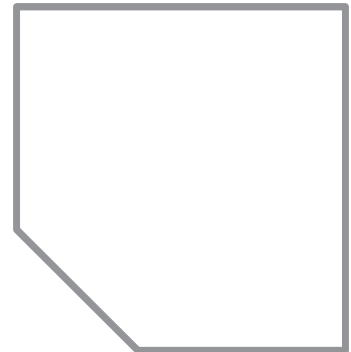
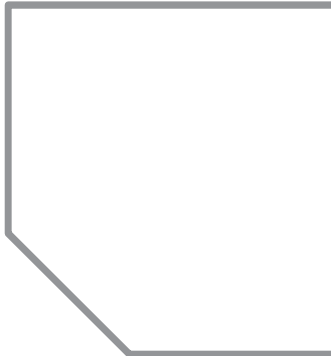
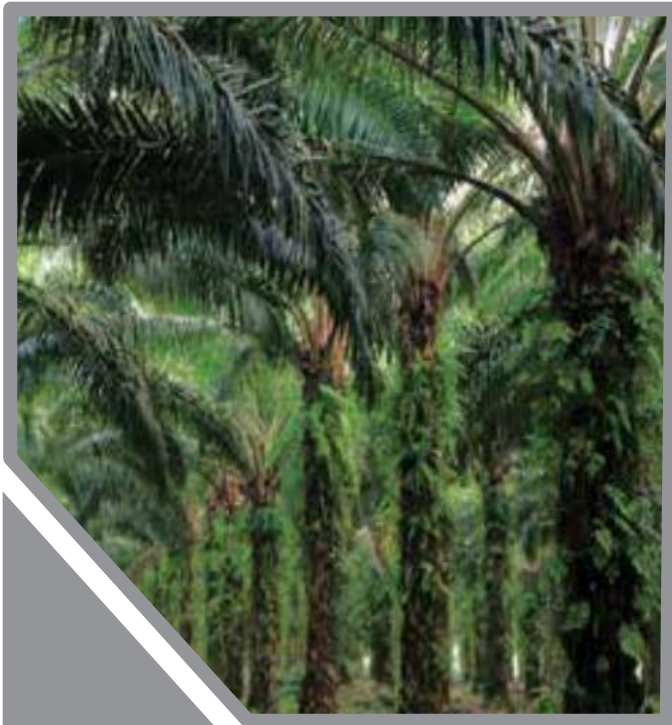




**Goodhope**

A CARSON CUMBERBATCH COMPANY



## Indo-Malay PLC

Summarised Financial Report  
for the six months ended  
30th September 2016

## **INDO-MALAY PLC**

### **Review of operations for the period ended 30th September 2016**

#### **Overview of the Palm Oil Industry and Current Prices**

CPO prices were very volatile during the period ended 30th September 2016, with the prices ranging from Malaysian Ringgit (MYR) 2,293 - 2,900 during the period compared to range of MYR 1,802 - 2,294 in the corresponding period of the previous financial year. Commencement of the quarter saw CPO trading at the low end of the trading range trailing the losses in rival soy oil prices. The CPO price rallied in August 2016 with the resurging demand for palm oil from China ahead of the mid-autumn festival and India's buying for the Diwali festival, amidst concerns over lower CPO production due to effects of poor weather. The positive price momentum continued throughout September and to date.

#### **Minimum Public Holding**

As per the Colombo Stock Exchange (CSE) Listing Rule No. 7.13, a Listed Entity on the Main Board having a Public Holding below the specified requirement in terms of the CSE Rules, has to ensure that the Public Holding of such Entity is maintained at a minimum level of 15% of its total ordinary voting shares in the hands of a minimum number of 500 public shareholders on or before 31st December 2015. The Company does not at present satisfy the requirement relating to minimum public holding.

Accordingly, the Company has made an application to the Securities and Exchange Commission of Sri Lanka on 1st December 2015 requesting an extension to maintain the Minimum Public Holding of the Company below the required Levels till 31st December 2017 and informing the Action Plan of the Company. The Company has already made an announcement on 1st December 2015 to the shareholders detailing the Action Plan of the Company.

#### **Discontinued Operations in Malaysia**

Pursuant to the approval of the shareholders obtained at the Extra Ordinary General Meeting (EGM) of the Company held on 26th May 2016, the Board of Directors after careful evaluation and consideration executed a Sale and Purchase Agreement (SPA) with Euro-Asia Brand Holding Company Sdn. Bhd., a non-related company incorporated in Malaysia to sell the overseas plantation assets of the Company (consisting of the Property Plant and Equipment and the Biological Assets) for RM 107 mn (Approx. Rs. 3,796 mn).

The Company has obtained the relevant regulatory approvals in Sri Lanka and Malaysia in respect of the Sale of the Property. The proceeds from the sale of the property is expected to be received by the Company once the title to the property is transferred in favor of the Purchaser in terms of the SPA. The Company is now in the process of making arrangements to transfer the titles of the said property.

As per the announcements made to the Colombo Stock Exchange ("CSE") on 17th October 2016 and the subsequent Circular to Shareholders dated 24th October 2016, the Board of Directors have decided to distribute the net sale proceeds (after deducting related taxes and expenses in Malaysia and Sri Lanka) from the total consideration on the sale of Malaysian Property to the Shareholders of the Company, in the form of a repurchase of shares and a payment of an interim dividend. In this regard, the Company has called for an Extraordinary General Meeting on 16th November 2016 to obtain shareholder approval for the Share Repurchase Offer.

