



Selinsing PLC

Summarised Financial Report
for the nine months ended
31st December 2018

SELINSING PLC

Review of operations for the period ended 31st December 2018

As disclosed to the shareholders and to the market, with due approval from shareholders and regulatory authorities of Malaysia and Sri Lanka, the Company completed the sale of the Malaysian plantation assets and also distributed the net sale proceeds to the shareholders in the financial year 2016/17. The operations of the Company now consist of the equity investment made in Indonesia through Shalimar Developments Sdn. Bhd. and the shares held in Shalimar (Malay) PLC.

The Company has not received any dividend from its investment for the period under review. The only source of revenue is now confined to the interest income earned from the short term deposits. Accordingly, the Company recorded a profit after tax of Rs. 3.4 Mn from operations during the period under review compared to a profit of Rs 4.0 Mn recorded in the corresponding period of the previous financial year.

Minimum Public Holding

As previously informed, the Company is not in compliance with the minimum public holding requirements in relation to a Company Listed on the Main Board of the Colombo Stock Exchange (CSE) as per Rule 7.13.1 (a) of the Listing Rules of CSE. In terms of Rule 7.13.2 (b) of the Listing Rules of the CSE, the securities of the Company were transferred to the Watch List on 2nd July 2018. Further, the Company does not meet the minimum public holding requirements for the 'Diri Savi' Board as well. The Company is entitled for a period of 20 months from date of transferring to the Watch List, to comply with the minimum public holding requirement.

In this regard, we wish to highlight that the objective of the voluntary offer made to all shareholders in 2011 was to acquire the entire minority shareholding as a step towards the consolidation of the oil palm plantation business segment of Carsons Group. The offer documents also mentioned that upon completion of the voluntary offer, the rationale for remaining listed will be evaluated. Since the voluntary offer did not result in the acquisition of the entire minority shareholding, the Company continued to remain listed.

Taking into consideration that a voluntary offer had been made and also considering that there is no requirement for additional capital infusion to the Company and resultantly there being no plans for issuing of new shares nor a dilution by the majority shareholder, and as previously communicated to shareholders through market disclosures and Annual Reports, the Company may consider the option of delisting the shares in the event the Board approves same. This would be done with the required regulator and shareholder approvals, in the future.

Agro Harapan Lestari (Pvt) Ltd

Managers

01st February 2019

SELINSING PLC
Statement of Profit or Loss

(All figures in Sri Lankan Rupees '000)

(All figures in Sri Lankan Rupees '000)

	Quarter ended			Nine months ended		Change	
	31st December		Change	31st December			
	2018	2017		2018	2017		
	Note			%			%
Continuing operations							
Revenue	(Note 3)	2,916	2,142	36%	7,092	6,761	5%
Administrative expenses		(629)	(330)	91%	(1,935)	(1,197)	62%
Foreign exchange loss		-	-	-	-	(43)	-100%
Profit before tax for the period from continuing operations		2,287	1,812	26%	5,157	5,521	-7%
Income tax expense		(560)	(428)	31%	(1,729)	(1,510)	15%
Profit for the period		1,727	1,384	25%	3,428	4,011	-15%
Earnings Per Share (Rs.)		0.30	0.24		0.60	0.71	

Note

(Note 3)

Statement of comprehensive income

Statement of comprehensive income	Quarter ended			Nine months ended		Change
	31st December		Change	31st December		
	2018	2017		2018	2017	
			%			%
Profit for the period	1,727	1,384	25%	3,428	4,011	-15%
Other Comprehensive Income/(Loss) for the period, net of tax	-	-	-	-	-	-
Total Comprehensive Income for the period, net of tax	1,727	1,384	25%	3,428	4,011	-15%

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.

