



Goodhope

A CARSON CUMBERBATCH COMPANY

Good Hope PLC

Annual Report 2016/17

Financial Calendar

Financial Year End 31st March 2017

Announcement of Results

First Quarter ended 30th June 2016 12th August 2016

Second Quarter ended 30th September 2016 15th November 2016

Third Quarter ended 31st December 2016 14th February 2017

Dividend Declaration

First Interim Dividend 21st December 2016

Second Interim Dividend 06th March 2017

108th Annual General Meeting

26th May 2017

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Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of Good Hope PLC for the year ended 31st March 2017, and welcome you to the One Hundred and Eighth Annual General Meeting of the Company.

Discontinued Operations in Malaysia

As informed and communicated in the previous annual report as well as through the subsequent quarterly financial statements and shareholder circulars, the Company's Malaysian Plantation Property was sold to United Pacific Realty Sdn. Bhd. for a consideration of RM 175 Mn and the possession of the plantation was handed over to the buyer on 7th December 2016. The sale was completed during the year and the net sale proceeds of Rs. 5.44 Bn was distributed to the shareholders in the form of a share repurchase and a dividend, with due shareholder and regulatory approvals. Consequent to the disposal of the plantation, the Company's branch operation in Malaysia has been discontinued and is being closed down.

The financial performance of the plantations till the date of hand over has been classified as "discontinued operations" in accordance with the requirements of the Sri Lanka Financial Reporting Standards (SLFRS) in the financial statements of the Company for the year ended 31st March 2017, presented together with the annual report.

Financial Performance

A net profit after tax of Rs. 48.25 Mn was recorded "as operating profits" from the plantations till the date of hand over, and classified as profits from discontinued operations in these financial statements.

Further, the Company recorded a gain of Rs. 92.86 Mn from the part disposal of the shares held in Shalimar (Malay) PLC following the acceptance of the repurchase offer made by that Company.

No dividend income was received from the Company's long term unquoted investment made in Indonesia through Shalimar Developments Sdn. Bhd., given the current performance of the global Oil Palm sector. The Indonesian plantations are currently facing the impact of low cropping arising from two consecutive years of drought weather conditions. However, the Company received a dividend from its investment held in Shalimar (Malay) PLC.

Your Company recorded a net profit after tax of Rs.4,128.78 Mn for the year (as compared to Rs. 68.75 Mn recorded in the previous financial year) taking into account operating profits from discontinued operation, profit on sale of the Malaysian plantation and profits from continuing operations. Going forward, the income stream of the Company would be dividend receipts from its investments.

Minimum Public Holding

As per the directive issued by the Securities and Exchange Commission of Sri Lanka (SEC) dated 17th November 2016, a Listed Entity on the Main Board

Chairman's Statement

having a public holding below the specified requirement in terms of the said directive, has to ensure that the public holding of such entity is maintained at a defined public holding percentage of shares in the hands of a minimum number of 500 public shareholders on or before 30th June 2017. The Company does not at present satisfy the requirement relating to minimum public holding.

In this regard, I 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 would not be in compliance with the said requirements and we would report on the proposed course of action in consultation with the regulator.

In conclusion, I would like to place on record the support extended by the regulatory authorities in Sri Lanka and

in Malaysia specifically in facilitating the disposal of the plantations in Malaysia in accordance with shareholder approvals received and in completing the hand over process in a timely manner.

On behalf of the Board of Directors of the Company, I extend our appreciation to the shareholders for their continued support and confidence placed in the Directors and to all our business associates. I am thankful to our management and staff in Malaysia and Sri Lanka for their hard work and dedication during an extremely volatile period. Last but not least, I would like to thank my fellow Board Members for their support and guidance throughout the year, and to the members of the Audit Committee, Remuneration Committee and Related Party Transactions Review Committee for their invaluable efforts.

(Sgd.)

H. Selvanathan

Chairman

24th April 2017

Review of Industry and Operational Performance

Review of Operations – Discontinued Operations

The operations of the Company consist of two segments as presented hitherto in the segmental analysis with the financial statements, i.e its plantations in Malaysia (Oil Palm Plantation Segment) and the equity investment (Investment Segment). As indicated in the Chairman's Statement, the plantation was sold to United Pacific Realty Sdn Bhd of Malaysia for a consideration of RM 175 Mn (approx. Rs. 5.97 Bn) during the period under review with the due shareholder and regulatory approvals and the net sales proceeds of Rs. 5.44 Bn were distributed to shareholders in the form of a share repurchase and an interim dividend. Consequently, the plantation was handed over to the new owners on 7th December 2016.

The palm oil industry which was subjected to impacts of weather patterns resulting in lower crop production and continued low price regimes over the last two years witnessed signs of recovery specifically in the CPO prices during the period under review. The low CPO inventory in Malaysia, arising from the current low production cycle and rapid depreciation of the Malaysian Ringgit witnessed during the period under review has contributed to the recovery of Malaysian CPO prices. However, the global palm oil industry continues to face the resultant impact of low production as a result of two previous years of adverse weather conditions.

Accordingly, a higher net sale average of RM 585.81 was recorded upto the date of transfer of the plantations, whilst the crop performance was lower than the production in the corresponding period of the previous financial year. The FFB production upto the date of transfer was 4,116 MT compared to 8,167 MT produced in FY 2015/16. The crop

production particularly in the first half of the current financial year was significantly impacted by the adverse weather conditions and biological impact of the adverse weather conditions over the previous two financial years.

Accordingly, a net profit after tax of Rs. 48.25 Mn was recorded from the plantation operations for the year under review until the date of transfer of the handing of the possession of the plantation. Further, a profit of Rs.4,380.37 Mn (net of tax) was recorded during the period under review on the disposal of the plantation assets in Malaysia. The corresponding Revaluation Reserve related to the Malaysian Property which hitherto was recognized as a reserve (since the property was recorded at fair value based on the accounting policy adopted by the Company) has now been transferred to Retained Earnings consequent to the disposal of the asset. This is reflected in the Statement of Changes in Equity in the enclosed Financial Statements. Further, as required by Accounting Standards, the accumulated foreign currency translation reserve has been recognized in the Statement of Profit or Loss on the discontinuation of the Malaysian Branch Operation.