The operations in Malaysia has been re-classified in the financial statements presented herewith as "discontinued operations" in accordance with the requirements of the Sri Lanka Financial Reporting Standards (SLFRS). Profit earned from the plantations in Malaysia has hence been identified as profit from discontinued operations and the net earnings from the investments of the Company have been identified as those from continuing operations in the Financial Statements.

## **INDO-MALAY PLC**

### **Review of operations for the period ended 30th September 2016 Cond.**

#### **Combined financial performance**

The plantation operations of the company which are now classified as discontinued operations recorded revenues of Rs. 45.0 mn for the six months ended 30th September 2016, compared to Rs. 73.3 mn recorded during the corresponding period of the previous financial year. The drop in revenue is mainly attributed to the 56% YoY reduction in crop which is largely attributable to the lagged impact of the dry weather conditions experienced in the past, and also due to the plantations in the region entering in to a seasonal low cropping cycle after high yielding cycle experienced during the previous financial year. The low cropping cycle is expected to reverse in coming months. Plantations across West Malaysia have witnessed a significant decrease in production during the period under review.

The impact of the drop in production was partly compensated by the higher FFB prices during the six months under review compared to the corresponding period of the previous financial year.

The company recorded a net sales average (NSA) of RM 588 per MT of fresh fruit bunches (FFB), compared to an NSA of RM 434 per MT of FFB recorded during the corresponding period of the previous financial year.

The company recorded a combined profit after tax from operations of Rs. 16.9 mn during the period under review, as compared to Rs. 29.3 mn recorded in the comparative period in previous financial year.

Agro Harapan Lestari Sdn. Bhd.  
Managers  
07th November 2016

**INDO-MALAY PLC**  
**Statement of Profit or Loss**

(All figures in Sri Lankan Rupees '000)

	Quarter ended			Six Months ended		
	30th September			30th September		
	2016	2015	Change	2016	2015	Change
	(Restated)*	%		(Restated)*	%	
<b>Continuing operations</b>						
<b>Revenue</b>	<b>146</b>	92	59%	<b>261</b>	611	-57%
<b>Profit before tax for the period from continuing operations</b>	<b>146</b>	92	59%	<b>261</b>	611	-57%
Income tax expense	(29)	(18)	59%	(52)	(24)	120%
<b>Profit for the period from continuing operations</b>	<b>117</b>	74	59%	<b>209</b>	587	-64%
<b>Discontinued operations</b>						
Profit after tax for the period from discontinued operations	11,685	15,694	-26%	16,680	28,704	-42%
<b>Profit for the period</b>	<b>11,802</b>	15,768	-25%	<b>16,889</b>	29,291	-42%
Earnings per ordinary share (expressed in Rs.)	1.69	2.25		2.41	4.19	
Earnings Per Share for Continuing Operations (Rs.)	0.02	0.01		0.03	0.08	
Earnings Per Share for Discontinued Operations (Rs.)	1.67	2.24		2.38	4.11	

**Statement of comprehensive income**

	Quarter ended			Six Months ended		
	30th September			30th September		
	2016	2015	Change	2016	2015	Change
	(Restated)*	%		(Restated)*	%	
<b>Profit for the period</b>	<b>11,802</b>	15,768	-25%	<b>16,889</b>	29,291	-42%
<b>Other comprehensive income</b>						
<b>Other Comprehensive Income/(Loss) to be reclassified to profit or loss in subsequent periods</b>						
Exchange Differences on translation of Financials of Foreign Operations	(26,164)	(133,319)	-80%	(47,827)	(149,448)	-68%
Gain/(Loss) on Change in Fair Value of Available - For -Sale Financial Assets	3,563	(275,978)	-101%	3,563	(9,058)	-139%
<b>Net other Comprehensive Income/(Loss) to be reclassified to profit or loss in subsequent periods</b>	<b>(22,601)</b>	(409,297)	-94%	<b>(44,264)</b>	(158,506)	-72%
<b>Other Comprehensive Income/(Loss) not to be reclassified to profit or loss in subsequent periods</b>						
Actuarial Gain/(Loss) on defined benefit plans	-	-	0%	-	-	0%
Income tax effect	-	-	0%	-	-	0%
<b>Net other Comprehensive Income/(Loss) not to be reclassified to profit or loss in subsequent periods</b>	<b>-</b>	-		<b>-</b>	-	
<b>Other Comprehensive Income/(Loss) for the period, net of tax</b>	<b>(22,601)</b>	(409,297)	-94%	<b>(44,264)</b>	(158,506)	-72%
<b>Total other comprehensive income/(loss) for the period, net of tax</b>	<b>(10,799)</b>	(393,529)	-97%	<b>(27,375)</b>	(129,215)	-79%

\*Prior period figures have been restated upon adoption of Amendments to LKAS 16 Property, Plant and Equipment and LKAS 41 Agriculture as explained in Note 04 and to reflect the discontinued operations explained in Note 05 to this Interim Condensed Financial Statements.

Changes represent the percentage change in current period's results compared to corresponding period of last year.

Figures in brackets indicate deductions/negative changes.

The above figures are subject to audit.