SELINSING PLC
Statement of financial position

(All figures in Sri Lankan Rupees '000)

	Note	As at 31.12.2018	As at 31.03.2018
ASSETS			
Non-Current Assets			
Non-current financial assets	(Note 4 / Note 2.1.1)	6,472,338	6,472,338
Total Non- Current Assets		6,472,338	6,472,338
Current Assets			
Prepayments and other receivable		-	105
Short term investments		110,922	-
Cash and cash equivalents		14,409	113,393
Total Current Assets		125,331	113,498
Total Assets		6,597,669	6,585,836
EQUITY AND LIABILITIES			
Equity			
Stated capital	(Note 7)	69,401	69,401
Retained earnings		307,459	304,031
Other reserves		6,149,959	6,149,959
Total Shareholders' Funds		6,526,819	6,523,391
Non-Current Liabilities			
Deferred tax liability	(Note 8)	23,013	23,013
Total Non-Current Liabilities		23,013	23,013
Current Liabilities			
Trade and other payables		1,413	1,832
Income tax payable		575	322
Unclaimed dividend		45,849	37,278
Total Current Liabilities		47,837	39,432
Total Liabilities		70,850	62,445
Total Equity and Liabilities		6,597,669	6,585,836
Net Asset per share (Rs.)		1,149.44	1,148.84

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

(Sgd.)

Aneesh Dudeja

President / Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements.

Approved & signed for and on behalf of the Managers, Approved & signed for and on behalf of the Board,

(Sgd.)

(Sgd.)

(Sgd.)

M.R. Jiffrey

Director

Agro Harapan Lestari (Pvt) Ltd

01st February 2019

The above figures are subject to audit.

H. Selvanathan

Director

M. Selvanathan

Chairman

SELINSING PLC**Statement of Changes in Equity**

(All figures in Sri Lankan Rupees '000)

	Stated Capital	Available-for-sale reserve	Retained Earnings	Total Shareholders' Funds
Balance as at 1st April, 2017	69,401	6,075,530	297,103	6,442,034
Profit for the year	-	-	6,928	6,928
Other comprehensive income/(loss) for the year	-	74,429	-	74,429
Total comprehensive income/(loss) for the year	-	74,429	6,928	81,357
Balance as at 31st March 2018	69,401	6,149,959	304,031	6,523,391

	Stated Capital	Available-for-sale reserve	Retained Earnings	Total Shareholders' Funds
Balance as at 1st April, 2017	69,401	6,075,530	297,103	6,442,034
Profit for the period	-	-	4,011	4,011
Other comprehensive income/(loss) for the period	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	4,011	4,011
Balance as at 31st December 2017	69,401	6,075,530	301,114	6,446,045

	Stated Capital	Available-for-sale reserve	Fair Value Reserve	Retained Earnings	Total Shareholders' Funds
Balance as at 31st March 2018	69,401	6,149,959	-	304,031	6,523,391
Effect of adoption of SLFRS 9 (Note 2.1.1)	-	(6,149,959)	6,149,959	-	-
Balance as at 1st April 2018	69,401	-	6,149,959	304,031	6,523,391
Profit for the period	-	-	-	3,428	3,428
Other comprehensive income/(loss) for the period	-	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	-	3,428	3,428
Balance as at 31st December 2018	69,401	-	6,149,959	307,459	6,526,819

*Figures in brackets indicate deductions/negative changes**The above figures are subject to audit.*

SELINSING PLC
Cash Flow Statement

For the nine months ended 31st December
 (All figures in Sri Lankan Rupees '000)

	2018	2017	31.03.2018
Net cash outflows from operating activities	(6,475)	(3,921)	(4,260)
Net cash (outflows) / inflows from investing activities	(100,909)	6,760	8,682
Net cash inflows / (outflows) from financing activities	8,400	(495)	(495)
(Decrease) / increase in cash and cash equivalents	(98,984)	2,344	3,927
Cash and cash equivalents at the beginning of the period	113,393	109,466	109,466
Cash and cash equivalents at the end of the period	14,409	111,810	113,393
Cash and cash equivalents:			
Cash and bank balances	9,790	8,593	8,883
Short-term deposits	4,619	103,217	104,510
	14,409	111,810	113,393

The above figures are subject to audit.

SELINSING 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 2018 and Note 02 disclosed below on adoption of new standards.

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 2018 are followed in the preparation of these Interim Condensed Financial Statements except for the changes required due to adoption of new Standards which is disclosed under Note 2 below.