The financial performance of the plantations till the date of hand over has been classified as "discontinued operations" in accordance with the requirements of the Sri Lanka Financial Reporting Standards (SLFRS) in the financial statements of the Company for the year ended 31st March 2017, presented together with the annual report.

Performance of Continuing Operations – Investment Segment

This segment consists of the equity investment made by the Company in

Review of Industry and Operational Performance

Indonesia (PT Agro Indomas) through Shalimar Developments Sdn. Bhd. (SDSB) and the shares held in Shalimar (Malay) PLC (SMPLC).

The Indonesian investment, PT Agro Indomas is managed through the group's fully owned management arm in Indonesia. PT Agro Indomas consists of 26,861 hectares of plantation with processing facilities of 225 MT/hr within the plantations. The Indonesian operations was significantly impacted by the El-Nino weather patterns witnessed during the previous year and had recorded two consecutive years of adverse weather effects, resulting in reduced crop production. The performance of this investment has reflected similar crop production recorded by other listed entities in the region.

Statistics pertaining to the Operating performance of the Indonesian Investment, PT Agro Indomas is provided in this annual report in section 7 under "information to Shareholders and Investors" in pages 87 and 88.

Accordingly, no dividend was received during the year under review from SDSB, given the relatively tough operating conditions and the resultant performance of the Indonesian investment during the year. The dividend income received during the year relates to that received from SMPLC.

The Investment in SDSB is recorded in the financial statements at fair value as determined by independent professional valuer as more fully explained in Note 12 to the financial statements.

Further, the Company recorded a gain of Rs. 92.86 Mn from the part disposal of the shares held in SMPLC following the acceptance of an offer made by SMPLC to repurchase shares

held in that Company as disclosed under Other Income and Gains in Notes 4 to the Financial Statements.

Overall financial performance of the Company

Resultantly, your Company recorded a profit after tax of Rs. 4,128.78 Mn from continued and discontinued operations including the profit on the sale of the plantations during the year under review, as compared to Rs. 68.75 Mn recorded in the previous year.

Distribution

During the year, the Company distributed the net sale proceeds of Rs 5.44 Bn arising from the sale of the Malaysian Plantation Assets as noted above (after deducting related taxes and expenses in Malaysia and Sri Lanka) to the shareholders of the Company through a repurchase of shares (as explained further in note 14.1 to the financial statements) and an interim dividend after having obtained due approval from shareholders and regulatory authorities. It should be noted that further to the letter sent to the non-resident shareholders, the Company was awaiting the approval of the Controller of Exchange of Sri Lanka with regard to the remittance of the first interim dividend to the non-resident shareholders. This approval was received on 20th April 2017 and consequently the dividend to non-resident shareholders were remitted.

The Company also declared a second interim dividend of Rs. 147.78 Mn out of the profits of the Company.

Agro Harapan Lestari Sdn. Bhd. *Managers*

24th April 2017

Risk Management

The Company's overall risk management objective is to ensure that it creates value to its shareholders, whilst minimizing any potential adverse impact. The established risk management framework is aligned to that of its parent company and Board approved policies and guidelines

The integrated risk framework ensures prevention and early detection of risks as well as exploitation of opportunities contributing to a sustainable business model. The risks are continuously reviewed and managed through the deployment of effective corrective actions.

Discontinued Business Segment

As noted in this annual Report, the Company disposed of its plantation property in Malaysia during the financial year which is disclosed in "discontinued operations". Accordingly, the branch operation is being closed down and hence, the risks associated with the plantation business segment as disclosed in previous annual reports will no longer be applicable.

Continuing Business Segment

The continuing business of the Company consists of the (i) equity investment made in Shalimar Development Sdn. Bhd. (SDSB) and (ii) shares held in Shalimar (Maly) PLC. SDSB owns shares in PT Agro Indomas of Indonesia, which is in the Oil Palm Plantation business. The Company's only source of income going forward will be any potential dividend income it may earn from its long term investments. The performance of the investments (both the investment value and the returns) are subject to the following key risks.

(a) Investment Income Risk

i. Commodity Price Risk

The price of Crude Palm Oil (CPO), the main produce of the investee company, is determined by international market forces. The price of CPO has been volatile over the past few years along with the movements in the global commodities market. The sale of

CPO is the prime source of cash inflow for the investee company. Therefore, any volatility in CPO prices will have a direct impact on the operating results and cash flows of the investee companies and its ability to pay dividends.

ii. Environmental Risk

Unfavourable weather patterns, resulting in extreme conditions for palm growth, natural and man-made disasters such as fire and potential crop disease could affect the quantity and/or quality of the produce. Accordingly, this can impact the volume of CPO production, and therefore, the operating results and cash flows generated by the investee companies and its ability to pay dividend.

(b) Investment Valuation Risk

The value of the investments in the investee companies are stated at fair value and are assessed by an independent professional valuer using the discounted cash flows methodology. Some of the key assumptions which impact the valuation include the forecasted international selling price of CPO and the applicable market discount rate, both of which are beyond the control of the Company. While adequate measures are taken to manage the controllable input of the valuation assumptions, volatility in external environment and industry dynamics such as weather patterns and biological cycles together with macro-economic and political factors including inflation rates, also can result in fluctuations in the appraised fair value of the investments in the financial statements.

(c) Foreign Exchange Risk

A currency risk is generated through the translation of foreign currency denominated investment to Sri Lankan Rupee for the purpose of financial reporting in Sri Lankan Rupees.

Agro Harapan Lestari Sdn. Bhd.

Managers

24th April 2017

Profile of the Directors

HARIHARAN SELVANATHAN

Hariharan Selvanathan is the Chairman of Bukit Darah PLC and Deputy Chairman of Goodhope Asia Holdings Ltd. He is the President Commissioner of the oil palm plantation companies in Indonesia. He holds Directorships in several subsidiary Companies within the Carson Cumberbatch Group and is also a Director of Sri Krishna Corporation (Private) Limited and the Chairman of Express Newspapers (Ceylon) Ltd. He is also the Chairman of the Group's Management Companies, namely Carsons Management Services (Private) Limited and Agro Harapan Lestari (Private) Limited. Further, he is a past President of the National Chamber of Commerce and Vice Chairman of the International Chamber of Commerce (Sri Lanka).

