price for the first year is estimated at RM 428 per ton. FFB price is projected to decrease for second year at RM 423 per ton. The third year is estimated at RM 400 per ton. The fourth year is estimated at RM 416 per ton. The fifth year is estimated at RM 431 per ton. The remaining years are estimated at RM 433 per ton.

Gains or losses arising on initial recognition of plantations at fair value less costs to sell and from the changes in fair values less costs to sell of plantations at each reporting date are included in the Income Statement for the respective period. The deferred tax impact on recognition of biological assets has been charged to the Income Statement (Refer Note 15).

Notes to the Financial Statements

Analysis of biological assets are as follows:

	2013 Rs. '000	2012 Rs. '000	2011 Rs. '000
Plantation Values			
Mature	211,105	195,598	148,054
Immature	-	-	-
	211,105	195,598	148,054

	Ha	Ha	Ha
Plantation Area			
Mature	304.50	304.50	304.50
Immature	-	-	-
	304.50	304.50	304.50

<i>As at</i>	31st March 2013 Rs. '000	31st March 2012 Rs. '000	1st April 2011 Rs. '000
--------------	--------------------------------	--------------------------------	-------------------------------

11. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES

11.1 Other Non-Current Financial Assets

Available-for-sale investments			
Unquoted equity shares (11.1.a)	3,741,261	3,584,066	2,568,584
		-	-
Total available-for-sale investments	3,741,261	3,584,066	2,568,584
Total other financial assets: Non-Current	3,741,261	3,584,066	2,568,584

11.1.a Available-for-Sale Investment - Unquoted Equity Shares

The Company holds a non-controlling interest of 13.33% (2012: 13.33%) in Shalimar Developments Sdn. Bhd. (SDSB) – an investment holding company incorporated in Malaysia. SDSB's sole investment is in PT Agro Indomas - an oil palm plantation company based in Indonesia, in which it has controlling interest.

Under previous SLAS, the Company accounted for these investments at cost. Under SLFRS the Company has designated such investments as 'available-for-sale' investments and measured at fair value.

The fair value of this unquoted investment in SDSB has been estimated using the 'adjusted tangible net assets' on a revalued basis, (refer accounting policy number 2.3.3. (b)). Accordingly, in arriving at the fair value of the Company's investment in SDSB, the property, plant and equipment and biological assets of PT Agro Indomas has been revalued as at 31st December 2012, 31st March 2012 and 31st March 2011 for the reporting dates of 31st March 2013, 31st March 2012 and 1st April 2011, respectively.

11.2 Fair Values

Set out below is a comparison by class of the carrying amounts and fair values of the Company's financial assets & liabilities that are carried in the Financial Statements.

As at	Carrying amount			Fair value		
	31st March	31st March	1st April	31st March	31st March	1st April
	2013	2012	2011	2013	2012	2011
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Financial Assets						
Trade and other receivables	11,338	17,026	66,302	11,338	17,026	66,302
Other financial assets						
Available-for-sale investments	3,741,261	3,584,066	2,568,584	3,741,261	3,584,066	2,568,584
Cash and short-term deposits	127,156	265,959	150,739	127,156	265,959	150,739
Total	3,879,755	3,867,051	2,785,625	3,879,755	3,867,051	2,785,625
Financial Liabilities						
Trade and other payables	15,024	4,599	9,973	15,024	4,599	9,973
Total	15,024	4,599	9,973	15,024	4,599	9,973

11.3 Fair Value Hierarchy (Determination of Fair Values)

As required by SLFRS, the Company uses the following hierarchy for determining and disclosing the fair value of financial assets & liabilities by valuation technique as depicted in the table below.