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

2.1 New Accounting Standards effective from 01st January 2018

2.1 New Standards effective from 01st January 2018

2.1.1 Adoption of SLFRS 9 - Financial Instruments

The Sri Lanka Accounting Standard – SLFRS 9 on “Financial Instruments”, which replaces the existing guidance on LKAS 39 on “Financial Instruments: Recognition and Measurement” has become effective for annual reporting periods beginning on or after January 01, 2018 bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Company has applied SLFRS 9 retrospectively, but has elected not to restate comparative information based on the transitional provisions available in SLFRS 9. In the first year of SLFRS 9 implementation, the accounting policy relevant to the comparative information on financial instruments is reported under LKAS 39. As a result, the comparative information provided continues to be accounted for in accordance with the company’s previous accounting policy.

(a) Classification and measurement of financial instruments

The Financial Assets categorised as Available -for -Sale Investments under LKAS 39 is now reclassified under Equity Investments at Fair Value through OCI (FVOCI) under SLFRS 9 after assessing the business model that applies to the financial assets held by the Company. This category only includes the equity instruments, which the Company intends to hold for the foreseeable future and which the Company has irrevocably elected to classify upon initial recognition or transition. There is no recycling of gains or losses to profit or loss on derecognition and the dividend received as a result of holding this investment will be recognized to profit or loss.

These reclassifications have no impact on the measurement categories. On the date of initial application 01st April 2018, the main effects resulting from this reclassification of Financial Assets are as follows:

	Available-For-Sale Financial Assets (AFS)	Equity Investments at Fair Value through OCI (FVOCI)	Net Effect
<i>As at 01.04.2018</i>	(Rs.'000)	(Rs.'000)	(Rs.'000)
Opening balance - LKAS 39	6,472,338	-	
Reclassify equity investments from AFS to FVOCI	(6,472,338)	6,472,338	-
Opening balance - SLFRS 9	-	6,472,338	

The impact of these changes on the Company's equity is as follows;

	Effect on Available- for-sale Reserve	Effect on Fair Value Reserve	Net Effect
<i>As at 01.04.2018</i>	(Rs.'000)	(Rs.'000)	(Rs.'000)
Opening balance - LKAS 39	6,149,959	-	
Reclassify equity investments from AFS to FVOCI	(6,149,959)	6,149,959	-
Opening balance - SLFRS 9	-	6,149,959	

SELINSING PLC

2. Accounting policies and comparative information (Contd.)

2.1.2 Adoption of SLFRS 15 - Revenue from Contracts with Customers

SLFRS 15 supersedes LKAS 11 Construction Contracts, LKAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers.

Based on the assessment performed, the Company concluded that SLFRS 15 does not have an impact on Company's Financial Statements.

3. Revenue

For the period ended 31st December

	2018 Rs'000	2017 Rs'000
External Revenue		
Interest income	7,092	6,761
	7,092	6,761

4. Fair Value Measurement

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

Fair value measurement hierarchy for financial assets as at 31st December 2018 and 31st March 2018 are as follows :

(All figures in Sri Lankan Rupees '000)

		Fair value measurement using			
		Quoted prices in active (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	Date of valuation	Total			
Non Current Financial Assets					
Measured at Fair Value:					
As at 31st December 2018					
<u>Equity Investments at Fair Value through OCI (FVOCI) (Note 2.1.1)</u>					
<u>Quoted equity shares</u>					
Shalimar (Malay) PLC (Note 5(b))	31st December 2018	867,758	867,758	-	-
<u>Unquoted Equity Shares</u>					
Shalimar Developments Sdn.Bhd. (Note 5(a))	December 2017	5,604,580	-	-	5,604,580
FVOCI financial assets as at 31st December 2018		6,472,338	867,758	-	5,604,580
As at 31st March 2018					
<u>Available-For-Sale financial assets (AFS) (Note 2.1.1)</u>					
<u>Quoted equity shares</u>					
Shalimar (Malay) PLC (Note 5(b))	31st March 2018	867,758	867,758	-	-
<u>Unquoted Equity Shares</u>					
Shalimar Developments Sdn.Bhd. (Note 5(a))	December 2017	5,604,580	-	-	5,604,580
AFS financial assets as at 31 March 2018		6,472,338	867,758	-	5,604,580

5. Non-current financial assets

a). Equity Investments at Fair Value through OCI - Unquoted Equity Shares

The Company holds a 13.33% equity investment (March 2018: 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 Equity Investments at Fair Value through OCI.