He counts over 21 years' of experience in commodity trading in International Markets.

He holds a Bachelor's Degree in Commerce.

MANOHARAN SELVANATHAN

Manoharan Selvanathan is the Chairman of Sri Krishna Corporation (Private) Limited, Ceylon Finance & Securities (Private) Ltd. and Selinsing PLC. He is a Group Director of most of the Companies in the Carson Cumberbatch Group situated in Sri Lanka, Indonesia, Malaysia & Singapore and is an active Member of its Executive Management Forums. He is also the Deputy Chairman of Ceybank Asset Management Ltd.

He has served as the Chairman of the Ceylon Chamber of Commerce and The Indo Lanka Chamber of Commerce & Industry and also as the President of the Rotary Club of Colombo North. He is the Honorary Consul of the Republic of Chile in Sri Lanka at present.

Manoharan Selvanathan was conferred the highest National Honours in Sri Lanka, the 'DESAMANYA' title, by H.E. The President of Sri Lanka, in recognition of the services rendered to the Nation in November 2005. In January 2011, he was awarded with prestigious 'PRAVASI BHARATIYA SAMMAN AWARD' by the President of India.

In October 2013, He was awarded the Presidential Honour of 'ORDER OF KNIGHT COMMANDER' by the Government of Chile.

Manoharan Selvanathan holds a Bachelor's Degree in Commerce.

ISRAEL PAULRAJ

Israel Paulraj is the Chairman of Guardian Capital Partners PLC and Rubber Investment Trust Limited. He serves as a Director of several subsidiary companies of the Carson Cumberbatch Group.

He was Past Chairman of the Federation of Exporters Associations of Sri Lanka and The Coconut Products Traders Association. He was a member of the Executive Committee of the Ceylon Chamber of Commerce, National Chamber of Commerce of Sri Lanka and Shippers Council. He has also served on the Board of Arbitrators of the Ceylon Chamber of Commerce. He has also served as the Hony. General Secretary of the Central

Council of Social Services, Hony. Treasurer of the Christian Conference in Asia, President of the Church of Ceylon Youth Movement, Hony. Treasurer of the National Christian Council of Sri Lanka and the Chairman of the Incorporated Trustees of the Church of Ceylon.

He also served on the Presidential Task Force on Non Traditional Export and Import Competitive Agriculture set up by the late President R.Premadasa. He served as the Chairman of the Ecumenical Loan Fund of Sri Lanka and its International Board in Geneva. He was a member of the Commercial Law Reform Commission and has served on the Parliamentary Consultative Committee on Internal and International Trade.

He holds a Bachelor's Degree in Law and an Executive Diploma in Business Administration.

CHANDIMA GUNAWARDENA

Chandima Gunawardena serves as a Non-Independent, Non-Executive Director of most of the Companies of Carson Cumberbatch Group situated in Sri Lanka and overseas. He is also a Director of Bukit Darah PLC. Since assuming Non- Executive status in the Group, he serves as an advisor to the Group's Strategic Planning and Management forums in Sri Lanka and serves on Board Committees, including the Audit Committees of the Group in Sri Lanka and overseas, covering all operating sectors of the Group.

Mr. Gunawardena has over four decades of experience in varied fields of business and commercial activities and has held senior

positions in Corporate, Mercantile and State Institutions. He was appointed to the Carson Cumberbatch Group Directorate in 1990.

He has served in the Management Committee of The Ceylon Chamber of Commerce for over 10 years and was a Founder Council member of the Sri Lanka Institute of Directors (SLID) and continued to serve in the council for over 10 years.

He is a Fellow of the Chartered Institute of Management Accountants, UK.

CHANDANA TISSERA

Chandana Tissera is a Director of Carson Cumberbatch PLC. Chandana Tissera is the Chief Executive Officer for the Oil Palm Plantations and Oils & Fats Sector of the Carson Cumberbatch Group. He is also a Director of several other subsidiary companies of the Group. He has served as the Chief Executive Officer of the Investment Sector and as Director Finance of the Carson Cumberbatch Group.

He was a member of the Board of Union Assurance PLC. He counts over 32 years of experience in the fields of manufacturing, financial services, capital market operations, overseas plantations, project development and management services. He is a Fellow of the Institute of Management, UK.

TENNYSON RODRIGO

Tennyson Rodrigo is a Director of Indo-Malay PLC. He is the former Managing Director and Chief Executive Officer of Capital Development and Investment Company PLC, Chairman of CDIC Sassoon

Profile of the Directors

Cumberbatch Stockbrokers (Pvt) Ltd, and the Past Chairman of the Audit Committee of Eagle Insurance PLC. He was the Expert Advisor to the Audit Committees of the Sector Companies in regard to Real Estate, Hotels and Airlines, Investment Holding and Financial Services and Management Services of the Carson Cumberbatch Group.,

He holds a Bachelor of Science Degree in Chemistry and Mathematics from the University of Ceylon and a Bachelor of Science (Hons) Degree in Chemical Engineering from the University of New South Wales, Australia.

He is a Chartered Engineer and a Member of the Institute of Chemical Engineers, UK.

KENNETH SELLAYAH

Kenneth Sellayah is a Director of Shalimar (Malay) PLC and Prime Property Management Services (Pvt) Ltd. He was former Director of Shaw Wallace & Hedges Ltd, General Manager of Ceylon Trading Co. Ltd, a Director of some of its subsidiaries and Managing Director of Scanships Ltd. He served as the Chairman of the Coconut and General Products Exporters Association and the Exports Section of the Ceylon Chamber of Commerce.

He was Director of CPC (Lanka) Ltd and CPC Agrifoods Ltd. He is also a member of several Committees of the Ceylon Chamber of Commerce, the Institute of Exports, UK and the Chartered Management Institute, UK.

SUBRAMANIAM MAHENDRARAJAH (Alternate Director to Israel Paulraj)

Subramaniam Mahendrarajah is a Director of Indo-Malay PLC, Selinsing PLC, Shalimar (Malay) PLC, Guardian Capital Partners PLC, Equity One Limited and Leechman & Company (Private) Ltd. He is also the Group Finance Director of Sri Krishna Group of Companies. He has wide experience in the fields of manufacturing, trading, financial services and management. He is also the Past President of the Rotary Club of Colombo Down Town and is the recipient of the prestigious 'Service above Self' award from Rotary International.