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Notes to the Financial Statements

11.3 Fair value Hierarchy (Determination of fair values)

Assets measured at fair value				
<i>As at</i>	31st March 2013 Rs. '000	Level 1 Rs. '000	Level 2 Rs. '000	Level 3 Rs. '000

Available-for-sale financial assets				
Equity shares	3,741,261	-	-	3,741,261

<i>As at</i>	31st March 2012 Rs. '000	Level 1 Rs. '000	Level 2 Rs. '000	Level 3 Rs. '000
--------------	---	-----------------------------	-----------------------------	-----------------------------

Available-for-sale financial assets				
Equity shares	3,584,066	-	-	3,584,066

<i>As at</i>	1st April 2011 Rs. '000	Level 1 Rs. '000	Level 2 Rs. '000	Level 3 Rs. '000
--------------	--	-----------------------------	-----------------------------	-----------------------------

Available-for-sale financial assets				
Equity shares	2,568,584	-	-	2,568,584

<i>As at</i>	2013 Rs. '000	2012 Rs. '000	2011 Rs. '000
--------------	--------------------------	--------------------------	--------------------------

12. TRADE AND OTHER RECEIVABLES

Trade debtors	11,338	16,571	17,268
Other debtors	-	396	62

Amounts due from related companies

	Relationship			
Shalimar Developments Sdn. Bhd	Fellow Subsidiary	-	-	48,972
Carson Cumberbatch PLC	Ultimate Parent	-	59	-

11,338	17,026	66,302
---------------	--------	--------

<i>As at</i>	31st March 2013 Rs. '000	31st March 2012 Rs. '000	1st April 2011 Rs. '000
--------------	---	---	--

13. STATED CAPITAL

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

<i>As at</i>	31st March 2013 Rs. '000	31st March 2012 Rs. '000	1st April 2011 Rs. '000
14. OTHER RESERVES			
Currency translation reserve	(27,523)	26,935	(7,083)
Available-for-sale reserve	3,649,427	3,492,232	2,476,750
Capital accretion reserve	1,523,893	1,511,306	1,299,226
End of the year	5,145,798	5,030,473	3,768,893

Currency translation reserves represents exchange differences arising from the translation of the Financial Statements of foreign operations whose functional currencies are different from that of the Company's presentation currency.

Available-for-sale reserve represents the excess between the fair value and cost of available-for-sale financial assets.

Capital accretion reserve includes surplus arising from revaluation of property, plant and equipment.

The movements of the above reserves are given in the Statement of Other Comprehensive Income.

<i>As at</i>	Statement of Financial Position			Income Statement	
	31st March 2013 Rs. '000	31st March 2012 Rs. '000	1 st April 2011 Rs. '000	31st March 2013 Rs. '000	31st March 2012 Rs. '000

15. DEFERRED INCOME TAX

Deferred Tax Liability

Deferred tax on property, plant & equipment	2,801	2,792	1,649	9	1,143
Deferred tax on biological assets	52,776	48,897	37,013	3,879	11,885
	55,577	51,690	38,662	3,888	13,028

Deferred Tax Assets

Defined benefit plans	(782)	(793)	(559)	11	(234)
Provision for ex-gratia	(12)	(12)	(10)	-	(2)
	(794)	(805)	(569)	11	(236)

Effect of exchange rate movement	(502)	(879)	(956)	-	-
Deferred income tax expense/(income)	-	-	-	3,899	12,792
Net deferred tax liability	54,281	50,005	37,137		

Notes to the Financial Statements

16. RETIREMENT BENEFIT OBLIGATIONS

The defined benefit is calculated by the management using Projected Unit Credit (PUC) method as recommended by LKAS 19 - Employee Benefits. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

As at	31st March 2013 Rs. '000	31st March 2012 Rs. '000	1st April 2011 Rs. '000
16.1 Beginning of the year	3,173	2,236	2,036
Provision during the year (Note 16.2)	627	580	220
Exchange gain/(loss)	(99)	357	118
Paid for the year	(572)	-	(138)
End of the year	3,129	3,173	2,236

	2013 Rs. '000	2012 Rs. '000	2011 Rs. '000
16.2 Charge for the year			
Charge for the year	325	273	205
Interest charge for the year	127	89	81
(Gain)/loss arising from changes in the assumptions	175	218	(66)
End of the year	627	580	220

The principle assumptions used were as follows,

Discount Rate	4%	4%	4%
Future Salary Increment rate	3%	3%	3%
Staff Turnover	9%	9%	13%

As at	31st March 2013 Rs. '000	31st March 2012 Rs. '000	1st April 2011 Rs. '000
17. TRADE AND OTHER PAYABLES			
Trade creditors	14,329	3,798	8,377
Unclaimed dividend	695	732	1,527
Amounts due to related companies	Relationship		
Carsons Management Services (Pvt) Limited	Group Company	-	69
		-	69
	15,024	4,599	9,973

18. SEGMENTAL REPORTING

For management purpose, the Company is organized into the following two business segments.