**INDO-MALAY PLC**  
**Statement of financial position**

(All figures in Sri Lankan Rupees '000)

	Note	As at 30.09.2016	As at 31.03.2016 (Restated)*	As at 01.04.2015 (Restated)*
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, plant & equipment		-	1,340,143	1,307,627
Bearer Plants	(Note 4)	-	49,324	51,638
Non-current financial assets	(Note 6)	<b>5,354,526</b>	5,350,963	4,252,540
<b>Total Non- Current Assets</b>		<b>5,354,526</b>	6,740,430	5,611,805
<b>Current Assets</b>				
Inventories		181	202	419
Trade receivables	(Note 5.4)	<b>240,411</b>	7,050	8,523
Advances and Prepayments		<b>1,611</b>	1,183	778
Taxation recoverable		<b>1,350</b>	592	4,252
Cash and cash equivalents		<b>15,804</b>	15,169	21,735
		<b>259,357</b>	24,196	35,707
Assets of disposal group held for sale	(Note 5)	<b>1,339,719</b>	-	-
<b>Total Current Assets</b>		<b>1,599,076</b>	24,196	35,707
<b>Total Assets</b>		<b>6,953,602</b>	6,764,626	5,647,512
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Stated capital		<b>70,033</b>	70,033	70,033
Retained earnings		<b>120,689</b>	103,800	138,978
Other reserves		<b>6,436,940</b>	6,481,204	5,353,356
<b>Total Shareholders' Funds</b>		<b>6,627,662</b>	6,655,037	5,562,367
<b>Non-Current Liabilities</b>				
Deferred tax liabilities	(Note 4)	-	13,484	13,354
Retirement benefit obligations		-	1,583	1,561
<b>Total Non current Liabilities</b>		-	15,067	14,915
<b>Current Liabilities</b>				
Trade and other payables	(Note 5.4)	<b>260,895</b>	44,173	23,662
Unclaimed dividend		<b>49,918</b>	50,349	46,568
		<b>310,813</b>	94,522	70,230
Liabilities directly associated with assets held for sale	(Note 5)	<b>15,127</b>	-	-
<b>Total Current Liabilities</b>		<b>325,940</b>	94,522	70,230
<b>Total Equity and Liabilities</b>		<b>6,953,602</b>	6,764,626	5,647,512
Net Asset per share (Rs.)		<b>947.03</b>	950.94	794.81

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.

Approved & signed for and on behalf of the Managers,

Approved & signed for and on behalf of the Board,

(Sgd.)

**M.R. Jiffrey**  
Director  
**Agro Harapan Lestari Sdn. Bhd.**

07th November 2016

(Sgd.)

**H. Selvanathan**  
Chairman

(Sgd.)

**P. C. P. Tissera**  
Director

\*Prior period figures have been restated upon adoption of Amendments to LKAS 16 Property, Plant and Equipment and LKAS 41 Agriculture as explained in note 04.

The above figures are subject to audit.

**INDO-MALAY PLC**

**Statement of Changes in Equity**

(All figures in Sri Lankan Rupees '000)

	Stated Capital	Capital Reserves	Currency Translation Reserve (Restated)	Available-for-sale reserve	Retained Earnings (Restated)	Total Shareholders' Funds (Restated)
Balance as at 1st April, 2015 as previously reported	70,033	1,447,269	(196,162)	4,102,249	228,709	5,652,098
Effect of adoption of amendments to LKAS 41 & LKAS 16	-	-	-	-	(89,731)	(89,731)
Super gain tax expense	-	-	-	-	(22,073)	(22,073)
Balance as at 1st April, 2015 as restated	70,033	1,447,269	(196,162)	4,102,249	116,905	5,540,294
Profit for the period	-	-	-	-	38,549	38,549
Other comprehensive income/(loss) for the period	-	-	29,425	1,098,423	1,744	1,129,592
Total comprehensive income/(loss) for the period	-	-	29,425	1,098,423	40,293	1,168,141
Final Ordinary Dividend - 2014/15	-	-	-	-	(18,196)	(18,196)
Interim Dividend - 2015/16	-	-	-	-	(35,202)	(35,202)
Balance as at 31st March 2016	70,033	1,447,269	(166,737)	5,200,672	103,800	6,655,037

	Stated Capital	Capital Reserves	Currency Translation Reserve (Restated)	Available-for-sale reserve	Retained Earnings (Restated)	Total Shareholders' Funds (Restated)
Balance as at 1st April, 2015 as previously reported	70,033	1,447,269	(196,162)	4,102,249	228,709	5,652,098
Effect of adoption of amendments to LKAS 41 & LKAS 16	-	-	-	-	(89,731)	(89,731)
Balance as at 1st April, 2015 as restated	70,033	1,447,269	(196,162)	4,102,249	138,978	5,562,367
Profit for the period	-	-	-	-	29,291	29,291
Other comprehensive income/(loss) for the period	-	-	(149,448)	(9,058)	-	(158,506)
Total comprehensive income/(loss) for the period	-	-	(149,448)	(9,058)	29,291	(129,215)
First and Final Ordinary Dividend - 2014/15	-	-	-	-	(18,196)	(18,196)
Balance as at 30th September 2015	70,033	1,447,269	(345,610)	4,093,191	150,073	5,414,956

	Stated Capital	Capital Reserves	Currency Translation Reserve	Available-for-sale reserve	Retained Earnings	Total Shareholders' Funds
Balance as at 1st April, 2016 (Restated)	70,033	1,447,269	(166,737)	5,200,672	103,800	6,655,037
Profit for the year from continuing operations	-	-	-	-	209	209
Profit for the year from discontinued operations	-	-	-	-	16,680	16,680
Other comprehensive income/(loss) for the period	-	-	(47,827)	3,563	-	(44,264)
Total comprehensive income/(loss) for the period	-	-	(47,827)	3,563	16,889	(27,375)
Balance as at 30th September 2016	70,033	1,447,269	(214,564)	5,204,235	120,689	6,627,662

*The above figures are subject to audit.*

*Figures in brackets indicate deductions/negative changes.*

**INDO-MALAY PLC**  
**Cash Flow Statement**

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

	<b>2016</b>	2015	31.03.2016
		(Restated)	(Restated)
Net cash inflows from operating activities	805	15,270	43,533
Net cash inflows/(outflows) from investing activities	261	119	(61)
Net cash outflows from financing activities	(431)	(17,097)	(50,038)
Increase/ (Decrease) in cash and cash equivalents	<b>635</b>	<b>(1,708)</b>	(6,566)
Cash and cash equivalents at the beginning of the period	<b>15,169</b>	21,735	21,735
<b>Cash and cash equivalents at the end of the period</b>	<b>15,804</b>	<b>20,027</b>	15,169
<b>Cash and cash equivalents:</b>			
Cash and bank balances (Note A)	<b>10,157</b>	14,027	8,890
Short-term deposits	<b>5,647</b>	6,000	6,279
	<b>15,804</b>	<b>20,027</b>	15,169

**Note A :**

Cash & bank balances include both cash and bank balances of both continuing and discontinued operations.

