



## Shalimar (Malay) PLC

**Summarised Financial Report  
for the three months ended  
30th June 2018**

## **SHALIMAR (MALAY) PLC**

### **Review of operations for the period ended 30th June 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.

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. 0.07 Mn from operations during the period under review compared a loss of Rs 4.1 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 rational 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

03rd August 2018

**SHALIMAR (MALAY) PLC**  
**Statement of Profit or Loss**

(All figures in Sri Lankan Rupees '000)

**Continuing operations**

**Revenue**

(Note 3)

Administrative expenses

Foreign exchange gain/(loss)

**Profit before tax for the period from continuing operations**

Income tax expense

**Profit for the period**

**Earnings Per Share (Rs.)**

Quarter ended		Change
30th June		
2018	2017	
		%
679	2,685	-75%
(415)	(952)	-56%
-	(5,123)	-100%
264	(3,390)	-108%
(190)	(707)	-73%
74	(4,097)	-102%

**0.01 (0.76)**

**Statement of comprehensive income**

**Profit / (Loss) for the period**

**Other Comprehensive Income/(Loss) for the period, net of tax**

**Total Comprehensive Income for the period, net of tax**

Quarter ended		Change
30th June		
2018	2017	
		%
74	(4,097)	-102%
-	-	-
74	(4,097)	-102%

*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 30.06.2018	As at 31.03.2018
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Non-current financial assets	(Note 4 / Note 2.1.1)	5,604,580	5,604,580
<b>Total Non- Current Assets</b>		<b>5,604,580</b>	<b>5,604,580</b>
<b>Current Assets</b>			
Advances and Prepayments		164	246
Income Tax Receivable		333	523
Cash and cash equivalents		38,525	39,892
<b>Total Current Assets</b>		<b>39,022</b>	<b>40,661</b>
<b>Total Assets</b>		<b>5,643,602</b>	<b>5,645,241</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Stated capital	(Note 7)	69,401	69,401
Retained earnings		61,302	61,228
Other reserves		5,489,733	5,489,733
<b>Total Shareholders' Funds</b>		<b>5,620,436</b>	<b>5,620,362</b>
<b>Non-Current Liabilities</b>			
Deferred Tax Liability	(Note 8)	23,013	23,013
		<b>23,013</b>	<b>23,013</b>
<b>Current Liabilities</b>			
Trade and other payables		120	1,833
Unclaimed dividend		33	33
<b>Total Current Liabilities</b>		<b>153</b>	<b>1,866</b>
<b>Total Liabilities</b>		<b>23,166</b>	<b>24,879</b>
<b>Total Equity and Liabilities</b>		<b>5,643,602</b>	<b>5,645,241</b>
Net Asset per share (Rs.)		<b>1,041.24</b>	1,041.22

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.)

**M.R. Jiffrey**

Director

**Agro Harapan Lestari (Pvt) Ltd**

03rd August 2018

*The above figures are subject to audit.*

(Sgd.)

**H. Selvanathan**

Chairman

(Sgd.)

**M. Selvanathan**

Director

**SHALIMAR (MALAY) 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	5,282,614	63,507	5,415,522
Profit for the year	-	-	(2,279)	(2,279)
Other comprehensive income/(loss) for the year	-	207,119	-	207,119
Total comprehensive income/(loss) for the year	-	207,119	(2,279)	204,840
Balance as at 31st March 2018	69,401	5,489,733	61,228	5,620,362

	Stated Capital	Available-for-sale reserve	Retained Earnings	Total Shareholders' Funds
Balance as at 1st April, 2017	69,401	5,282,614	63,507	5,415,522
Profit for the period	-	-	(4,097)	(4,097)
Other comprehensive income/(loss) for the period	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	(4,097)	(4,097)
Balance as at 30th June 2017	69,401	5,282,614	59,410	5,411,425

	Stated Capital	Available-for-sale reserve	Fair Value Reserve	Retained Earnings	Total Shareholders' Funds
Balance as at 31st March 2018	69,401	5,489,733	-	61,228	5,620,362
Effect of adoption of SLFRS 9 (Note 2.1.1)	-	(5,489,733)	5,489,733	-	-
Balance as at 1st April 2018	69,401	-	5,489,733	61,228	5,620,362
Profit for the period	-	-	-	74	74
Other comprehensive income/(loss) for the period	-	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	-	74	74
Balance as at 30th June 2018	69,401	-	5,489,733	61,302	5,620,436

*Figures in brackets indicate deductions/negative changes*

*The above figures are subject to audit.*

**SHALIMAR (MALAY) PLC**  
**Cash Flow Statement**

**For the period ended 30th June**

(All figures in Sri Lankan Rupees '000)

	<b>2018</b>	2017	31.03.2018
Net cash outflows from operating activities	<b>(2,046)</b>	(6,941)	(28,001)
Net cash inflows from investing activities	<b>679</b>	2,685	4,946
Net cash outflows from financing activities	<b>-</b>	(196,626)	(176,974)
Decrease in cash and cash equivalents	<b>(1,367)</b>	(200,882)	(200,029)
Cash and cash equivalents at the beginning of the period	<b>39,892</b>	239,921	239,921
<b>Cash and cash equivalents at the end of the period</b>	<b>38,525</b>	39,039	39,892
<b>Cash and cash equivalents:</b>			
Cash and bank balances	<b>1,588</b>	1,685	1,245
Short-term deposits	<b>36,937</b>	37,354	38,647
	<b>38,525</b>	39,039	39,892