(A) Industry

	Oil Palm		Investments		Company	
	2013 Rs. '000	2012 Rs. '000	2013 Rs. '000	2012 Rs. '000	2013 Rs. '000	2012 Rs. '000
Revenue						
External revenue	246,637	253,793	45,712	36,167	292,349	289,960
	246,637	253,793	45,712	36,167	292,349	289,960
Result						
Segment result	184,788	203,701	39,185	75,432	223,973	279,133
Taxation	(44,441)	(58,072)	(591)	137	(45,032)	(57,935)
	140,347	145,629	38,594	75,569	178,941	221,198

Other Information

Segment assets	1,894,845	2,001,901	3,741,260	3,632,988	5,636,105	5,634,889
Segment liabilities	75,415	66,095	2,022	1,804	77,437	67,899
Capital expenditure	10,536	1,247	-	-	10,536	1,247
Depreciation	1,275	1,064	-	-	1,275	1,064
Retirement benefits charge	627	580	-	-	627	580

(B) Geographical

	Malaysia		Sri Lanka		Company	
	2013 Rs. '000	2012 Rs. '000	2013 Rs. '000	2012 Rs. '000	2013 Rs. '000	2012 Rs. '000
Revenue	246,637	253,793	45,712	36,167	292,349	289,960
Non-Current Assets	1,755,193	1,766,994	3,741,261	3,584,066	5,496,454	5,351,060

Notes to the Financial Statements

19. CONTRACTS FOR CAPITAL EXPENDITURE

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

20. ASSETS PLEDGED

There were no assets pledged other than the disclosure made under Note 22 of these Financial Statements.

21. EVENTS AFTER THE REPORTING DATE

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. 14.23 per share for the year ended 31st March 2013. However, in accordance with Sri Lanka Accounting Standard No. 10 (LKAS-10) Events After the Reporting Period, this proposed final dividend has not been recognized as a liability as at 31st March 2013. This would result in a total outflow of Rs. 98.76 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 disclosed above.

22. CONTINGENT LIABILITIES

There are no material contingent liabilities other than the following as at the reporting date of 31st March 2013.

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

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

The above has been previously communicated via a Shareholder Circular dated 29th September 2009 and approved at the Extra Ordinary General Meeting held on 21st October 2009.

23. RELATED PARTY DISCLOSURES

23.1 Transactions with Related Companies - 2012/13

Name of the Company	Relationship	Nature of Transaction	Transaction Value During the year Rs.'000	Amount Outstanding as at 31.03.2013 Rs.'000
Agro Harapan Lestari Sdn. Bhd. (AHL SB)	Fellow Subsidiary	Management fees Technical support services, Sales commission and Performance incentive	(15,215)	-
Carson Cumberbatch PLC (CCPLC)	Ultimate Parent	Expenses incurred on behalf of Company	59	-
Shalimar Developments Sdn. Bhd. (SDSB)	Fellow Subsidiary	Dividend income	42,529	-
Indo-Malay PLC	Fellow Subsidiary	Dividend paid	(6,026)	-
Selinsing PLC	Fellow Subsidiary	Dividend paid Tractor rental income	(29,233) 151	-
Goodhope Asia Holdings Ltd	Immediate Parent	Dividend paid	(243,528)	-
Carsons Management Services (Pvt) Ltd	Group Company	Secretarial expenses	(427)	-
AHL Business Solutions (Pvt) Ltd	Fellow Subsidiary	Data processing fee IT support fee	(1,346) (416)	-
Good Hope PLC	Fellow Subsidiary	Dividend paid	(8,442)	-
Equity One PLC	Group Company	Service Charges	(9)	-
TOTAL amounts due to Related Parties				-
TOTAL amounts due from Related Parties				-