Statement of Directors' Responsibilities

The responsibilities of the Directors in relation to the Financial Statements are detailed in the following paragraphs, while the responsibilities of the Auditors are set out in the Report of the Auditors.

According to the Companies Act No. 7 of 2007 and the Sri Lanka Accounting & Auditing Standards Act No. 15 of 1995, Directors are required to prepare Financial Statements for each financial year, giving a true and fair view of the financial position of the Company as at the end of the financial year and of the financial performance for the said period.

In preparing these Financial Statements the Directors are required to ensure that:

- appropriate accounting policies have been selected and applied consistently while material departures, if any, have been disclosed and explained,
- all applicable Accounting Standards have been complied with,
- reasonable and prudent judgments and estimates have been made,
- Listing rules of the Colombo Stock Exchange (CSE) have been met and
- Code of best practice on corporate governance issued jointly by the institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the Securities and Exchange Commission of Sri Lanka (SEC) has been adopted.

The Directors are responsible for ensuring that the Company maintains sufficient accounting records to disclose with reasonable accuracy, the financial position

of the Company in order to ensure that the Financial Statements of the Company meet with the requirements of the Sri Lanka Accounting & Auditing Standards Act No. 15 of 1995 and the Companies Act No. 07 of 2007. They are also responsible for taking reasonable measures to safeguard the assets of the Company and in this regard to give proper consideration to the establishment of an appropriate system of internal controls with a view to prevent, detect and rectify frauds and other irregularities.

These Financial Statements have been prepared on a going concern basis after reviewing the financial position and the cash flows, and the Directors are of the view that the Company has adequate resources to continue in operation for the foreseeable future from the date of signing these financial statements.

The Directors are also of the view that they have discharged their responsibilities as set out in this statement.

By Order of the Board,

(Sgd.)

K. D. De Silva (Mrs.)

Director

**Carsons Management Services
(Private) Limited**

Secretaries

24th April 2017

Annual Report of the Board of Directors on the Affairs of the Company

The details set out herein provide the pertinent information required by the Companies Act No. 7 of 2007, Listing Rules of the Colombo Stock Exchange and recommended best accounting practices. The Annual Report was approved by the Directors on 24th April 2017.

1. General

The Directors have pleasure in presenting to the shareholders their Report together with the Audited Financial Statements for the year ended 31st March 2017 of Good Hope PLC, a public limited liability company incorporated in Sri Lanka in 1910.

2. The Principal Activities of the Company

The Company's principal activities were cultivation of oil palm and managing and holding of an investment portfolio. As noted in the Chairman's Statement and Review of Industry and Operational Performance in page 3 and under Risk Management in page 5 of the Annual Report, during the financial year, the Company disposed of its Malaysian plantation assets and consequently exited from the core business segment of Oil Palm Plantation. Accordingly, the Company's branch operation in Malaysia has been discontinued and is being closed down. Hence, the principal activity of the Company is now managing and holding of an investment portfolio.

3. Sale of Malaysian plantation property

As disclosed to the shareholders and to the market via circulars and interim

financial statements, The company after obtaining regulatory and shareholder approval, completed the sale of the Malaysian plantation assets to the buyer, United Pacific Realty Sdn. Bhd. on the 07th of December 2016 for a consideration of RM 175 Mn (approx. Rs. 5.97 Bn) during the year under review. Accordingly, the oil palm plantation segment was classified as a discontinued operation in the Financial Statements.

The resulted net sales proceeds were distributed to shareholder's as more fully disclosed in section 15 on page 18.

4. Review of Operations

The review of the Company's operations during the year, with comments on financial results is stated in the Chairman's Statement on pages 1 and 2 and Review of Industry and Operational Performance on page 3. These reports form an integral part of the Annual Report of the Board of Directors on the Affairs of the Company.

5. Financial Results

The Company recorded a net profit after tax of Rs. 4.13 Bn for the year. This included the profit from the disposal of the overseas plantation assets of Rs. 4.38 Bn.

An abridgement of the Company's performance is presented in the table below.

<i>Year Ended 31 March</i>	2017	2016	
	Rs. '000	(Restated) Rs. '000	
Profits after Tax from Continuing Operations	a	105,541	2,612
Discontinued Operations			
Profits for the year from operations (Net of Tax)		48,246	66,135
Profits from disposal of Overseas plantation assets (Net of Tax)		4,380,371	-
Transfer from translation reserve on Discontinued Overseas Branch operations		(405,383)	-
Profits after Tax from Discontinued Operations	b	4,023,234	66,135
Profits after Taxation	a+b	4,128,775	68,747
Profits brought forward from previous year		98,532	127,946
Adjustment for super gain tax		-	(17,211)
Profits available for Appropriation		4,227,307	179,482
Other Comprehensive Income		-	1,025
Appropriations			
Dividend paid		(535,595)	(81,975)
Realisation of Revaluation reserve due to disposal of Malaysian property		1,464,575	-
Consideration paid for Share Repurchase		(5,053,130)	-
Transaction cost on share repurchase		(2,842)	-
Unappropriated Profits carried forward		100,315	98,532

6. Auditors' Report

The Auditor's Report on the Financial Statements is given on page 27 of this Annual Report.

7. Significant Accounting Policies

The Accounting policies adopted in the preparation of the Financial Statements are given on pages 33 to 49 in the Notes to the Financial Statements.

The Company adopted the amendments to LKAS 41 and LKAS

16 with effect from 1 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 were measured under LKAS 16 at accumulated cost (before maturity) using the cost model (after maturity) up to the date of disposal. These amendments have been applied retrospectively.

With the disposal of the oil palm segment, certain accounting policies

Annual Report of the Board of Directors on the Affairs of the Company

specific to the Oil palm segment will no longer be applicable for future financial periods.

8. Financial Statements

The Company has prepared its Financial Statements in compliance with Sri Lanka Accounting Standards (SLFRS and LKAS).

The Financial Statements of the Company comprising the Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Cash Flow Statement together with the accompanying Notes to the Financial Statements for the year ended 31st March 2017, are set out on pages 28 to 73.

9. Statement of Directors' Responsibilities

The Statement of Directors' Responsibilities for the Financial Statements is given on page 9 of this Annual Report.

