



CARSONS MANAGEMENT SERVICES (PRIVATE) LIMITED
No. of Company PV 315

01st December 2015

Mr. Renuke Wijayawardene
Chief Operating Officer
Colombo Stock Exchange
#04-01, West Block, World Trade Centre
Echelon Square
Colombo 01.

Our Ref: INDO/CSE/ANN/2015/DM/37

Dear Sir,

ANNOUNCEMENT AS PER RULE 8.1 OF THE LISTING RULES OF THE COLOMBO STOCK EXCHANGE

**RE: RULE 7.13 ON MINIMUM PUBLIC HOLDING AS A CONTINUOUS LISTING REQUIREMENT –
ACTION PLAN OF INDO – MALAY PLC**

We wish to inform you that the Board of Directors of Indo- Malay PLC ("the Company") has submitted an application to the Securities and Exchange Commission of Sri Lanka as per Rule 7.13.6.(b) (i) of the Listing Rules of the Colombo Stock Exchange ("CSE") on 01st December 2015, with regard to the afore-captioned matter.

The Company does not at present satisfy the requirements relating to the minimum public holding under Rule 7.13.6 of the Listing Rules of the CSE.

The Company is not going to be able to ensure that its public holding is maintained at the minimum level required by 31st December 2015 (i.e. 15% of its total ordinary voting shares in the hands of a minimum number of 500 public shareholders).

In the circumstances, the Company has informed of its proposed plan to the Securities and Exchange Commission of Sri Lanka ("SEC") via the aforesaid application and has sought the approval of the SEC for a waiver of the aforesaid Rule until 31st December 2017 in order to execute the proposed action plan set out below.

Background

In 2009, Carson Cumberbatch PLC ("CCPLC") initiated an internal restructuring of its businesses to consolidate its plantation sector investments in both Malaysia and Indonesia under a regional holding company incorporated in Singapore, namely Goodhope Asia Holdings Ltd (GAHL). CCPLC, as announced to the market through the CSE and notified to its shareholders from time to time, has taken various steps towards implementing the said restructuring plan.



As a further step towards consolidation of the oil palm plantation sector of the Carsons Group, a voluntary offer was made by CCPLC and Bukit Darah PLC (BDPLC) in March 2011 to the shareholders of the Company with the objective of acquiring the entirety of the remaining minority shareholding. The said voluntary offer document, dated March 17, 2011, disclosed CCPLC and BDPLC's intention to restructure its plantation investments under GAHL. The aforesaid offer document also mentioned that upon the completion of the Offer, **the rationale and the need for the Company to continue to be listed on the CSE will be evaluated.**

Since the said voluntary offer in the Company did not result in the acquisition of the entirety of the minority shares, of the four Malaysian Plantation Companies Good Hope PLC, Selinsing PLC, Shalimar (Malay) PLC and the Company, continued to remain as listed entities.

GAHL together with parties acting in concert with it, presently holds 90.78% of the shareholding in the Company with a public holding of 9.22% as at 30th November 2015.

Future Plans of the Company

The Company, as you are aware, owns and manages its plantation estate in Malaysia. It further has an investment of 13.33% in Shalimar Developments Sdn Bhd (SDSB) which in-turn owns a plantation estate in Indonesia. The plantation estate managed by the Company in Malaysia is fully planted and fully mature. Further, there are no suitable lands in Malaysia to acquire and expand its current plantation operations in order to generate economies of scale and enhance economic returns. The rapid urbanization in the Selangor region of Malaysia and large scale industrial developments taking place in surrounding locations near the plantation estate, now drives the commercial value of the property market.

The past three years have seen a slowdown in the global economic outlook presenting multiple challenges to the palm oil industry. The Global Commodities market has witnessed a downturn along with a sharp decline in Crude Oil prices. The Crude Palm Oil prices too have seen a similar trend with prices reaching a 5 year low.

As a result of the above mentioned volatile macroeconomic and industry conditions, the economic returns for the shareholders of the Company have gradually declined over the last 4 years as already indicated in the Annual Reports of the Company.

In the above circumstances, the Board of Directors is considering the implementation of the following action plan ("Action Plan") subject to further ongoing feasibility studies currently being carried out by the Company and if deemed to be feasible, obtain the necessary approvals from the relevant regulators and shareholders.

- Sale of its plantation estate in Malaysia and distribute proceeds thereof to the shareholders;
- Make arrangements for GAHL to acquire the investment of 13.33% made by the Company in SDSB and the sale proceeds therefrom to be distributed to the shareholders;

It needs to be noted, that the market capitalization of the Company is greater than the net asset value of the Company as at 30th September 2015. The commercial value received from a reputed independent Valuer of the Company (Wan Malik) for the Malaysian plantation estates is approximately RM 71,500,000 (Malaysian Ringgit seventy one million five hundred thousand). The Company is awaiting a further valuation from another reputed valuer. Further, based on the fair value accounting standards, the investment in SDSB by the Company as stated in the Annual report of the Company as at 31st March 2015 is reflected close to its current market value and we do not expect a significant deviation from the same (which indicates a per Ha value of US\$ 13,000 on a net planted basis including infrastructure as at the said Annual Report date).

Upon finalization of the Action Plan, the Company intends communicating the same to shareholders for their information.

Indicative timeline to complete the Action Plan

The Directors believe it will take a minimum 24 months to complete the Action Plan as it would entail *inter alia* selection of buyers, evaluation of competitive bids and obtaining the necessary regulatory and shareholder approvals to give effect to the Action Plan.

Therefore, taking into consideration the estimated timelines to execute the Action Plan the Company has sought permission of the SEC to maintain a public holding below the specified levels in terms of Rule 7.13 of the Listing Rules of the CSE for an additional time period of 24 months from the stipulated deadline of 31st December 2015 till 31st December 2017.

Yours faithfully
For and on behalf of
Indo - Malay PLC
Carsons Management Services (Pvt) Limited



Director
Secretaries

-/da