Notes to the Financial Statements

23. RELATED PARTY DISCLOSURES
23.1 Transactions with Related Companies -2011/12

Name of the Company	Relationship	Nature of Transaction	Transaction Value During the year Rs. '000	Amount Outstanding as at 31.03.2012 Rs. '000
Agro Harapan Lestari Sdn. Bhd. (AHL SB)	Fellow Subsidiary	Management fees technical support services, sales commission and performance incentive	(15,535)	
Carson Cumberbatch PLC (CCPLC)	Ultimate Parent	Expenses incurred on behalf of Company	59	59
Shalimar Developments Sdn. Bhd. (SDSB)	Fellow Subsidiary	Return of long-term advances made towards share capital** Dividend Income	48,972 34,821	
Indo-Malay PLC	Fellow Subsidiary	Dividend paid	(3,302)	
Selinsing PLC	Fellow Subsidiary	Dividend paid Expense incurred on behalf of other Company Tractor rental income	(16,017) 249 133	
Good Hope PLC	Fellow Subsidiary	Dividend paid	(4,625)	
PT Agro Indomas	Fellow Subsidiary	Temporary advances*	4,054	
Goodhope Asia Holdings Ltd	Immediate Parent	Dividend paid Temporary advances*	(119,447) 124,112	
Carson Management Services (Pvt) Ltd	Group Company	Secretarial expenses	(378)	(69)
AHL Business Solutions (Pvt) Ltd	Fellow Subsidiary	Data processing fee Temporary advances*	(819) 4,054	
TOTAL amounts due to Related Parties				(69)
TOTAL amounts due from Related Parties				59

*The temporary cash advances are non interest bearing and repayable upon demand.

**In order to facilitate the Group's expansion plans in Indonesia, the 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 financial year 2011/12.

23.2 Compensation to Key Management Personnel

	2013	2012
	Rs. '000	Rs. '000
Emoluments/Fees	850	200

Key management personnel of the Company are members of its Board of Directors and that of its parent and ultimate parent.

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

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities, comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company has trade and other receivables, and cash and short term deposits that arise directly from its operations. The Company is exposed to commodity price risk, foreign exchange risk, credit risk and liquidity risk.

(a) Commodity Price Risk

The Company's primary source of cash inflows are from the sale of Fresh Fruit Bunches (FFB). As the FFB prices (Net Sales Average-NSA) are determined by the international market prices for Crude Palm Oil (CPO) the Company may be adversely affected by unfavourable price fluctuations. The Company's end product is FFB and hence no price hedging is done.

As at 31st March 2013, had the price of FFB been 5% higher/lower with all other variables being constant, profit before tax would have increased/decreased by Rs.12.33 mn (2012: Rs.12.69 mn).

Notes to the Financial Statements

(b) 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 risk is generated through the translation of results into the Sri Lankan rupee as majority of the assets are from the Malaysian operations.

(c) 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.

(d) 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.