10. Interests Register

10.1 Directors' Interests

The Company maintains an Interests Register in conformity with the provisions of the Companies Act, No. 7 of 2007.

All Directors have made declarations as provided for in Section 192(2) of the Companies Act aforesaid.

The relevant details as required by the Companies Act, No. 7 of 2007 have been entered in the Interests Register during the year under review.

The Interests Register is available for inspection as required under the Companies Act.

10.2 Remuneration of Directors

The Directors' remuneration of the Company for the financial year ended 31st March 2017 is given in Note 22.3 to the Financial Statements on pages 73.

Executive Directors are not compensated for their role on the Board.

Aggregate remuneration paid to the Non-Executive Directors are disclosed under Note 22.3 on page 73.

10.3 Directors' Interests in Contracts and Shares

Directors' interests in contracts of the Company are disclosed in Note 22.4 on page 73 to the Financial Statements and have been declared at meetings of the Directors. The Directors have no direct or indirect interest in any other contracts or proposed contracts in relation to the business of the Company, while they had the following interests in ordinary shares of the Company.

	No. of shares	
	31st March 2017	1st April 2016
Mr. H. Selvanathan	-	-
Mr. M. Selvanathan	1	1
Mr. I. Paulraj	-	-
Mr. T. Rodrigo	-	-
Mr. A.K. Sellayah	-	-
Mr. D.C.R. Gunawardena	-	-
Mr. P.C.P. Tissera		
Mr. S. Mahendrarajah (Alternate to Mr. I. Paulraj)	86	86

11. Corporate Donations

There were no donations granted during the year.

12. Directors

The names of the Directors who served during the financial year are given under Corporate Information provided in the Inner Back Cover of this Annual Report.

12.1 Directors to Retire by Rotation

In terms of Articles 98 & 99 of the Articles of Association of the Company, Mr. D.C.R. Gunawardena retires by rotation and being eligible, offers himself for reelection.

12.2 Appointment of Directors who are over Seventy Years of Age

Mr. I. Paulraj, Mr. T. Rodrigo, Mr. A. K. Sellayah and Mr. M. Selvanathan who are over seventy years of age are to be

re-appointed as Directors of the Company for a further period of one year from the conclusion of the Annual General Meeting and the age limit stipulated in Section 210 of the Companies Act NO. 07 of 2007 shall not be applicable to them.

13. Auditors

The Company's Auditors during the year under review were Messrs. Ernst & Young, Chartered Accountants.

A sum of Rs.410,000/- was paid to them by the Company as audit fees for the year ended 31st March 2017 (2016: Rs.692,000/-).

The retiring Auditors have expressed their willingness to continue in office. A resolution to re-appoint them as Auditors of the Company and authorizing the Directors to fix their fee will be proposed at the forthcoming Annual General Meeting.

The Audit Committee reviewed the appointment of the Auditors, its effectiveness and its relationship with the Group, including the level of audit and non-audit fees paid to the Auditors.

Annual Report of the Board of Directors on the Affairs of the Company

13.1. Auditors' Relationship or any Interest with the Company

The Directors are satisfied that, based on written representations made by the Independent Auditors to the Board, the Auditors did not have any interest with the Company that would impair their independence.

14. Compliance with Rules of the Colombo Stock Exchange

The Board has ensured that the Company has complied with the Rules pertaining to Corporate Governance and Related Party Transactions as per the Listing Rules of the Colombo Stock Exchange (CSE). The requirement with regard to minimum public holding is noted in 14.1 below.

14.1 Minimum Public Holding

As per the directive issued by the Securities and Exchange Commission of Sri Lanka (SEC) dated 17th November 2016, a Listed Entity on the Main Board having a Public Holding below the specified requirement in terms of the said directive, has to ensure that the public holding of such entity is maintained at a defined public holding percentage of shares in the hands of a minimum number of 500 public shareholders on or before 30th June 2017. The Company does not at present satisfy the requirement relating to minimum public holding.

As explained in the Chairman's Statement in page 1, 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, the Company would not be in compliance with the said requirements and the Company would report on the proposed course of action in consultation with the regulator.

14.2. Board of Directors

The following Directors held office during the year under review and their brief profiles are given on pages 6 to 8 of this Annual Report.

Directors	Executive/ Non-Executive/ Independent
Mr. H. Selvanathan	Executive
Mr. M. Selvanathan	Executive
Mr. I. Paulraj	Non-Executive
Mr. T. Rodrigo	Non-Executive/ Independent*
Mr. A.K. Sellayah	Non-Executive/ Independent**
Mr. D.C.R. Gunawardena	Non-Executive
Mr. P.C.P. Tissera	Executive
Mr. S. Mahendrarajah (Alternate Director to Mr. I. Paulraj)	

Each of the Non-Executive Directors of the Company has submitted a signed declaration on Independence/Non-Independence as per Rule 7.10.2.b. of the Listing Rules of the Colombo Stock Exchange. The said declarations were tabled at a Board Meeting held on 24th April 2017, in order to enable the Board of Directors to determine the Independence/Non-Independence of the Non-Executive Directors.

Accordingly, the Board has determined the following Non-Executive Directors as Independent Directors on the Board.

* The Board has determined that Mr. T. Rodrigo is an Independent Director in spite of being on the Board for more than nine years and being a Director of Indo-Malay PLC in which majority of the other Directors of the Board are also Directors, since he is not directly involved in the management of the Company.

** The Board has determined that Mr. A. K. Sellayah is an Independent Director in spite of being on the Board for more than nine years and being a Director of Shalimar (Malay) PLC in which majority of the other Directors of the Board are also Directors, since he is not directly involved in the management of the Company.

The Managers of the Company are Agro Harapan Lestari Sdn. Bhd.

14.3 Directors' Meetings

Two Board Meetings were convened during the financial year and the attendance of the Directors were as follows:

Directors	Meetings Attended (out of 2)
Mr. H. Selvanathan	1
Mr. M. Selvanathan	2
Mr. I. Paulraj	2
Mr. T. Rodrigo	1
Mr. A.K. Sellayah	2
Mr. D.C.R. Gunawardena	2
Mr. P.C.P. Tissera	2
Mr. S. Mahendrarajah (Alternate Director to Mr. I. Paulraj)	-

14.4 Remuneration Committee

In terms of Rule 7.10.5. a of the Listing Rules of the Colombo Stock Exchange, the Remuneration Committee of Carson Cumberbatch PLC (CCPLC), the parent Company of Goodhope Asia Holdings Ltd (GAHL), functions as the Remuneration Committee of the Company and comprises of the following members.