*The above figures are subject to audit.*

## **INDO-MALAY PLC**

### **1. Basis of preparation of Summarised Financial Report**

The interim condensed financial statements have been prepared in compliance with Sri Lanka Accounting Standard LKAS 34 - Interim Financial Reporting. These interim condensed financial statements should be read in conjunction with the annual financial statements for the year ended 31st March 2016 , Note 04 and Note 05 disclosed below on Adoption of Amendments to LKAS 41 & LKAS 16 and Non-Current Assets Held For Sale and Discontinued Operations.

Further, provisions of the Companies Act no.7 of 2007 have been considered in preparing the interim financial statements of the Company.

### **2. Accounting policies**

The same accounting policies and methods of computation as stated in the annual financial statements for the year ended 31st March 2016 are followed in the preparation of these Interim Condensed Financial Statements except for the Note 4 and Note 5 disclosed below.

The comparative information have been reclassified wherever necessary to conform to the current year classification.

### **3. Revenue**

Revenue details are given in the segmental analysis in note 14 to the Summarized Financial Report.

### **4. Adoption of Amendments to LKAS 41 and LKAS 16**

The Company adopted the amendments to LKAS 41 and LKAS 16 with effect from 1 April 2016. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of LKAS 41. Instead, bearer plants will be measured under LKAS 16 at accumulated cost (before maturity) using the cost model (after maturity). These amendments have been applied retrospectively.



**INDO-MALAY PLC**

**4. Adoption of Amendments to LKAS 41 and LKAS 16 ( Contd.)**

**4.1 Reconciliation of Equity**

	As at 31.03.2016			As at 01.04.2015 (Transition date)		
	As previously reported	Adoption of Amendment to LKAS 41 and LKAS 16	As restated	As previously reported	Adoption of Amendment to LKAS 41 and LKAS 16	As restated
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
<b>ASSETS</b>						
<b>Non-Current Assets</b>						
Property, plant & equipment	1,340,143	-	1,340,143	1,307,627	-	1,307,627
Biological assets	188,426	(188,426)	-	169,705	(169,705)	-
Bearer Plants	-	49,324	49,324	-	51,638	51,638
Non-current financial assets	5,350,963	-	5,350,963	4,252,540	-	4,252,540
<b>Total Non- Current Assets</b>	<b>6,879,532</b>	<b>(139,102)</b>	<b>6,740,430</b>	<b>5,729,872</b>	<b>(118,067)</b>	<b>5,611,805</b>
<b>Current Assets</b>						
Inventories	202	-	202	419	-	419
Trade receivables	7,050	-	7,050	8,523	-	8,523
Advances and Prepayments	1,183	-	1,183	778	-	778
Taxation recoverable	592	-	592	4,252	-	4,252
Cash and cash equivalents	15,169	-	15,169	21,735	-	21,735
<b>Total Current Assets</b>	<b>24,196</b>	<b>-</b>	<b>24,196</b>	<b>35,707</b>	<b>-</b>	<b>35,707</b>
<b>Total Assets</b>	<b>6,903,728</b>	<b>(139,102)</b>	<b>6,764,626</b>	<b>5,765,579</b>	<b>(118,067)</b>	<b>5,647,512</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
Stated capital	70,033	-	70,033	70,033	-	70,033
Retained earnings	203,735	(99,935)	103,800	228,709	(89,731)	138,978
Other reserves	6,486,987	(5,783)	6,481,204	5,353,356	-	5,353,356
<b>Total Shareholders' Funds</b>	<b>6,760,755</b>	<b>(105,718)</b>	<b>6,655,037</b>	<b>5,652,098</b>	<b>(89,731)</b>	<b>5,562,367</b>
<b>Non-Current Liabilities</b>						
Deferred tax liabilities	46,868	(33,384)	13,484	41,690	(28,336)	13,354
Retirement benefit obligations	1,583	-	1,583	1,561	-	1,561
<b>Total Non Current Liabilities</b>	<b>48,451</b>	<b>(33,384)</b>	<b>15,067</b>	<b>43,251</b>	<b>(28,336)</b>	<b>14,915</b>
<b>Current Liabilities</b>						
Trade and other payables	44,173	-	44,173	23,662	-	23,662
Unclaimed dividend	50,349	-	50,349	46,568	-	46,568
	94,522	-	94,522	70,230	-	70,230
<b>Total Liabilities</b>	<b>142,973</b>	<b>(33,384)</b>	<b>109,589</b>	<b>113,481</b>	<b>(28,336)</b>	<b>85,145</b>
<b>Total Equity and Liabilities</b>	<b>6,903,728</b>	<b>(139,102)</b>	<b>6,764,626</b>	<b>5,765,579</b>	<b>(118,067)</b>	<b>5,647,512</b>