Five Year Summary

<i>For the year ended 31st March</i>	SLFRS		SLAS		
	2013 Rs.'000	2012 Rs.'000	2011 Rs.'000	2010 Rs.'000	2009 Rs.'000
Operating Results					
Revenue	292,349	289,960	260,213	124,230	94,443
Profit Before Taxation	223,973	279,133	193,866	63,449	(6,870)
Taxation	(45,032)	(57,935)	(40,846)	(15,305)	(11,833)
Profit for the Year	178,941	221,198	153,020	48,144	(18,703)
Dividend Expense	302,587	149,215	69,401	270,663	13,880
Statement of Financial Position					
Assets					
Non-Current Assets					
Property, plant and equipment	1,544,088	1,571,396	1,426,456	1,345,316	1,245,801
Biological assets	211,105	195,598	-	-	-
Other non-current financial assets	3,741,261	3,584,066	91,834	91,834	91,834
	5,496,454	5,351,060	1,518,290	1,437,150	1,337,635
Current Assets	139,651	283,829	218,412	137,009	354,733
Total Assets	5,636,105	5,634,889	1,736,702	1,574,159	1,692,368
Equity and Liabilities					
Stated capital	69,401	69,401	69,401	69,401	69,401
Reserves	5,489,267	5,497,588	1,629,683	1,469,956	1,589,113
	5,558,668	5,566,989	1,699,084	1,539,357	1,658,514
Non-Current Liabilities					
Deferred tax liability	54,281	50,005	17,940	18,248	21,333
Retirement benefit obligations	3,129	3,173	2,236	2,036	1,878
	57,410	53,178	20,176	20,284	23,211
Current Liabilities	20,027	14,721	17,442	14,518	10,643
Total Equity & Liabilities	5,636,105	5,634,889	1,736,702	1,574,159	1,692,368
Cash Flow Statements					
Net cash (outflows)/inflows from operating activities	171,175	205,121	175,164	52,667	(228,561)
Net cash (outflows)/inflows from investing activities	(7,353)	60,106	(10,793)	268,260	227,481
Net cash used in financing activities	(302,625)	(150,007)	(69,401)	(270,566)	(13,880)
Net (decrease)/increase in cash & cash equivalents	(138,803)	115,220	94,970	50,361	(14,960)

Five Year Summary

	SLFRS		SLAS		
	2013	2012	2011	2010	2009
Ratios and Statistics					
Return on ordinary shareholders' funds (%)	3.22	3.97	9.01	3.13	(1.13)
Current ratio (times)	6.97	19.28	9.71	6.06	30.28
Quick asset ratio (times)	6.96	19.26	9.69	6.02	30.24
Earnings per ordinary share (Rs.)*	25.78	31.87	22.05	6.94	(2.69)
Dividend per ordinary share (Rs.) (a)	40.83	24.50	14.00	10.00	39.00
Dividend payout (Times)	1.28	1.11	0.63	1.44	-
Net assets per ordinary share (Rs.)**	800.95	802.15	244.82	221.81	238.98
Market value per share (Rs.)	879.60	899.90	829.00	640.00	450.00
P/E ratio (times)	34.11	28.23	37.60	92.26	(166.98)
Market capitalisation (Rs.'000)	6,104,494	6,245,378	5,753,326	4,441,651	3,123,036
Net sales average (MYR)	540.60	647.30	633.01	440.68	415.79
Plantation Operations					
Mature area (Ha.)	304.50	304.50	304.50	304.50	233.74
Immature area (Ha.)	-	-	-	-	71.76
Crop (Tonnes)	10,891	10,775	9,785	8,511	6,842
Yield per Ha. (Tonnes) (b)	35.77	35.39	32.13	27.95	29.27

As referred to in Note 2.10 to the Financial Statements, amounts in the above Five Year Summary applicable for 2012 and 2013 are based on SLFRS whilst 2009, 2010 and 2011 are based on SLAS.

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

** Net assets per ordinary share is calculated by dividing shareholders' funds excluding preference share capital and minority interest 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

	2013 Rs. '000	%	2012 Rs. '000	%
Revenue	292,349		289,960	
Other income & gains	22,181		63,682	
	314,530		353,642	
Bought in materials and services	(65,372)		(53,257)	
	249,158		300,385	
Distributed as follows:				
To Employees				
as remuneration	23,910	9.60	20,188	6.72
To Government				
as taxation	41,133	16.34	45,143	15.03
To Providers of capital				
as ordinary dividends	302,587	121.44	149,215	49.67
Retained in the Business				
as depreciation	1,275	0.51	1,064	0.35
as deferred tax	3,899	1.73	12,792	4.26
as retained profits	(123,646)	(49.62)	71,983	23.97
	249,158	100	300,385	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>	2013 US\$	2012 US\$
Revenue	2,248,995	2,600,746
Direct operating costs	(485,046)	(477,684)
Gross Profit	1,763,949	2,123,062
Gain arising on change in fair value of biological assets	171,152	185,352
Other income and gains	1,164	348,736
Administrative expenses	(215,736)	(187,701)
Profit Before Tax	1,720,529	2,469,449
Income tax expense	(346,890)	(519,442)
Profit for the Year	1,373,639	1,950,007

Figures in brackets indicate deductions.