Scope and objectives

The primary objective of the Remuneration Committee is to lead and establish a formal and transparent procedure for the development of a remuneration policy and the establishment of a remuneration structure.

Annual Report of the Board of Directors on the Affairs of the Company

Remuneration Committee Members	Executive/ Non-Executive/ Independent
Mr. I. Paulraj (Chairman)	Non-Executive Director of CCPLC
Mr. D.C.R. Gunawardena	Non-Executive Director of CCPLC
Mr. R. Theagarajah	Non-Executive/ Independent Director of CCPLC
Mr. W. M. R. S. Dias	Non- Executive/ Independent Director of CCPLC
Mr. T. De Zoysa	Non- Executive/ Independent Director of CCPLC

A remuneration policy has been formulated based on market and industry factors and individual performance for all Group Companies.

Functions and Proceedings

The Remuneration Committee recommends to the Board, the remuneration to be paid to the Chief Executive Officer, Executive Directors, Non-Executive Directors. Based on the recommendation of the Remuneration Committee, the Board approves remuneration to the respective Directors.

The Chief Executive Officer, Director -in- charge and other members of senior management may be invited to attend meetings to discuss the performance of the Executive Directors and make proposals as necessary. Neither Executive nor Non-Executive Directors are involved in Remuneration Committee meetings when determinations are made in relation to the remuneration of the respective Directors.

The Committee is authorized by the Board to seek appropriate professional advice internally and externally as and when it considers this necessary.

The Remuneration Committee meets at least twice a year.

Aggregated remuneration paid to the Non-Executive Directors are disclosed under Note 22.3 on page 73.

Executive Directors are not compensated for their role on the Board.

14.5 Audit Committee

As per Rule 7.10.6 of the Listing Rules of the Colombo Stock Exchange the Audit Committee of CCPLC, the parent Company of Goodhope Asia Holdings Ltd (GAHL), functions as the Audit Committee of the Company and comprises of the following members:

Audit Committee Members	Executive/ Non-Executive/ Independent
Mr. V.P. Malalasekera (Chairman)	Non-Executive/ Independent Director of CCPLC
Mr. D.C.R. Gunawardena	Non-Executive Director of CCPLC
Mr. F. Mohideen	Non-Executive/ Independent Director of CCPLC

The Audit Committee report is given on pages 22 to 23 of this Annual Report.

14.6 Related Party Transactions Review Committee

As per Rule 9.2.3 of the Listing Rules of the Colombo Stock Exchange the Related Party Transactions Review Committee of CCPLC, the parent company of Goodhope Asia Holdings Ltd (GAHL), functions as the Related Party Transactions Review Committee (RPTRC) of the Company and comprises of the following members:

RPTRC Members	Executive/ Non-Executive/ Independent
Mr. V.P. Malalasekera (Chairman)	Non-Executive/ Independent Director of CCPLC
Mr. F. Mohideen	Non-Executive/ Independent Director of CCPLC
Mr. D.C.R. Gunawardena	Non-Executive Director of CCPLC
Mr. H. Selvanathan	Executive Director of CCPLC
Mr. M. Selvanathan	Executive Director of CCPLC
Mr. S.K. Shah	Executive Director of CCPLC

The Company is in compliance with Rule 9 of the listing rules of the CSE pertaining to Related Party Transactions, during the financial year.

The Related Party Transactions Review Committee report is given on pages 24 and 25 of this Annual Report.

14.6.1 Non-Recurrent Related Party Transactions

GAHL, the parent Company accepted an offer made by the Company to repurchase its shares which forms a non-recurrent RPT as per Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities and Exchange

Annual Report of the Board of Directors on the Affairs of the Company

Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

Further, the Company also accepted an offer made by Shalimar (Malay) PLC to repurchase its shares.

Both the above non recurrent related party transaction are disclosed under note 22 in the financial statement.

14.6.2 Recurrent Related Party Transactions

All the Recurrent Related Party Transactions which in aggregate value exceeds 10% of the revenue of the Company as per Audited Financial Statements of 31st March 2016 are disclosed under Note 22 on pages 71 and 72 to the Financial Statements, as required by Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

15 Distribution

The Company distributed the net sale proceeds of Rs. 5.44 Bn arising from the disposal of Malaysian property through a repurchase of shares and an interim dividend to the Shareholders as explained in Review of the Industry and Operation performance in pages 3 and 4 of the Annual Report.

(a) Share repurchase

Out of the Disposal Proceeds received, total sum of Rs. 5,053,129,660 was distributed through a share repurchase during the year. The details are given in Note 14.1 to the Financial Statements.

(b) Dividend

The company paid Rs. 387,816,567 (per share Rs.56.44) as a first interim dividend out of the disposal proceeds arising from the disposal of its Malaysian property.

It should be noted that further to the letter sent to the non-resident shareholders, the Company was awaiting the approval of the Controller of Exchange of Sri Lanka with regard to the remittance of the first interim dividend of Rs. 344.44 Mn to the non-resident shareholders (including remittance to the main Shareholder, Goodhope Asia Holdings Limited). This approval was received on 20th April 2017 and consequently the dividend to non-resident shareholders were remitted.

Further, the Company paid a second interim dividend of Rs 147,777,905 (per share Rs.38.05) out of the profits of the Company during the year.

16. Solvency Test

Taking into account the said distributions, the Directors were satisfied that the Company met the Solvency Test requirement under Section 56 (2) of the Companies Act, No. 7 of 2007 immediately after the distributions. The Company's Auditors,

Messrs. Ernst & Young have issued Certificates of Solvency confirming the same.

17. **Stated Capital**

The stated capital of the Company as at 31 March 2017 was Rs. 68,713,070 comprising of 3,883,782 (after cancellation of 2,987,525 shares consequent to the repurchase) as detailed in Note 14.1 on page 68.