INDO-MALAY PLC

4. Adoption of Amendments to LKAS 41 and LKAS 16 ( Contd.)

4.2 Reconciliation of Total Comprehensive Income for the quarter ended 30th September 2015

	For the QTD				For the YTD			
	As previously reported	Adoption of Amendment to LKAS 41 and LKAS 16	Reclassification as discontinued operations	As restated	As previously reported	Adoption of Amendment to LKAS 41 and LKAS 16	Reclassification as discontinued operations	As restated
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
<b>Revenue</b>	37,561	-	(37,469)	92	73,859	-	(73,248)	611
Direct operating costs	(10,951)	(578)	11,529	-	(21,863)	(1,157)	23,020	-
<b>Gross profit</b>	26,610	(578)	(25,940)	92	51,996	(1,157)	(50,228)	611
Gain/(loss) arising from changes in fair value of Biological Assets	9,234	(9,234)	-	-	8,686	(8,686)	-	-
Other income and gains	-	-	-	-	-	-	-	-
Administrative expenses	(6,625)	-	6,625	-	(13,722)	-	13,722	-
Finance Cost	(83)	-	83	-	(200)	-	200	-
<b>Profit before income tax</b>	29,136	(9,812)	(19,232)	92	46,760	(9,843)	(36,306)	611
Income tax expense	(5,911)	2,355	3,538	(18)	(9,988)	2,362	7,602	(24)
Profit for the period from Continuing operations	23,225	(7,457)	(15,694)	74	36,772	(7,481)	(28,704)	587
Profit /(Loss) after tax for the year from discontinued operations	-	-	15,694	15,694	-	-	28,704	28,704
<b>Profit for the period</b>	23,225	(7,457)	-	15,768	36,772	(7,481)	-	29,291
<b>Other comprehensive income</b>								
<b>Other Comprehensive Income/(Loss) to be reclassified to profit or loss in subsequent periods</b>								
Exchange Differences on translation of Financials of Foreign Operations	(146,627)	13,308	-	(133,319)	(164,276)	14,828	-	(149,448)
Gain/(Loss) on Change in Fair Value of Available - For -Sale Financial Assets	(275,978)	-	-	(275,978)	(9,058)	-	-	(9,058)
<b>Net other Comprehensive Income/(Loss) to be reclassified to profit or loss in subsequent periods</b>	(422,605)	13,308	-	(409,297)	(173,334)	14,828	-	(158,506)
<b>Other Comprehensive Income/(Loss) not to be reclassified to profit or loss in subsequent periods</b>								
Actuarial Gain/ (Loss) on Defined Benefit Plan	-	-	-	-	-	-	-	-
Income tax effect	-	-	-	-	-	-	-	-
<b>Net other Comprehensive Income/(Loss) not to be reclassified to profit or loss in subsequent periods</b>	-	-	-	-	-	-	-	-
<b>Other Comprehensive Income/(Loss) for the period, net of tax</b>	(422,605)	13,308	-	(409,297)	(173,334)	14,828	-	(158,506)
<b>Total comprehensive income/(loss) for the period, net of tax</b>	(399,380)	5,851	-	(393,529)	(136,562)	7,347	-	(129,215)

**5. Non-Current Assets Held For Sale and Discontinued Operations**

Pursuant to the approval of the shareholders obtained at the Extra Ordinary General Meeting (EGM) of the Company held on 26th May 2016 and as you were aware, the Board of Directors after careful evaluation and consideration, executed a Sale and Purchase Agreement (SPA) with Euro-Asia Brand Holding Company Sdn. Bhd., a non-related company incorporated in Malaysia and a subsidiary of Hap Seng Consolidated Berhad to sell the overseas plantation assets of the Company (consisting of the Property Plant and Equipment and the Biological Assets) for RM 107mn (Approx. Rs. 3,796 mn).

The Company has obtained the relevant regulatory approvals in Sri Lanka and Malaysia in respect of Sale of the Property. The proceeds from the sale of the property is expected to be received by the Company once the title to the property is transferred in favor of the Purchaser in terms of the SPA. The Company is now in the process of making arrangements to the transfer the titles of the said property. Please also refer Note 8.2 (Events After the Reporting Period) to this Interim Financial Statements with regard to announcement made subsequent to 30th September 2016 to Colombo Stock Exchange (CSE) on distribution of net proceeds from the sale of the Malaysian Property of the Company.

Non-current assets of the Company and disposal groups were classified as held for sale as the management intends to recover the carrying amount principally through a sale transaction rather than through continuing use as disclosed above. The company's plantation property in Malaysia (disposal group) is available for immediate sale in its present condition. After the careful evaluation, the Board of Directors considers that the sale of the above property is highly probable and the management is committed to the sale, which is expected to be qualified for recognition as a completed sale within one year from the date of classification as "held for sale".

Since the title/ownership of the properties have not been transferred as at 30th September 2016, the related plantation property continues to be carried in the balance sheet at its carrying value as reported in the previous quarter. Accordingly, net book value of Property, Plant & Equipment and Bearer Plants amounting to Rs.1,291.18 mn and Rs.48.54 mn, respectively have been reclassified and reported as "asset held for sale", in compliance with SLFRS 05 – Non Current Assets Held for Sale and Discontinued Operations.

Further, the related liabilities of the plantation property of the Company are also reclassified as "liabilities associated with asset held for sale" under current liabilities. No impairment loss has been recognized on reclassification of the asset as at 30th September 2016 as the assets' fair value less costs to sell is higher than the carrying value of above property, plant and equipment and Bearer Plants. The sale is expected to be completed within 12 months.

## INDO-MALAY PLC

### 5. Non-Current Assets Held For Sale and Discontinued Operations (Contd.)

The results of the discontinued operations (Oil Palm Plantation Segment) included in the profit for the period are set out below. The comparative profit and cash flows from discontinued operations have also been represented to include those operations classified as discontinued in the current period.