*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 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 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)
<b>Opening balance - LKAS 39</b>	<b>5,604,580</b>	-	
Reclassify equity investments from AFS to FVOCI	(5,604,580)	5,604,580	-
<b>Opening balance - SLFRS 9</b>	<b>-</b>	<b>5,604,580</b>	

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)
<b>Opening balance - LKAS 39</b>	<b>5,489,733</b>	-	
Reclassify equity investments from AFS to FVOCI	(5,489,733)	5,489,733	-
<b>Opening balance - SLFRS 9</b>	<b>-</b>	<b>5,489,733</b>	

## SHALIMAR (MALAY) 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 30th June

	2018 Rs'000	2017 Rs'000
<b>External Revenue</b>		
Interest income	679	2,685
	<u>679</u>	<u>2,685</u>

### 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 30th June 2018 and 31st March 2018 are as follows :

(All figures in Sri Lankan Rupees '000)

	Date of valuation	Fair value measurement using		
		Quoted prices in active	Significant observable inputs	Significant unobservable inputs
		Total (Level 1)	(Level 2)	(Level 3)
<b>Non Current Financial Assets</b>				
<b>Measured at Fair Value:</b>				
<b>As at 30th June 2018</b>				
<b><u>Equity Investments at Fair Value through OCI (FVOCI) (Note 2.1.1)</u></b>				
<b><u>Unquoted Equity Shares</u></b>				
Shalimar Developments Sdn.Bhd. (Note 5(a))	December 2017	5,604,580	-	5,604,580
<b>FVOCI financial assets as at 30th June 2018</b>		<u>5,604,580</u>	<u>-</u>	<u>5,604,580</u>
<b>As at 31st March 2018</b>				
<b><u>Available-For-Sale financial assets (AFS) (Note 2.1.1)</u></b>				
<b><u>Unquoted Equity Shares</u></b>				
Shalimar Developments Sdn.Bhd. (Note 5(a))	December 2017	5,604,580	-	5,604,580
<b>AFS financial assets as at 31 March 2018</b>		<u>5,604,580</u>	<u>-</u>	<u>5,604,580</u>

### 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.



## SHALIMAR (MALAY) 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

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)

### 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	As at
30.06.2018	31.03.2018

Fully paid ordinary shares (voting)

5,397,840	5,397,840
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### 8. Deferred Tax Liability

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

## SHALIMAR (MALAY) 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.0.06 mn (30th June 2017 : Rs.0.18 mn )has been charged in arriving at the profit before income tax for the period ended 30th June 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 30th June 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	
30.06.2018	30.06.2017	31.03.2018	
1,819.90	2,150.00	2,150.00	
1,125.00	1,460.00	1,140.00	
1,497.60	1,726.60	1,497.60	
156	24	294	

**SHALIMAR (MALAY) PLC**  
**Additional Notes**

**I** Names and the Number of Shares (voting) held by the top 20 shareholders as at 30th June 2018.

	<b>Name of Shareholders</b>	<b>Number of Shares</b>	<b>%</b>
1	Goodhope Asia Holdings Ltd	4,491,047	83.20
2	Selinsing PLC	579,432	10.73
3	Good Hope PLC	167,328	3.10
4	Indo-Malay PLC	119,448	2.21
5	Mr. K.C. Vignarajah	21,404	0.40
6	Mrs. S. Vignarajah	3,703	0.07
7	Mr. J.A.A. Chandrasiri	1,798	0.03
8	Dr. D. Jayantha	1,480	0.03
9	Best Real Invest Co Services (Private) Limited	1,329	0.02
10	Mr. M.M.A. Ameen	846	0.02
11	Miss. K.R. Vignarajah	810	0.02
12	Dr. R.D. Kahandawa Arachchi	700	0.01
13	Mr. N.K. Punchihewa	531	0.01
14	MR. V.H.D.S.S. Siriwardena	409	0.01
15	Mr. N.S.C. De Silva	374	0.01
16	Acuity Partners (Pvt) Limited/Mr.N.K.Punchihewa	362	0.01
17	Mr. P.K.D.F. Pitigala	352	0.01
18	MRS. F.H. Ameen	352	0.01
19	MR. V. Baskerasundaram	351	0.01
20	MR. I.G.K.R.K. Jayaweera	290	0.01
		<b>5,392,346</b>	<b>99.90</b>

**II** Ordinary Shares of the Company held by the public as at 30th June 2018 are as follows;

Number of public shareholders	<b>325</b>
Percentage of public holding	<b>0.75%</b>
Float adjusted market capitalization (Rs.)	<b>60,628,539</b>

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 30th June 2018.

<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. A.K. Sellayah	-
Mr. K.C.N.Fernando	-
Mr. S. Mahendrarajah	53

**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>2018 June</b>	<b>2017 June</b>
Crop Production (MT)	<b>180,290</b>	148,873
CPO (MT)	<b>33,845</b>	29,792
PK (MT)	<b>7,622</b>	6,549
CPO Ex Mill Price (US\$)	<b>542</b>	573
FFB Yeild (MT per Hectare)	<b>7.09</b>	5.77
CPO/ Ha (MT)	<b>1.32</b>	1.16
Milling Capacity (MT per Hour)	<b>225</b>	225

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  
K.C.N. Fernando  
S. Mahendrarajah

**Bankers**

Standard Chartered Bank  
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  
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

**Registered Office**

No. 61, Janadhipathi Mawatha  
Colombo 01  
Sri Lanka  
Tel: +94 11 2039200  
Fax: +94 11 2039300

**Corporate Website**

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

**Holding Company**

Goodhope Asia Holdings Ltd

**Ultimate Parent & Controlling Entity**

Bukit Darah PLC