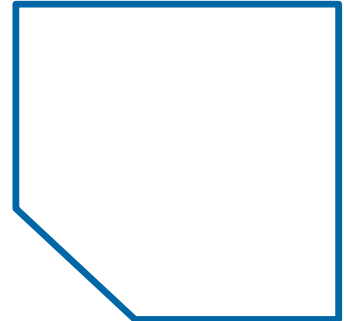
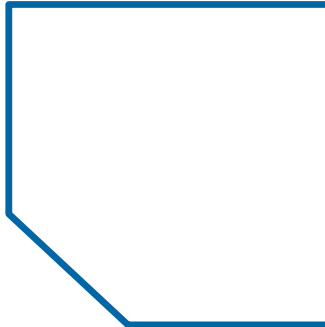




Goodhope

A CARSON CUMBERBATCH COMPANY



Shalimar (Malay) PLC

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

SHALIMAR (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 121.5 mn (Approx. Rs. 4,303 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.

SHALIMAR (MALAY) PLC

Review of operations for the period ended 30th September 2016 Contd..

Combined financial performance

The plantation operations of the company which are now classified as discontinued operations recorded revenues of Rs. 56.1 mn for the six months ended 30th September 2016, compared to Rs. 96.4 mn recorded during the corresponding period of the previous financial year. The drop in revenue is mainly attributed to the 58% 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 584 per MT of fresh fruit bunches (FFB), compared to an NSA of RM 435 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. 20.3 mn during the period under review, as compared to Rs. 43.8 mn recorded in the comparative period of the previous financial year.

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

SHALIMAR (MALAY) PLC
Statement of Profit or Loss

(All figures in Sri Lankan Rupees '000)

Note	Quarter ended 30th September			Six Months ended 30th September		
	2016	2015	Change	2016	2015	Change
		(Restated)*	%		(Restated)*	%
<u>Continuing operations</u>						
Revenue	90	121	-25%	239	467	-49%
Profit before tax for the period from continuing operations	90	121	-25%	239	467	-49%
Income tax expense	(22)	(8)	190%	(60)	(53)	13%
Profit for the period from continuing operations	68	113	-40%	179	414	-57%
<u>Discontinued operations</u>						
Profit/(Loss) after tax for the period from discontinued operations	11,471	22,960	-50%	20,159	43,370	-54%
Profit / (Loss) for the period	11,539	23,074	-50%	20,338	43,784	-54%
Earnings per ordinary share (expressed in Rs.)	1.66	3.32		2.93	6.31	
Earnings Per Share for Continuing Operations (Rs.)	0.01	0.02		0.03	0.06	
Earnings Per Share for Discontinued Operations (Rs.)	1.65	3.30		2.90	6.25	

Statement of comprehensive income	Quarter ended 30th September			Six Months ended 30th September		
	2016	2015	Change	2016	2015	Change
		(Restated)*	%		(Restated)*	%
Profit / (Loss) for the period	11,539	23,074	-50%	20,338	43,784	-54%
Other comprehensive income						
Other Comprehensive Income/(Loss) to be reclassified to profit or loss in subsequent periods						
Exchange Differences on translation of Financials of Foreign Operations	(27,951)	(143,684)	-81%	(51,143)	(161,091)	-68%
Gain/(Loss) on Change in Fair Value of Available - For -Sale Financial Assets	-	(275,978)	-100%	-	(28,255)	-100%
Net other Comprehensive Income/(Loss) to be reclassified to profit or loss in subsequent periods	(27,951)	(419,662)	-93%	(51,143)	(189,346)	-73%
Other Comprehensive Income/(Loss) not to be reclassified to profit or loss in subsequent periods						
Net other Comprehensive Income/(Loss) not to be reclassified to profit or loss in subsequent periods	-	-	0%	-	-	0%
Other Comprehensive Income/(Loss) for the period, net of tax	(27,951)	(419,662)	-93%	(51,143)	(189,346)	-73%
Total other comprehensive income for the period, net of tax	(16,412)	(396,588)	-96%	(30,805)	(145,562)	-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

SHALIMAR (MALAY) PLC

Statement of financial position

(All figures in Sri Lankan Rupees '000)