#### 5.1. Profit for the year from discontinued operations

	Quarter ended		Six Months ended	
	30.09.2016 Rs. '000	30.09.2015 Rs. '000	30.09.2016 Rs. '000	30.09.2015 Rs. '000
Revenue from Sale of Fresh Fruit Bunches (FFB)	28,195	37,469	44,998	73,248
Other income and gains	-	-	1,859	-
	<b>28,195</b>	37,469	<b>46,857</b>	73,248
Direct operating costs	(6,746)	(11,529)	(13,064)	(23,020)
Administrative expenses	(5,662)	(6,625)	(10,735)	(13,722)
Finance Expense	(216)	(83)	(440)	(200)
<b>Profit before tax from a discontinued operations</b>	<b>15,571</b>	19,232	<b>22,618</b>	36,306
Income tax expense	(3,886)	(3,538)	(5,938)	(7,602)
<b>Profit for the period from discontinued operations</b>	<b>11,684</b>	15,694	<b>16,680</b>	28,704
<b>Earning per share from discontinued operations</b>	<b>1.67</b>	2.24	<b>2.38</b>	4.11

Segment information related to discontinued operations are disclosed under Note 14.

#### 5.2 The net cash flows from discontinued operations

	30.09.2016 Rs. '000	30.09.2015 Rs. '000
Net Cash Inflows from Operating Activities	824	16,038
Net Cash Outflows from Investing Activities	-	-
Net Cash Outflows from Financing Activities	(431)	(17,097)
<b>Net Cash Inflows/Outflows</b>	<b>393</b>	<b>(1,059)</b>

#### 5.3. The major classes of assets and liabilities of Oil Palm Plantation Segment classified as held for sale ;

	30.09.2016 Rs. '000
<b>Assets</b>	
Property, plant and equipment	1,291,184
Bearer Plants	48,535
Assets of disposal group held for sale	<b>1,339,719</b>
<b>Liabilities</b>	
Deferred tax liability	(13,547)
Retirement benefit obligations	(1,580)
Liabilities directly associated with assets held for sale	<b>(15,127)</b>
<b>Net assets directly associated with disposal group</b>	<b>1,324,592</b>

The capital accretion reserve and the related foreign currency translation reserve of the discontinued operation will be transferred to retained earnings and statement of profit or loss respectively at the time of de-recognition of assets and liabilities of the disposal group.

5.4 The expenses directly relating to the sale of Malaysian property (legal fee, valuation fee, taxes and levies etc.) are accrued under Trade and other payables and the related expenses have been recorded under the Trade and other receivables in the statement of financial position until such time the ownership/control of the Malaysian Property is transferred to the buyer. Hence, this has resulted in significant increase in "Trade and Other Payables" and "Trade and Other receivables" as at 30th September 2016.

## INDO-MALAY PLC

### 6. Fair Value Measurement

The following table provides the fair value measurement hierarchy of the Company's financial assets which are stated at fair values.

Fair value measurement hierarchy for financial assets as at 30th September 2016 and 31st March 2016 are as follows :

		<b>Fair value measurement using</b>			
			<b>Quoted prices in active markets (Level 1)</b>	<b>Significant observable inputs (Level 2)</b>	<b>Significant unobservable inputs (Level 3)</b>
<b>Non Current Financial Assets Measured at Fair Value:</b>	<b>Date of valuation</b>	<b>Total</b>			
<b>As at 30th September 2016</b>					
<b>Available-For-Sale financial assets (AFS)</b>					
<u>Quoted equity shares</u>					
Shalimar (Malay) PLC (Note 7(b))	30th September 2016	352,948	352,948	-	-
<u>Unquoted Equity Shares</u>					
Shalimar Developments Sdn.bhd. (Note 7(a))	December 2015	5,001,578	-	-	5,001,578
<b>AFS financial assets as at 30th September 2016</b>		<b>5,354,526</b>	<b>352,948</b>	<b>-</b>	<b>5,001,578</b>
<b>As at 31st March 2016</b>					
<b>Available-For-Sale financial assets</b>					
<u>Quoted equity shares</u>					
Shalimar (Malay) PLC (Note 7(b))	31st March 2016	349,385	349,385	-	-
<u>Unquoted Equity Shares</u>					
Shalimar Developments Sdn.bhd. (Note 7(a))	December 2015	5,001,578	-	-	5,001,578
<b>AFS financial assets as at 31st March 2016</b>		<b>5,350,963</b>	<b>349,385</b>	<b>-</b>	<b>5,001,578</b>

### 7. Non-current financial assets

#### a. Available-for-sale investment - Unquoted Equity Shares

The Company holds a 13.33% equity investment (March 2016 : 13.33%) in Shalimar Development Sdn. Bhd. (SDSB), an investment holding Company incorporated in Malaysia. The sole equity investment of SDSB is in PT Agro Indomas (PTAI), an oil palm plantation Company based in Indonesia, in which it has a controlling interest. The Company has designated its investment in SDSB as an available-for-sale investment.

The Company obtained the services of PricewaterhouseCoopers Capital Sdn. Bhd, Malaysia (PWC) to carry out an independent indicative fair market valuation of the equity interest in the unquoted investment in SDSB as at valuation date of 31 December 2015. The primary approach adopted was the Income Approach using discounted cash flows method.

#### b. Available-for-sale investment - Quoted Equity Shares

The Company holds a non-controlling interests of 2.21% (March 2016 : 2.21%) in Shalimar (Malay) PLC. The fair value of the said investment is determined by reference to published price quotations in the Colombo Stock Exchange.