SELINSING PLC

5. Non-current financial assets

a). Equity Investments at Fair Value through OCI - Unquoted Equity Shares (contd.)

The Company obtained the services of PricewaterhouseCoopers Advisory Services Sdn.Bhd, Malaysia (PwC) to carry out an independent indicative fair market valuation of the equity interest in the unquoted investment of SDSB in PTAI as at valuation date of 31 December 2017. The primary approach adopted was the income approach using the discounted cash flows method.

The fair value of the equity investment of SDSB in PTAI has been valued based on the following key assumptions/bases:

- (a) Estimated economic life of PTAI's oil palm plantations is 26 years (including the Immature period).
- (b) Considered one planting cycle (i.e. no replanting at the end of the economic life).
- (c) CPO ex-mill prices are projected at USD 562/MT and stabilise at USD 628/MT.
- (d) Yield per hectare based on year of planting, maturity profile and terrain.
- (e) Weighted average cost of capital (WACC) range of 10.5% to 11.5%.
- (f) Indonesian Corporate Taxation rate of 25%. p.a.
- (g) Inflation assumed at approximately 4.8% p.a.

Sensitivity of the key assumptions used

The significant unobservable inputs used in the above fair value measurement categorised within Level 3 of the fair value hierarchy (Note 04) together with a quantitative sensitivity analysis are as shown below:

The below values are based on 13.33% equity stake in SDSB and base case is at WACC of 11.5%.

	WACC		CPO ex – mill price		Yield	
	1%	1%	5%	5%	5%	5%
	Increase	Decrease	Increase	Decrease	Increase	Decrease
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Effect of Fair Value of unquoted equity shares in SDSB designated as AFS	(828)	903	2,032	(2,032)	1,618	(1,618)

b). Equity Investments at Fair Value through OCI - Quoted Equity Shares

The Company holds a non-controlling interests of 10.73% (March 2018 : 10.73%) in Shalimar (Malay) PLC. The fair value of the said investment is determined by reference to published price quotations in the Colombo Stock Exchange.

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

6.1 Contingent Liabilities

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

6.2 Events After the Reporting Period

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

6.3 Assets Pledged

There were no assets pledged as at the reporting date.

7. Stated Capital

Stated capital of the company consists of,

As at 31.12.2018	As at 31.03.2018
5,678,247	5,678,247

Fully paid ordinary shares (voting)

8. Deferred Tax Liability

Deferred tax liability is recognised for fair value gain on unquoted equity investments at the rate of 10% considering unquoted equity investments as investment assets for income tax purposes.

SELINSING PLC

9. Related Party Transactions

9.1 Recurrent Related Party Transactions

9.1.1 Secretarial Fee

The Secretarial fee charged by Carsons Management Services (Private) Limited of Rs.0.18 mn (31st December 2017 : Rs.0.35 mn) has been charged in arriving at the profit before income tax for the period ended 31st December 2018.

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

9.2 Non-Recurrent Related Party Transactions

There are no non-recurrent related party transactions for the period ended 31st December 2018.

10. Going Concern

The financial statements of the Company have been prepared on a going concern basis as the Company continues to hold its main investment in SDSB. The directors have a reasonable expectation that the Company's investment segment operation will continue for the foreseeable future.

11. Segmental Analysis

The principal activity of the Company is managing and holding of an investment portfolio. The Company has sold the Malaysian plantation assets during the Financial year 2016/17 and exited from the Oil Palm Plantation business segment.

INVESTOR INFORMATION

Share information

Highest price per share (Rs.)

Lowest price per share (Rs.)

Last traded price (Rs.)