	Note	As at 30.09.2016	As at 31.03.2016	As at 01.04.2015
			(Restated)*	(Restated)*
ASSETS				
Non-Current Assets				
Property, plant & equipment		-	1,380,425	1,346,918
Bearer Plants	(Note 4)	-	58,105	60,782
Non-current financial assets	(Note 6)	5,001,578	5,001,578	3,922,351
Total Non- Current Assets		5,001,578	6,440,108	5,330,051
Current Assets				
Inventories		523	733	231
Trade and other receivables	(Note 5.4)	275,212	21,486	24,870
Advances and Prepayments		1,685	1,351	577
Taxation recoverable		-	-	4,226
Cash and cash equivalents		23,805	12,813	43,154
		301,225	36,383	73,058
Assets of disposal group held for sale	(Note 5)	1,387,185	-	-
Total Current Assets		1,688,410	36,383	73,058
Total Assets		6,689,988	6,476,491	5,403,109
EQUITY AND LIABILITIES				
Equity				
Stated capital		69,401	69,401	69,401
Retained earnings		173,776	153,438	202,762
Other reserves		6,164,322	6,215,465	5,105,490
Total Shareholders' Funds		6,407,499	6,438,304	5,377,653
Non-Current Liabilities				
Deferred tax liabilities	(Note 4)	-	16,516	17,115
Retirement benefit obligations		-	2,870	2,674
Total Non Current Liabilities		-	19,386	19,789
Current Liabilities				
Trade and other payables	(Note 5.4)	263,232	8,657	5,284
Taxation payable		377	2,521	-
Unclaimed dividend		26	7,623	383
		263,635	18,801	5,667
Liabilities directly associated with assets held for sale	(Note 5)	18,854	-	-
Total current liabilities		282,489	38,187	25,456
Total Equity and Liabilities		6,689,988	6,476,491	5,403,109
Net asset per share (Rs.)		923.26	927.70	774.87

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.

SHALIMAR (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	69,401	1,523,893	(248,920)	3,830,517	307,584	5,482,475
Effect of adoption of amendments to LKAS 41 & LKAS 16					(104,822)	(104,822)
Super gain tax expense	-	-	-	-	(33,562)	(33,562)
Balance as at 1st April, 2015 as restated	69,401	1,523,893	(248,920)	3,830,517	169,200	5,344,091
Profit for the period	-	-	-	-	57,291	57,291
Other comprehensive income/(loss) for the year	-	-	30,748	1,079,227	1,970	1,111,945
Total comprehensive income/(loss) for the year	-	-	30,748	1,079,227	59,261	1,169,236
Final Ordinary Dividend -2014/15	-	-	-	-	(24,707)	(24,707)
Interim Dividend 2015/16	-	-	-	-	(50,316)	(50,316)
Balance as at 31st March 2016	69,401	1,523,893	(218,172)	4,909,744	153,438	6,438,304

	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	69,401	1,523,893	(248,920)	3,830,517	307,584	5,482,475
Effect of adoption of amendments to LKAS 41 & LKAS 16					(104,822)	(104,822)
Balance as at 1st April, 2015 as restated	69,401	1,523,893	(248,920)	3,830,517	202,762	5,377,653
Profit for the period	-	-	-	-	43,784	43,784
Other comprehensive income/(loss) for the period	-	-	(161,091)	(28,255)	-	(189,346)
Total comprehensive income/(loss) for the period	-	-	(161,091)	(28,255)	43,784	(145,562)
First & Final Ordinary Dividend -2014/15	-	-	-	-	(24,707)	(24,707)
Balance as at 30th September 2015	69,401	1,523,893	(410,011)	3,802,262	221,839	5,207,384

	Stated Capital	Capital Reserves	Currency Translation Reserve (Restated)	Available-for-sale reserve	Retained Earnings (Restated)	Total Shareholders' Funds (Restated)
Balance as at 1st April, 2016	69,401	1,523,893	(218,172)	4,909,744	153,438	6,438,304
Profit for the year from continuing operations	-	-	-	-	179	179
Profit for the year from discontinued operations	-	-	-	-	20,159	20,159
Other comprehensive income/(loss) for the period	-	-	(51,143)	-	-	(51,143)
Total comprehensive income/(loss) for the period	-	-	(51,143)	-	20,338	(30,805)
Balance as at 30th September 2016	69,401	1,523,893	(269,315)	4,909,744	173,776	6,407,499

The above figures are subject to audit.

Figures in brackets indicate deductions/negative changes

SHALIMAR (MALAY) PLC**Cash Flow Statement****For the six months ended 30th September**

(All figures in Sri Lankan Rupees '000)

	2016	2015	31.03.2016
		(Restated)	(Restated)
Net cash inflows from operating activities	18,350	44,061	37,027
Net cash inflows from investing activities	239	467	647
Net cash outflows from financing activities	(7,597)	(24,706)	(68,015)
Increase/(Decrease) in cash and cash equivalents	10,992	19,822	(30,341)
Cash and cash equivalents at the beginning of the period	12,813	43,154	43,154
Cash and cash equivalents at the end of the period	23,805	62,976	12,813
Cash and cash equivalents:			
Cash and bank balances	(Note A) 22,779	60,451	10,172
Short-term deposits	1,026	2,525	2,641
	23,805	62,976	12,813

Note A :

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

The above figures are subject to audit.