### 8. Contingent Liabilities, Assets Pledged & Events After the Reporting Period

#### 8.1 Contingent Liabilities

There are no material contingent liabilities as at the reporting date.

#### 8.2 Assets Pledged

There were no assets pledged as at the reporting date.

#### 8.3 Events After the Reporting Period

As per the announcements made to the Colombo Stock Exchange ("CSE") on 17th October 2016 and the subsequent Circular to Shareholders dated 24th October 2016, the Board of Directors have decided to distribute the net sale proceeds (after deducting related expenses in Malaysia and Sri Lanka) from the total consideration on the sale of Malaysian Property of RM 107 mn (Approx. Rs. 3,796 mn) to the Shareholders of the Company, in the form of a repurchase of shares and a payment of an interim dividend as explained in the circular. In this regard, the Company has called for an Extraordinary General Meeting on 16th November 2016 to obtain shareholder approval for the Share Repurchase Offer.

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

### 9. Stated Capital

Stated capital of the company consists of,

Fully paid ordinary shares (voting)

As at 30.09.2016	As at 31.03.2016
<b>6,998,400</b>	6,998,400

## INDO-MALAY PLC

### 10. Exchange Rates

The Financial Statements are presented in Sri Lankan Rupees, which is the company's presentation currency. As at the reporting date, the assets and liabilities of the Malaysian Operations are translated in to the presentation currency ( Sri Lankan Rupee) at the rate of exchange ruling at the reporting date and the items in the Statement of Profit or Loss are translated at the average exchange rate for the period. The resultant exchange differences on the translation are recognised in Other Comprehensive Income.

	30.09.2016	30.09.2015	31.03.2016
<b>Malaysian Ringgit</b>			
Average rate	<b>35.75</b>	34.97	34.35
Period end rates	<b>35.41</b>	31.77	36.74
<b>US Dollar</b>			
Average rate	<b>145.68</b>	134.83	139.05
Period end rates	<b>146.56</b>	141.11	144.69

Malaysian Ringgit (MYR) is the functional currency of the Company since the principal plantation operation is based in Malaysia. For the purpose of reporting, the Financial Statements of the Malaysian branch is translated into Sri Lanka Rupee (LKR) at the end of each reporting period.

### 11. Non-Recurrent Related Party Transactions

Non-recurrent related party transactions include the following temporary advances given to related companies .

Entity	Relationship	Nature of Transaction	Terms	Transaction Value for the period	Balance receivable/ (Payable) as at 30th September 2016
				(Rs. Mn)	(Rs. Mn)
Selinsing PLC	Fellow Subsidiary	Temporary Cash Advances	(a)	-	(13.04)
		Interest Expenses		0.19	
Good Hope PLC	Fellow Subsidiary	Temporary Cash Advances	(a)	-	(11.99)
		Interest Expenses		0.18	

Note (a) - Interest expenses on the “temporary cash advances” obtained are at the prevailing market rates in Malaysia. These advances are repayable upon demand.

The above related party payable balances are included in the trade and other payables in the Balance Sheet.

There are no other significant related party balances outstanding as at the reporting date.

## INDO-MALAY PLC

### 12. Recurrent Related Party Transactions

#### 12.1 Management Fee

The Management fee, Performance incentive and Sales commission charged by Agro Harapan Lestari Sdn. Bhd., a fellow subsidiary, of Rs.3.1 Mn for the six months ended 30th September 2016 (30th September 2015: Rs.7.7 Mn) has been charged in arriving at the profit before income tax.

#### 12.2 Data Processing and IT Support Fee

The IT support fee and Data Processing charged by AHL Business Solutions (Pvt) Ltd. and Goodhope Investments (Pvt) Ltd., fellow subsidiaries, of Rs.0.8 Mn (30th September 2015 : Rs. 1.8mn) and Rs.0.3 Mn (30th September 2015: Rs. 0.3Mn) respectively for the period ended 30th September 2016 have been included in Administrative Expenses.

All the above recurrent related party transactions have been conducted on agreed commercial terms with the respective parties on an arm's length basis.

### 13. Going Concern

The financial statements of company have been prepared on a going concern basis after evaluation of the current status of the proposed disposal of the overseas plantations assets. Having taken into account of the above and financial position, the directors have a reasonable expectation that the company's operation will continue for the foreseeable future.

### 14. Segmental Analysis

The following information is based on the Primary Segment (Industry Segment) results.

For the six months ended 30th September (All figures in Sri Lankan Rupees '000)	Oil Palm Plantation (Discontinued Operations)		Investments (Continuing Operations)		Company	
	2016	2015 (Restated)	2016	2015 (Restated)	2016	2015 (Restated)
<b>External Revenue</b>						
Sale of fresh fruit bunches	44,998	73,248	-	-	44,998	73,248
Dividend income	-	-	-	492	-	492
Interest income	-	-	261	119	261	119
	<b>44,998</b>	<b>73,248</b>	<b>261</b>	<b>611</b>	<b>45,261</b>	<b>73,859</b>
<b>Result</b>						
Segment result	22,618	36,306	261	611	22,879	36,917
Taxation	(5,938)	(7,602)	(52)	(24)	(5,990)	(7,626)
<b>Profit for the period</b>	<b>16,680</b>	<b>28,704</b>	<b>209</b>	<b>587</b>	<b>16,889</b>	<b>29,291</b>

The above figures are subject to audit.

