



26th April 2016

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

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

Our Ref: SHAL/CSE/ANN/2016/DA/02

Dear Sir,

SHALIMAR (MALAY) PLC

**1) ANNOUNCEMENT IN TERMS OF RULE 8-APPENDIX 8A (18) OF THE LISTING RULES OF THE COLOMBO STOCK EXCHANGE.
SALE OF THE ESTATE OF THE COMPANY**

We write further to our announcement made to the Colombo Stock Exchange (CSE) on 1st December 2015 whereby, the Company gave notice of an action plan to be carried out by the Company in the event it was deemed feasible to carry on by the Board of Directors of the Company:

- To sell its plantation estate in Malaysia (Plantation) and distribute available proceeds thereof to the shareholders;
- To make arrangements for the Company's parent company, Goodhope Asia Holdings Limited (GAHL) to acquire the investment of 13.33% made by the Company in Shalimar Developments Sdn Bhd (SDSB) and distribute available proceeds thereof to the shareholders;

The Board of Directors have decided at the meeting held on 25th April 2016 to seek shareholder approval for the sale of the estate of the Company to a non-related party at a price of not less than RM. 86,400,000/- being 90% of the valuation given by Savills (Malaysia) Sdn Bhd, Valuers subject to regulatory approvals.

The sale of the Plantation amounts to a major transaction under Section 185 of the Companies Act No. 7 of 2007 and thus, the Board of Directors have decided to seek the approval of the shareholders by way of a special resolution for the sale of the Plantation, subject to obtaining the relevant regulatory approvals therefor.

**2) ANNOUNCEMENT IN TERMS OF RULE 8-APPENDIX 8A (14),(18) AND 9.3 OF THE LISTING RULES OF THE COLOMBO STOCK EXCHANGE.
PROPOSED RELATED PARTY TRANSACTIONS BETWEEN THE COMPANY AND THE PARENT COMPANY,
GOODHOPE ASIA HOLDINGS LTD**

Pending the finalisation of the sale of the Plantation as aforesaid, Goodhope Asia Holdings Ltd (GAHL), the parent company has communicated its intention to secure a financing facility to be obtained by GAHL from a consortium of lenders led by Standard Chartered Bank, Singapore, totalling to United States Dollars Fifty Five Million (USD 55,000,000) by providing security in the form of (i) a mortgage over the Plantation and (ii) the provisioning of a corporate guarantee by the Company up to a sum of United States Dollars Fifty Five Million (USD 55,000,000), **subject to the Company obtaining Shareholder and relevant regulatory approvals therefor.**

The above mentioned transactions constitute Non-Recurrent Related Party Transactions as defined in Rule 9.1.1 of the Listing Rules of the CSE and as further explained below:.

i. Name and Relationship between the Company and the related party:

GAHL is the parent company of Shalimar (Malay) PLC.

M/s H. Selvanathan, Mr. D. C. R. Gunawardena and P.C.P. Tissera – Directors of the Company are also Directors of GAHL.

ii. Date of the transaction or the period:

The creation of security by way of a mortgage over the Plantation and providing a corporate guarantee as aforesaid will be carried out pursuant to obtaining shareholder and relevant regulatory approvals therefor.

iii. Details of the transaction:

As mentioned aforesaid, pending finalisation of the sale of the Plantation, GAHL has communicated its intention to secure a financing facility obtained by GAHL totalling to United States Dollars Fifty Five Million (USD 55,000,000) by obtaining and providing the following:

- (i) creation of a mortgage over the Plantation of the Company; and
- (ii) a corporate guarantee from the Company up to a sum of United States Dollars Fifty Five Million (USD 55,000,000)

These aforesaid securities will be provided on an aggregate basis by the Company, Indo – Malay PLC, Good Hope PLC and Selinsing PLC. (Collectively 4MPCs).

In agreeing to provide the above security and the corporate guarantee in the interim period before the finalisation of the proposed sale of the plantation, the Company would directly benefit as follows;

- The 4MPCs would receive a commission of 1.2% per annum of the value of the financing facility of GAHL for the provision of mortgages and corporate guarantees.
- The said commission of 1.2% per annum will be distributed on a proportionate basis between the 4MPCs, based on the market value of the 4MPCs.

The above commissions attributable for the mortgages and corporate guarantees are in line with the prevailing market rates offered by third party financial institutions.

iv. Rationale for entering into the transaction:

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. One of the objectives of consolidation of all plantation sector investments by CCPLC and Bukit Darah PLC was to enable expansion of planted extents by leveraging on a combined larger plantation base.

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In line with the above mentioned objective, this transaction will enable the parent company, GAHL to leverage on its combined assets for the proposed development plans in Indonesia.

v. ***The aggregate value of the related party transactions for the financial year and the aggregate value of all related party transactions for the same financial year.***

The aggregate value of the proposed transactions relating to the current financial year ending 31st March 2017 is Rs.2,817,500,747/- and the aggregate value of all related party transactions for the current financial year ending 31st March 2017 as of the date of this announcement is Rs. 2,817,500,747/-.

The Related Party Transactions Review Committee (RPTRC) of Carson Cumberbatch PLC, which functions as the RPTRC of the Company, is of the view that the transactions are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders and the RPTRC has not obtained an opinion from an independent expert prior to forming its view on the transaction.

The creation of a mortgage over the Plantation of the Company and providing a corporate guarantee as mentioned above amounts to a major transaction under Section 185 of the Companies Act No.7 of 2007 and thus, the Board of Directors have decided to seek the approval of the shareholders by way of a special resolution, subject to obtaining the relevant regulatory approvals therefor.

The approval of the shareholders of the Company would also be sought as per Rule 9.1.1 of the Listing Rules of the Colombo Stock Exchange for the Non-Recurrent Related Party Transactions.

Yours faithfully
for and on behalf of
Shalimar (Malay) PLC
Carsons Management Services (Private) Limited



Director
Secretaries
-/da