SHALIMAR (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 Summarised 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 01 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.

SHALIMAR (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
ASSETS						
Non-Current Assets						
Property, plant & equipment	1,380,425	-	1,380,425	1,346,918	-	1,346,918
Biological assets	230,490	(230,490)	-	198,706	(198,706)	-
Bearer Plants	-	58,105	58,105	-	60,782	60,782
Non-current financial assets	5,001,578	-	5,001,578	3,922,351	-	3,922,351
Total Non- Current Assets	6,612,493	(172,385)	6,440,108	5,467,975	(137,924)	5,330,051
Current Assets						
Inventories	733	-	733	231	-	231
Trade receivables	21,486	-	21,486	24,870	-	24,870
Advances and Prepayments	1,351	-	1,351	577	-	577
Taxation recoverable	-	-	-	4,226	-	4,226
Cash and cash equivalents	12,813	-	12,813	43,154	-	43,154
Total Current Assets	36,383	-	36,383	73,058	-	73,058
Total Assets	6,648,876	(172,385)	6,476,491	5,541,033	(137,924)	5,403,109
EQUITY AND LIABILITIES						
Equity						
Stated capital	69,401	-	69,401	69,401	-	69,401
Retained earnings	276,974	(123,536)	153,438	307,584	(104,822)	202,762
Other reserves	6,222,941	(7,476)	6,215,465	5,105,490	-	5,105,490
Total Shareholders' Funds	6,569,316	(131,012)	6,438,304	5,482,475	(104,822)	5,377,653
Non-Current Liabilities						
Deferred tax liabilities	57,889	(41,373)	16,516	50,217	(33,102)	17,115
Retirement benefit obligations	2,870	-	2,870	2,674	-	2,674
Total Non Current Liabilities	60,759	(41,373)	19,386	52,891	(33,102)	19,789
Current Liabilities						
Trade and other payables	8,657	-	8,657	5,284	-	5,284
Taxation Payable	2,521	-	2,521	-	-	-
Unclaimed dividend	7,623	-	7,623	383	-	383
	18,801	-	18,801	5,667	-	5,667
Total Liabilities	79,560	(41,373)	38,187	58,558	(33,102)	25,456
Total Equity and Liabilities	6,648,876	(172,385)	6,476,491	5,541,033	(137,924)	5,403,109

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
Revenue	49,100	-	(48,979)	121	96,870	-	(96,403)	467
Direct operating costs	(12,731)	(669)	13,400	-	(25,264)	(1,338)	26,602	-
Gross profit	36,369	(669)	(35,579)	121	71,606	(1,338)	(69,801)	467
Loss arising from changes in fair value of Biological Assets	11,241	(11,241)	-	-	9,891	(9,891)	-	-
Administrative expenses	(7,214)	-	7,214	-	(14,947)	-	14,947	-
Profit before income tax	40,396	(11,910)	(28,365)	121	66,550	(11,229)	(54,854)	467
Income tax expense	(8,271)	2,858	5,404	(8)	(14,232)	2,695	11,484	(53)
Profit for the period from Continuing operations	32,125	(9,052)	(22,961)	113	52,318	(8,534)	(43,370)	414
Profit after tax for the period from discontinued operations	-	-	22,961	22,961	-	-	43,370	43,370
Profit for the period	32,125	(9,052)	-	23,074	52,318	(8,534)	-	43,784
Other comprehensive income								
Other Comprehensive Income/(Loss) to be reclassified to profit or loss in subsequent periods								
Exchange Differences on translation of Financials of Foreign Operations	(159,199)	15,515	-	(143,684)	(178,398)	17,307	-	(161,091)
Gain/(Loss) on Change in Fair Value of Available - For -Sale Financial Assets	(275,978)	-	-	(275,978)	(28,255)	-	-	(28,255)
Net other Comprehensive Income/(Loss) to be reclassified to profit or loss in subsequent periods	(435,177)	15,515	-	(419,662)	(206,653)	17,307	-	(189,346)
Other Comprehensive Income/(Loss) not to be reclassified to profit or loss in subsequent periods								
Actuarial Gain/ (Loss) on Defined Benefit Plan	-	-	-	-	-	-	-	-
Income tax effect	-	-	-	-	-	-	-	-
Net other Comprehensive Income/(Loss) not to be reclassified to profit or loss in subsequent periods	-	-	-	-	-	-	-	-
Other Comprehensive Income for the period, net of tax	(435,177)	15,515	-	(419,662)	(206,653)	17,307	-	(189,346)
Total comprehensive income for the period, net of tax	(403,052)	6,463	-	(396,588)	(154,335)	8,773	-	(145,562)