### PLANTATION OPERATIONS

#### Production

Crop (MT)

Quarter ended	Quarter ended	Year ended
30.09.2016	30.09.2015	31.03.2016
<b>2,140</b>	4,842	8,016

#### Planted Hectarage

As at

Mature Plantation  
Immature Plantation

**Total**

30.09.2016	30.09.2015	31.03.2016
<b>280.78</b>	280.78	280.78
-	-	-
<b>280.78</b>	280.78	280.78

### INVESTOR INFORMATION

Share information

Highest price per share (Rs.)  
Lowest price per share (Rs.)  
Last traded price (Rs.)  
Volume traded (No. of shares)

Quarter ended	Quarter ended	Year ended
30.09.2016	30.09.2015	31.03.2016
<b>1,698.90</b>	1,900.00	2,000.00
<b>1,305.00</b>	1,630.00	1,350.00
<b>1,429.60</b>	1,659.00	1,659.00
<b>387</b>	215	1,223.00

**INDO-MALAY PLC****Additional Notes****I Names and the Number of Shares (voting) held by the top 20 shareholders as at 30th September 2016.**

	<b>Name of Shareholders</b>	<b>Number of Shares</b>	<b>%</b>
1	Goodhope Asia Holdings Ltd	6,352,996	90.78
2	Mr. R. Chandra (Decd)	148,052	2.12
3	Mr. S.R. Dean	64,540	0.92
4	Mr. R.T. Stoneham	36,546	0.52
5	Mrs. I. Raymond	33,746	0.48
6	Ms. M.E. Turner	33,590	0.48
7	Mr. F.W. Obeyesekere (Decd)	24,882	0.36
8	Mrs. B.F. Guzdar	23,328	0.33
9	Mr. C.S.A. Perera	22,904	0.33
10	Mrs. A. Ohman (Decd)	19,440	0.28
11	Mr. D. Thomson (Decd)	15,552	0.22
12	Mr. R.G. Bartholomew (Decd)	15,552	0.22
13	Mr. D.D. Dubash	15,552	0.22
14	Mr. R. Prasada Singh (Decd)	15,552	0.22
15	Mr D.S. Cameron	15,552	0.22
16	Mr. N.J.P. Hewett	13,372	0.19
17	Mrs M.D. Abeysuriya	12,960	0.19
18	Mrs. S. Vignarajah	9,807	0.14
19	Mr. J.M. Urquhart (Decd)	9,330	0.13
20	Admin.of the estate of E.Ramiah (Decd)	8,396	0.12
		<b>6,891,649</b>	<b>98.47</b>

**II Ordinary Shares of the Company held by the public as at 30th September 2016 are as follows;**

Number of public shareholders	<b>331</b>
Percentage of public holding	<b>9.22%</b>

**III Directors shareholdings as at 30th September 2016**

<b>Name of Director</b>	<b>Number of Shares</b>
Mr. H. Selvanathan	-
Mr. M. Selvanathan	1
Mr. I. Paulraj	-
Mr. D.C.R.Gunawardena	-
Mr. P.C.P.Tissera	-
Mr. T. Rodrigo	-
Mr. S. Mahendrarajah (Director & Alternate Director to I.Paulraj)	75

**IV PT Agro Indomas, the Company's investment made through Shalimar Developments Sdn. Bhd. (Investment vehicle in Malaysia) is located in Kalimantan province, Indonesia. The total land area of PT Agro Indomas is approximately 26,861 Ha.**

Operational performance information is given below.

<b>Operational performance indicators</b>	<b>2016 September</b>	<b>2015 September</b>
Crop Production (MT)	<b>199,673</b>	230,402
CPO (MT)	<b>39,675</b>	59,848
PK (MT)	<b>9,231</b>	14,231
CPO Ex Mill Price (US\$)	<b>454</b>	503
FFB Yield (MT per Hectare)	<b>8.68</b>	11.39
CPO/ Ha (MT)	<b>1.71</b>	2.96
Milling Capacity (MT per Hour)	<b>225</b>	225
Value of biological assets & property plant and Equipment(US\$ mn)	<b>200.67</b>	173.04

MT-Metric Tones



## CORPORATE INFORMATION

**Name of the Company**

Indo - Malay PLC

**Company Registration No.**

PQ 45

**Legal Form**

A Public Quoted Company with Limited Liability  
Incorporated in Sri Lanka in 1906.

**Directors**

Hariharan Selvanathan (Chairman)  
Manoharan Selvanathan  
Israel Paulraj  
Tennyson Rodrigo  
D. Chandima R. Gunawardena  
P. Chandana P. Tissera  
Subramaniam Mahendrarajah - Director & Alternate Director for  
Israel Paulraj

**Bankers**

Standard Chartered Bank  
HSBC Bank Malaysia Berhad  
Commercial Bank of Ceylon PLC  
Deutsche Bank

**Auditors of the Company**

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

**Auditors in Malaysia**

Messrs. Ernst & Young  
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Level 23A, Menara Milenium  
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50490, Kuala Lumpur, Malaysia  
Tel: + 603 7495 8000  
+ 603 2095 5332

**Managers**

Agro Harapan Lestari Sdn. Bhd.  
Suite 6.08, Level 6, Wisma UOA Damansara II,  
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50490, Kuala Lumpur,  
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**Secretaries**

Carsons Management Services (Private) Limited.  
61, Janadhipathi Mawatha  
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Sri Lanka.  
Tel: +94 11 2039200  
Fax: +94 11 2039300

**Registered Office**

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Sri Lanka.  
Tel: +94 11 2039200  
Fax: +94 11 2039300

**Principal Place Of Business**

Ladang Berjuntai  
45600 Batang Berjuntai Selangor Darul Eshan  
Malaysia

**Corporate Website**

[www.goodhopeholdings.com](http://www.goodhopeholdings.com)

**Holding Company**

Goodhope Asia Holdings Ltd

**Ultimate Parent & Controlling Entity**

Bukit Darah PLC