Statement of Financial Position

As at	31st March 2013 US\$	31st March 2012 US\$	1st April 2011 US\$
Assets			
Non-Current Assets			
Property, plant and equipment	12,168,714	12,069,093	12,269,785
Biological assets	1,663,685	1,502,287	1,340,340
Other non-current financial assets	29,484,289	27,527,378	23,253,522
Total Non-Current Assets	43,316,688	41,098,758	36,863,647
Current Assets			
Inventories	2,162	2,859	3,243
Trade and other receivables	89,323	130,766	600,287
Advance and prepayments	6,961	3,625	9,171
Cash and cash equivalents	1,002,094	2,042,700	1,364,590
Total Current Assets	1,100,540	2,179,950	1,977,291
Total Assets	44,417,228	43,278,708	38,840,938
Equity and Liabilities			
Equity			
Stated capital	868,000	868,000	868,000
Retained earnings	4,805,213	5,777,770	5,120,826
Other reserves	38,133,760	36,111,438	32,337,915
Total Shareholders Funds	43,806,973	42,757,208	38,326,741
Non-Current Liabilities			
Deferred tax liability	427,783	384,072	336,225
Retirement benefit obligations	24,664	24,376	20,247
Total Non-Current Liabilities	452,447	408,448	356,472
Current Liabilities			
Trade and other payables	118,416	35,313	90,100
Provision and accrued expenses	10,890	16,751	29,160
Taxation payable	28,502	60,988	38,465
Total Current Liabilities	157,808	113,052	157,725
Total Equity & Liabilities	44,417,228	43,278,708	38,840,938

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:

		2013	2012
		Rs.	Rs.
Income Statement	Average rate	129.88	111.88
Monetary assets and liabilities	Closing rate	126.89	130.20
Non-current assets and liabilities	Closing rate	126.89	130.20

Gains or losses on conversions are accounted for in the retained earnings.

2. RETAINED EARNINGS

	2013	2012	2011
	US\$	US\$	US\$
Beginning of the year	5,777,770	5,120,826	4,365,255
Profit for the year	1,373,639	1,950,007	1,361,692
Ordinary dividend	(2,346,196)	(1,293,063)	(606,121)
	4,805,213	5,777,770	5,120,826

Notes to the Financial Statements

3. SEGMENTAL REPORTING

For management purpose, the Company is organized into the following two business segments.

(A) INDUSTRY

	Oil Palm		Investments		Company	
	2013 US\$	2012 US\$	2013 US\$	2012 US\$	2013 US\$	2012 US\$
Revenue						
External revenue	1,902,104	2,270,577	346,891	330,169	2,248,995	2,600,746
	1,902,104	2,270,577	346,891	330,169	2,248,995	2,600,746
Result						
Segment result	1,424,391	1,824,974	296,138	644,475	1,720,529	2,469,449
Taxation	(342,328)	(520,494)	(4,562)	1,052	(346,890)	(519,442)
	1,082,063	1,304,480	291,576	645,527	1,373,639	1,950,007
Other Information						
Segment assets	14,228,346	11,976,102	30,188,882	31,302,606	44,417,228	43,278,708
Segment liabilities	594,322	507,646	15,933	13,854	610,255	521,500
Capital expenditure	81,121	9,578	-	-	81,121	9,578
Depreciation	9,875	28,733	-	-	9,875	28,733
Retirement benefits charge	4,645	4,455	-	-	4,645	4,455

(B) GEOGRAPHICAL

	Malaysia		Sri Lanka		Company	
	2013 US\$	2012 US\$	2013 US\$	2012 US\$	2013 US\$	2012 US\$
Revenue	1,902,104	2,270,577	346,891	330,169	2,248,995	2,600,746
Non-current assets	13,832,399	13,571,380	29,484,289	27,527,378	43,316,688	41,098,758