SHALIMAR (MALAY) PLC

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 121.5 mn (Approx. Rs. 4,303 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 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.1,329.99 mn and Rs. 57.19 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.

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)	28,235	48,979	56,071	96,403
	28,235	48,979	56,071	96,403
Direct operating costs	(7,438)	(13,400)	(18,521)	(26,602)
Administrative expenses	(5,702)	(7,213)	(11,293)	(14,949)
Finance Expense	-	-	(3)	-
Profit before tax from a discontinued operations	15,095	28,366	26,254	54,852
Income tax expense	(3,624)	(5,405)	(6,095)	(11,482)
Profit for the year from discontinued operations	11,471	22,961	20,159	43,370
Earning per share form discontinued operations	1.65	3.30	2.90	6.25

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

SHALIMAR (MALAY) PLC

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

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	18,458	44,858
Net Cash Outflows from Investing Activities	-	428
Net Cash Outflows from Financing Activities	(7,597)	(24,706)
Net Cash Inflows/Outflows	<u>10,861</u>	<u>20,580</u>

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

	30.09.2016 Rs. '000
Assets	
Property, plant and equipment	1,329,994
Bearer Plants	<u>57,191</u>
Assets of disposal group held for sale	<u>1,387,185</u>
Liabilities	
Deferred tax liability	(15,976)
Retirement benefit obligations	<u>(2,878)</u>
Liabilities directly associated with assets held for sale	<u>(18,854)</u>
Net assets directly associated with disposal group	<u>1,368,331</u>

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.

SHALIMAR (MALAY) PLC

6. Fair Value Measurement

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

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

		Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
(All figures in Sri Lankan Rupees '000)					
Non Current Financial Assets Measured at Fair Value:					
As at 30th September 2016					
Available-For-Sale financial assets (AFS)					
<u>Unquoted Equity Shares</u>					
Shalimar Developments Sdn.bhd. (Note 7)	December 2015	5,001,578	-	-	5,001,578
AFS financial assets as at 30th September 2016		5,001,578	-	-	5,001,578
As at 31st March 2016					
Available-For-Sale financial assets					
<u>Unquoted Equity Shares</u>					
Shalimar Developments Sdn.bhd. (Note 7)	December 2015	5,001,578	-	-	5,001,578
AFS financial assets as at 31 March 2016		5,001,578	-	-	5,001,578

7. Non-current financial assets

Available-for-sale investment - Unquoted Equity Shares

The Company holds a 13.33% equity investment (2015: 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 (PTAD), 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 value 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.

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

8.1 Contingent Liabilities

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

8.2 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 121.5 mn (Approx. Rs. 4,303 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 have arisen, which would require adjustments to or disclosure in this interim condensed Financial Statements.

8.3 Assets Pledged

There were no assets pledged as at the reporting date.

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
6,940,080	6,940,080

SHALIMAR (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
Malaysian Ringgit			
Average rate	35.75	34.97	34.35
Period end rates	35.41	31.77	36.74
US Dollar			
Average rate	145.68	134.83	139.05
Period end rates	146.56	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

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

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.3.6 mn for the period ended 30th September 2016 (30th September 2015 : Rs. 10.6 mn) has been charged in arriving at the profit before income tax.

12.2 Data Processing Fee

The IT support and Data Processing fee charged by AHL Business Solutions (Pvt) Ltd and Goodhope Investments (Pvt) Ltd., fellow subsidiaries, of Rs.0.87 mn (30th September 2015 : Rs.1.6 mn) and Rs.0.41 mn (30th September 2015 : Rs. 0.37Mn) 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.

SHALIMAR (MALAY) PLC

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.

	Oil Palm Plantation (Discontinued Operations)		Investments (Continuing Operations)		Company	
	2016	2015 (Restated)	2016	2015 (Restated)	2016	2015 (Restated)
For the three months ended 30th September (All figures in Sri Lankan Rupees '000)						
External Revenue						
Sale of fresh fruit bunches	56,071	96,403	-	-	56,071	96,403
Interest income	-	-	239	467	239	467
	56,071	96,403	239	467	56,309	96,870
Result						
Segment result	26,254	54,852	239	467	26,493	55,319
Taxation	(6,095)	(11,482)	(60)	(53)	(6,155)	(11,535)
Profit for the period	20,159	43,370	179	414	20,338	43,784

The above figures are subject to audit.