18. **Shareholders' Funds**

Total reserves of the Company as at 31st March 2017 was Rs. 5,612.2 Mn (2016: Rs. 6,744.18 Mn) comprising of retained earnings of Rs. 100.32 Mn (2016: Rs. 98.53 Mn) and other reserves of Rs. 5,511.97 Mn (2016: Rs. 6,645.65 Mn).

Total reserves combined with stated capital as at 31st March 2017 was Rs.5,681 Mn (2016: Rs. 6,812.9 Mn).

The movements are shown in the Statement of Changes in Equity given on page 31.

19. **Capital Expenditure and Investments**

The Company has not incurred any expenditure on purchases of property, plant & equipment, investments and development cost on biological assets during the year (2016: Rs. Nil).

(a) **Oil palm Plantation segment**

All assets were disposed during the year as discussed in section 3 above. The movement in assets are given in Note 6.4.3 and Note 11 to the Financial Statements.

(b) **Investment Segment**

The Company accepted a repurchase offer made by Shalimar (Malay) PLC for 47,808 shares out of the total 215,136 shares held in that Company during the current year. The related gain on the shares sold is accordingly recognized in the statement of profit or loss.

20. **Value of the Properties**

The value of freehold land held by the company as at 31 March 2016 is reflected in the financial statements in page 57 to the financial statements.

21. **Value of the Investment Portfolio**

(a) **Quoted Investments**

The Company's quoted investments are valued with references to published market prices of Colombo Stock Exchange. During the year, the Company accepted the share repurchase offer made by Shalimar (Malay) PLC and accordingly disposed of 47,808 shares in that Company as detailed in Note 4.1 to the financial statements.

(b) **Unquoted Investments**

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 in SDSB as at valuation date of 31 December 2016. The primary approach adopted was the Income Approach using discounted cash flows method. The methodology followed, key assumptions used and sensitivity analysis are disclosed under note 12 to the Financial Statements.

Annual Report of the Board of Directors on the Affairs of the Company

The valuation techniques, inputs and assumptions used in the valuation have been deliberated and agreed by the management and are consistent with the previous years.

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.

22. Statutory Payments

The Directors to the best of their knowledge and belief are satisfied that all statutory payments have been paid up to date or have been provided for in the Financial Statements.

24. Events after the Reporting Date

Events after the reporting date are disclosed in the Financial Statements in Note 20 on page 70 to the Financial Statements.

23. Going Concern

The financial statements of the Company have been prepared on a going concern basis as the Company

25. Share Information

The details relating to earnings, net assets, market value per share and information on share trading is given on pages 86 to 87 of this Annual Report.

26. Twenty Major Shareholders

Name of Shareholders	2017		2016	
	No. of shares	%	No. of shares	%
Goodhope Asia Holdings Ltd	3,530,821	90.91	6,494,599	94.52
Miss B.R.I.B. Davi (Decd)	146,966	3.78	146,966	2.14
Maj.gen N.S.S.J. Bahadur Rana	41,990	1.08	41,990	0.61
Mr A.O. Wannner (Decd)	20,995	0.54	20,995	0.31
Mrs M. Van Rooyen	20,995	0.54	20,995	0.31
Mr. W.R.F. Spearman	20,995	0.54	20,995	0.31
Miss. N.M. Jarvis	10,497	0.27	10,497	0.15
Mr. F.W. Obeyesekere (Decd)	8,397	0.22	8,397	0.12
Mr. C.C.S. Stephenson (Decd)	8,397	0.22	8,397	0.12
Mrs R.M.M. Dean	7,275	0.19	7,275	0.11
Mr. K.C. Vignarajah	7,146	0.18	12,000	0.17
Mr A.M.A. Vanderspar	6,858	0.18	6,858	0.10
Mrs. C.M. Papageorge	6,717	0.17	6,717	0.10
Mrs. S. Vignarajah	6,616	0.17	11,704	0.17
Mrs M.R. Layton (Decd)	5,176	0.13	5,176	0.08
Admnx. of Estate of E. Ramiah (Decd)	5,176	0.13	5,176	0.08
Mr. N. Izat (Decd).	4,197	0.11	4,197	0.06
Mr. S.A. Obeyesekere	2,098	0.05	2,098	0.03
Mrs. G.S. Amerasinghe	2,098	0.05	2,098	0.03
Mrs E.W. Tomalin	2,037	0.05	2,037	0.03

27. Annual Report

The Board of Directors on 24th April 2017 approved the Company's Financial Statements together with the Reviews which form part of the Annual Report. The appropriate number of copies of the report would be submitted to the Colombo Stock Exchange, Sri Lanka Accounting and Auditing Standards Monitoring Board and the Registrar General of Companies within the given time frames.

28. Annual General Meeting

The One Hundred and Eighth Annual General Meeting of the Company will be held on the 26th May 2017 at 2.00 p.m at the 8th floor, No. 65 C, Dharmapala Mawatha, Colombo 7, Sri Lanka.

The Notice of the Annual General Meeting is on page 91 of this Annual Report.

29. Internal Control and Risk Management

The Board is responsible for the establishment of the Company's internal controls and its effectiveness. Internal control is established so as to safeguard the assets, prevent and detect frauds and irregularities and to make available, accurate and timely information. However, any system can provide only reasonable and not absolute assurance that errors and irregularities are prevented or detected within a reasonable time frame. The Board is of the view that the system of internal controls in place is sound and adequate to provide reasonable assurance. The Group's internal audit division plays an important role in assessing the

effectiveness and the implementation of the internal control system. Further, the Audit Committee receives reports on the adequacy and effectiveness of the Company's internal control. The Board is also conscious of the risks and have identified and listed out the risks profile as given on page 5 of this Annual Report. Management will continue to monitor and manage these risks on a continuous basis.

30. Pending Litigation

There are no litigations currently pending against the Company.

31. Human Resources

With the disposal of the Malaysian Plantation Property, the Company does not have any employees as at 31 March 2017.

Signed for and on behalf of the Board,

(Sgd.)

H. Selvanathan
Chairman

(Sgd.)

P.C.P. Tissera
Director

(Sgd.)