Five Year Summary

<i>For the year ended 31st March</i>	SLFRS		SLAS		
	2013	2012	2011	2010	2009
	US\$	US\$	US\$	US\$	US\$
Operating results					
Revenue	2,248,995	2,600,746	2,318,960	1,087,447	859,276
Profit before taxation	1,720,529	2,469,449	1,726,801	555,400	(62,505)
Taxation	(346,890)	(519,442)	(365,109)	(133,972)	(107,661)
Profit for the year	1,373,639	1,950,007	1,361,692	421,428	(170,166)
Dividend expense	2,346,196	1,293,063	606,121	2,369,249	126,285
<i>As at 31st March</i>	SLFRS		SLAS		
	2013	2012	2011	2010	2009
	US\$	US\$	US\$	US\$	US\$
Statement of Financial Position					
Assets					
Non-Current Assets					
Property, plant and equipment	12,168,714	12,069,093	12,914,951	11,801,018	10,767,509
Biological assets	1,663,685	1,502,287	-	-	-
Other non-current financial assets	29,484,289	27,527,378	843,288	805,562	793,726
	43,316,688	41,098,758	13,758,239	12,606,580	11,561,235
Current assets	1,100,540	2,179,950	1,977,291	1,201,833	3,065,973
Total Assets	44,417,228	43,278,708	15,735,530	13,808,413	14,627,208
Equity and Liabilities					
Stated capital	868,000	868,000	868,000	868,000	868,000
Reserves	42,938,973	41,889,208	14,527,124	12,635,135	13,466,168
	43,806,973	42,757,208	15,395,124	13,503,135	14,334,168
Non-Current Liabilities					
Deferred tax liability	427,783	384,072	162,434	160,068	184,382
Retirement benefit obligations	24,664	24,376	20,247	17,860	16,236
	452,447	408,448	182,681	177,928	200,618
Current Liabilities	157,808	113,052	157,725	127,350	92,422
Total Equity & Liabilities	44,417,228	43,278,708	15,735,530	13,808,413	14,627,208
Cash Flow Statements					
Net cash (out flows)/inflows from operating activities	1,364,897	2,000,675	1,579,548	462,691	(1,988,660)
Net cash (out flows)/inflows from investing activities	(58,370)	(10,852)	(97,718)	2,353,158	1,966,128
Net cash used in financing activities	(2,347,133)	(1,311,713)	(605,666)	(2,373,386)	(119,965)
Net (decrease)/increase in cash & cash equivalents	(1,040,606)	678,110	876,164	442,463	(142,497)

Five Year Summary

	SLFRS		SLAS		
	2013	2012	2011	2010	2009
Ratios and Statistics					
Return on ordinary shareholders' funds (%)	3.14	4.56	8.84	3.12	(1.19)
Current ratio (times)	6.97	19.28	9.73	6.06	33.17
Quick asset ratio (times)	6.96	19.26	9.70	6.03	33.14
Earnings per ordinary share (US\$)	0.20	0.28	0.20	0.06	0.02
Dividend per ordinary share (US\$)	0.32	0.22	0.13	0.09	0.33
Net assets per ordinary share (US\$)	6.31	6.16	2.22	1.95	2.07
Market value per share (US\$)	6.93	6.91	7.50	5.61	3.89
P/E ratio (times)	35.02	24.59	38.22	92.26	(166.98)
Market capitalization (US\$'000)	48,109	47,956	52,051	38,962	26,997

As referred to in Note 2.10 to the Financial Statements, amounts in the above Five Year Summary applicable for 2012 and 2013 are based on SLFRS whilst 2009, 2010 and 2011 are based on SLAS.

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 2013 was Rs. 879.60 per share (2012: Rs. 899.90 per share).

3. Shareholders

<i>As at 31st March</i>	2013	2012
No. of Ordinary Shareholders	276	254

The number of ordinary shares held by non-residents as at 31st March 2013 was 5,680,429 which amounts to 81.85% of the total number of ordinary shares.