PLANTATION OPERATIONS

	Six Months ended		Year ended
	30.09.2016	30.09.2015	31.03.2016
Production			
Crop (MT)	2,683	6,347	10,666
Planted Hectarage			
As at	30.09.2016	30.09.2015	31.03.2016
Mature Plantation	294.82	294.82	294.82
Immature Plantation	-	-	-
Total	294.82	294.82	294.82

INVESTOR INFORMATION

	Quarter ended		Year ended
	30.09.2016	30.09.2015	31.03.2016
Share information			
Highest price per share (Rs.)	2,649.90	2,300.00	2,500.00
Lowest price per share (Rs.)	1,800.00	1,745.50	1,710.00
Last traded price (Rs.)	2,298.20	2,275.00	2,275.00
Volume traded (No. of shares)	656	97	598

SHALIMAR (MALAY) PLC
Additional Notes

I Names and the Number of Shares (voting) held by the top 20 shareholders as at 30th September 2016.

	Name of Shareholders	Number of Shares	%
1	Goodhope Asia Holdings Ltd	5,775,573	83.22
2	Selinsing PLC	744,984	10.73
3	Good Hope PLC	215,136	3.10
4	Indo-Malay PLC	153,576	2.21
5	Mr. K.C. Vignarajah	27,368	0.39
6	Mrs. S. Vignarajah	4,759	0.07
7	Dr. D. Jayantha	2,100	0.03
8	Mr. J.A.A. Chandrasiri	1,798	0.03
9	Best Real Invest Co Services (Private) Limited	1,708	0.02
10	Mr. M.M.A. Ameen	1,200	0.02
11	Miss. K.R. Vignarajah	810	0.01
12	Mr. N.K. PUNCHIHewa	750	0.01
13	Dr. R.D. Kahandawa Arachchi	700	0.01
14	Acuity Partners (Pvt) Limited / Mr.N.K.PUNCHIHewa	514	0.01
15	MRS. F.H. Ameen	500	0.01
16	Mr. N.S.C. De Silva	500	0.01
17	Mr. P.K.D.F. Pitigala	500	0.01
18	MR. V. Baskerasundaram	497	0.01
19	MR. V.H.D.S.S. Siriwardena	409	0.01
20	Mrs. N.K.L. Munavir	400	0.01
		6,933,782	99.91

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

Number of public shareholders	311
Percentage of public holding	0.73%

III Directors shareholdings as at 30th September 2016.

Name of Director	Number of Shares
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	-
Mr. S. Mahendrarajah	53

IV PT Agro Indomas (PTAI), 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	2016 September	2015 September
Crop Production (MT)	199,673	230,402
CPO (MT)	39,675	59,848
PK (MT)	9,231	14,231
CPO Ex Mill Price (US\$)	454	503
FFB Yield (MT per Hectare)	8.68	11.39
Oil / Ha (MT)	1.71	2.96
Milling Capacity (MT per Hour)	225	225
Value of biological assets & property, plant and equipment. (US\$ Mn)	200.67	173.04

MT-Metric Tones

CORPORATE INFORMATION

Name of the Company

Shalimar (Malay) PLC

Company No

PQ 51

Legal Form

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

Directors

H. Selvanathan (**Chairman**)
M. Selvanathan
I. Paulraj
D.C.R.Gunawardena
A.K. Sellayah
P.C.P.Tissera
K.C.N. Fernando
S. Mahendrarajah

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

Secretaries

Carsons Management Services (Private) Limited
No. 61, Janadhipathi Mawatha
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Sri Lanka
Tel: +94 11 2039200
Fax: +94 11 2039300

Managers

Agro Harapan Lestari Sdn. Bhd.
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50490, Kuala Lumpur,
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Fax: + 603 2093 5660

Auditors in Malaysia

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Jalan Damanlela, Pusat Bandar Damansara
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Tel: + 603 7495 8000
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Registered Office

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

Principal Place Of Business

Ladang Shalimar
45700 Kuala Selangor
Selangor Darul Ehsan
Malaysia

Corporate Website

www.goodhopeholdings.com

Holding Company

Goodhope Asia Holdings Ltd

Ultimate Parent & Controlling Entity

Bukit Darah PLC