Volume traded (No. of shares)

Quarter ended		Year ended
31.12.2018	31.12.2017	31.03.2018
835.00	745.00	1,554.70
600.00	611.00	560.00
711.40	700.20	613.40
492	1,093	4,783

SELINSING PLC**Additional Notes****I Names and the Number of Shares (voting) held by the top 20 shareholders as at 31st December 2018.**

	Name of Shareholders	Number of Shares	%
1	Goodhope Asia Holdings Ltd	5,432,943	95.68
2	Mr. D.A. Campbell	37,713	0.66
3	Mr. H.V. Cartwright (Decd)	23,328	0.41
4	Executer of the Estate of C. Peters(Decd)	20,605	0.36
5	Mr. F.W. Obeyesekere (Decd)	19,440	0.34
6	Mr. T. Veluppillai(Decd)	15,552	0.27
7	Mr. K.C. Vignarajah	14,863	0.26
8	Admin. of the Estate of H.S. Gour (Decd)	9,720	0.17
9	Mr. S.T.S. Chettiar	9,486	0.17
10	Administratrix of the Estate of Ramiah (Decd)	7,776	0.14
11	Executer of the Estate of C. Stoddart (Decd)	7,776	0.14
12	Mrs. H.L. Keiller (Decd)	7,776	0.14
13	Miss. M. Mack	7,776	0.14
14	Executer of the Estate of C.S. Nicol (Decd)	6,480	0.11
15	Mrs. S. Vignarajah	4,679	0.08
16	Mr. N.J.P. Hewett	4,042	0.07
17	Mrs. V. Cotton	3,888	0.07
18	Mrs. I.C. Smith(Decd)	3,888	0.07
19	Mr. W.P. Brown	3,447	0.06
20	Mr. P. Whitton.	2,592	0.05
		5,643,770	99.39

II Ordinary Shares of the Company held by the public as at 31st December 2018 are as follows;

Number of public shareholders

399

Percentage of public holding

4.32%

Float adjusted market capitalization (Rs.)

174,506,612

The Company is not in compliance with the minimum public holding requirements set out in Rule 7.13.1 (a) of the Listing Rules of the Colombo Stock Exchange.

III Directors shareholdings as at 31st December 2018.

Name of Director	Number of Shares
Mr. H. Selvanathan	-
Mr. M. Selvanathan	1
Mr. I. Paulraj	-
Mr. D.C.R.Gunawardena	-
Mr. S Mahendrarajah	66
Sanjiv Alles	-

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.

Operational performance indicators	2018 December	2017 December
Crop Production (MT)	574,439	402,589
CPO (MT)	111,453	80,570
PK (MT)	25,124	17,810
CPO Ex Mill Price (US\$)	469	562
FFB Yeild (MT per Hectare)	21.57	15.99
CPO/ Ha (MT)	4.20	3.22
Milling Capacity (MT per Hour)	225	225

MT-Metric Tones

CORPORATE INFORMATION

Name of the Company

Selinsing PLC

Company No

PQ 46

Legal Form

A Public Quoted Company with
Limited Liability.
Incorporated in Sri Lanka in 1907.

Directors

M. Selvanathan (Chairman)

H. Selvanathan

I. Paulraj

D.C.R.Gunawardena

S.Mahendrarajah

Sanjiv Alles

Secretaries

Carsons Management Services (Private) Limited.

61, Janadhipathi Mawatha

Colombo 01

Sri Lanka.

Tel: +94 11 2039200

Fax: +94 11 2039300

Managers

Agro Harapan Lestari (Pvt) Ltd

Level 20

East Tower

World Trade Centre

Echelon Square

Colombo 01

Sri Lanka.

Tel : +94 114357777

Fax : +94 114357788

Bankers

Standard Chartered Bank

Commercial Bank of Ceylon PLC

Deutsche Bank

Registered Office

61, Janadhipathi Mawatha

Colombo 01

Sri Lanka.

Tel: +94 11 2039200

Fax: +94 11 2039300

Auditors of the Company

Messrs. Ernst & Young

Chartered Accountants

201, De Saram Place

Colombo 10

Sri Lanka.

Tel: + 94 11 2463500

Fax: + 94 11 2697369

Corporate Website

www.goodhopeholdings.com

Holding Company

Goodhope Asia Holdings Ltd

Ultimate Parent & Controlling Entity

Bukit Darah PLC