Resident/non-resident Shareholders as at 31st March 2013

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	261	14,437	0.21	2	900	0.02	263	15,337	0.22
1,001 - 100,000	6	14,645	0.21	-	-	-	6	14,645	0.21
100,001 - 100,000	2	116,873	1.68	1	92,533	1.33	3	209,406	3.02
100,001 - 1,000,000	3	1,113,696	16.05	-	-	-	3	1,113,696	16.05
Above 1,000,000	-	-	-	1	5,586,996	80.50	1	5,586,996	80.50
Grand Total	272	1,259,651	18.15	4	5,680,429	81.85	276	6,940,080	100.00

Categorization of Shareholders as at 31st March 2013

	No. of Shareholders	No. of Shares	%
Individuals	251	237,427	3.42
Institutions	25	6,702,653	96.58

Percentage of ordinary shares held by the public as at 31st March 2013 was 3.45%

Information to Shareholders and Investors

4. Market Performance - Ordinary Shares

<i>For the year ended 31st March</i>	2013	2012
Highest (Rs.)	1,300	980
Lowest (Rs.)	751	660
Volume Traded (Shares)	10,618	571,921
No. of Trades	322	310
Value of Shares Traded (Rs. '000)	9,670	507,053

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. 6,104.50 mn as at 31st March 2013 (2012: Rs. 6245.38 mn).

6. Proposed Final Dividends - Ordinary

The Directors recommend a final dividend of Rs.14.23 per share for the year ended 31st March 2013.

7. Record of Scrip Issues

The under mentioned 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	

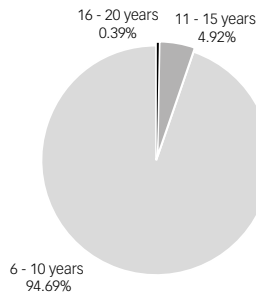
8. Malaysian Property

- 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 reporting date was Rs. 1,544.09 mn (2012: 1,571.40) on an existing use basis.

9. Mature and Immature Plantation Age Analysis

	Mature					Immature	Total
Year	0 - 5	6 - 10	11 - 15	16 - 20	21 - 25		
Hectares	-	288.34	14.98	1.18	-	-	304.50

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 35,860 Ha of which the gross planted area is 23,209 Ha. The operational performance information is given below:

	2013	2012	2011	2010	2009
Crop Production (Tonnes)	540,691	480,869	498,012	474,401	348,675
CPO (Tonnes)	125,875	117,514	124,421	121,069	89,449
PK (Tonnes)	29,150	26,384	28,723	28,479	19,286
Milling Capacity (Tonnes per Hour)	180	180	180	180	180

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 reporting Date

Significant events that occur between the reporting 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 FOURTH ANNUAL GENERAL MEETING of SHALIMAR (MALAY) PLC will be held on Wednesday the 29th day of May 2013, at 3.00 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 2013, together with the Report of the Auditors thereon.
2. To declare a dividend as recommended by the Directors.
3. To re-elect Mr. P.C.P. Tissera 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 six 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 one years of age and that he be re-appointed a Director of the Company from the conclusion of the Annual

General Meeting for a further period of one year.

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

By Order of the Board,

(Sgd.)

K. D. de Silva (Mrs.)

Director

Carsons Management Services (Pvt) Ltd.

Secretaries

Colombo

22nd April 2013

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 3.00 p.m. on 27th May 2013.
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 Calisancus Nalaka 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 Wednesday the 29th day of May 2013 at 3.00 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 2013, together with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2. To declare Rs.14.23 per share as a final dividend for the financial year ended 31st March 2013 as recommended by the Directors.	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect Mr. P.C.P. Tissera 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 Thirteen.

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 3.00 p.m. on 27th May 2013.

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

Hariharan Selvanathan (Chairman)
Manoharan 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 2039200
Fax: + 94 11 2039300

REGISTERED OFFICE

61, Janadhipathi Mawatha
Colombo 1, Sri Lanka
Tel: + 94 11 2039200
Fax: + 94 11 2039300

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



Goodhope

A CARSON CUMBERBATCH COMPANY

www.goodhopeholdings.com