K.D. De Silva (Mrs.)
Director

Carsons Management Services (Pvt) Ltd.
Secretaries

24th April 2017

Audit Committee Report

Audit Committee

In accordance with the Colombo Stock Exchange Listing Rules, the Audit Committee of Carson Cumberbatch PLC (CCPLC), the Parent Company of Goodhope Asia Holdings Limited (GAHL), functions as the Audit Committee of the Company.

The Audit Committee consists of the following Members :

Audit Committee Members	Executive/Non-Executive/Independent
Mr.V.P. Malalasekera	Non-Executive/Independent (CCPLC)
Mr. D.C.R. Gunawardena	Non-Executive (CCPLC)
Mr. F. Mohideen	Non-Executive/Independent (CCPLC)

Mr.V.P. Malalasekera is a Non-Executive, Independent Director of CCPLC and a former Director of Ceylon Tobacco Company PLC.

Mr.D.C.R. Gunawardena is a Non-Executive Director of CCPLC and in most of its Group Companies. He is a Fellow of the Chartered Institute of Management Accountants, U.K.

Mr.F. Mohideen, a Non-Executive, Independent Director of CCPLC, was a former Deputy Secretary to the Treasury and a former Director of Bank of Ceylon and Securities and Exchange Commission of Sri Lanka.

The audit aspects of Good Hope PLC are conducted within the Agenda of CCPLC - Audit Committee.

Meetings of the Audit Committee

CCPLC-Audit Committee held four (04) meetings during the financial year to discuss matters relating to the Company.

The attendance of the Members of the Committee was as follows:

Meetings	Attended (out of 04)
Mr. V.P. Malalasekera	04
Mr. D.C.R. Gunawardena	04
Mr. F. Mohideen	04

The Audit Committee meetings were attended by the Chief Financial Officer, Internal Auditor, as well as the Senior Management staff members.

The Committee met the External Auditors, Messrs.Ernst & Young twice during the year to discuss the audit scope and to deliberate the draft Financial Report and Accounts. The Audit Committee also discussed the draft Financial Report and Accounts with the External Auditors, without the management being present.

Purpose of the Audit Committee

To assist the Board of Directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control over financial reporting, the audit process and the Company's process for monitoring compliance with laws and regulations, Company policies and procedures and the code of conduct.

To ensure that the internal audit activity is well managed, so that it adds value to the organization by being objective in providing

relevant assurance, contributing to the effectiveness and efficiency of governance, risk management and control processes.

Financial Statements

The interim financial statements of Good Hope PLC have been reviewed by the Audit Committee Members at Audit Committee Meetings. The draft financial statements of Good Hope PLC for the year ended 31st March 2017 were also reviewed at a meeting of the Audit Committee Members, together with the External Auditors, Messrs. Ernst & Young, prior to release of same to the Regulatory Authorities and to the shareholders.

The financial statements include the sales proceeds received from the disposal of the Company's Malaysian property and the consequent gains, which are disclosed under discontinued operation in these financial statements.

The Audit Committee Members were provided with confirmations and declarations as required, by the Managers, Agro Harapan Lestari Sdn. Bhd. that the said financial statements were prepared in accordance with the Sri Lanka Accounting Standards (SLFRS/LKAS) and the information required by the Companies Act No. 7 of 2007 therein and presented a true and fair view of the Company's state of affairs as at that date and the Company's activities during the year under review.

Internal Audit

In accordance with the recommendation of the Audit Committee, the financial audits are carried out annually, whilst no field audits at estate level were carried out since the Plantation was to be sold during the financial year 2016/2017.

Performance of the Investments held by the Company

The Company's investment in PT Agro Indomas (PTAI), held through Shalimar Developments Sdn. Bhd., is managed by the group's (GAHL) fully owned management arm in Indonesia, PT Agro Harapan Lestari. GAHL's Audit Committee covers audit obligations over Indonesian Plantation Operations incorporated in Indonesia, including PTAI.

External Audit

The Members of the Audit Committee have determined that Messrs. Ernst & Young, Chartered Accountants were independent on the basis that they did not carry out any special assignment on the operations of the Company. The Committee has reviewed the external audit plan, as well as the management letter and followed up on issues raised.

The Members of the Audit Committee have concurred to recommend to the Board of Directors the re-appointment of Messrs. Ernst & Young, Chartered Accountants, as Auditors for the financial year ending 31st March 2018, subject to the approval of the shareholders of Good Hope PLC at the Annual General Meeting.

(Sgd.)

V.P. Malalasekera

Chairman – Audit Committee

Carson Cumberbatch PLC

Colombo
24th April 2017

Related Party Transactions Review Committee Report

In accordance with the Colombo Stock Exchange Listing Rules, the Related Party Transactions Review Committee (RPTRC) of Carson Cumberbatch PLC (CCPLC), the Parent Company of Goodhope Asia Holdings Limited, functions as the RPTRC of the Company.

Composition of the Committee

The Members of the RPTRC are as follows :

1. Mr. V. P. Malalasekera (Chairman) - Non-Executive/Independent Director of CCPLC
2. Mr. F. Mohideen - Non-Executive/Independent Director of CCPLC
3. Mr. D. C. R. Gunawardena - Non-Executive Director of CCPLC
4. Mr. H. Selvanathan - Executive Director of CCPLC
5. Mr. M. Selvanathan - Executive Director of CCPLC
6. Mr. S. K. Shah - Executive Director of CCPLC

Meetings of the Related Party Transactions Review Committee

CCPLC-RPTRC held three (03) meetings during the financial year to discuss matters relating to the Company.

The attendance of the Members of the Committee was as follows:

	Meetings attended (out of 03)
Mr.V.P. Malalasekera	03
Mr.F. Mohideen	03
Mr.D.C.R. Gunawardena	03
Mr.H. Selvanathan	02
Mr.M. Selvanathan	02
Mr.S.K. Shah	03

Purpose of the Committee

The objective of the RPTRC is to review all Related Party Transactions (RPTs) of the Listed Companies of the Carsons Group, other than those exempted by the 'Related Party Transactions Compliance Code' (RPT Code), prior to the transaction being entered into or, if the transaction is expressed to be conditional on such review, prior to the completion of the transaction.

Policies and procedures

- The RPTRC reviews all the Related Party Transactions of the Listed Companies of the Carsons Group and where the Committee decides that the approval of the Board of Directors of the respective Companies is necessary to approve a Related Party Transaction, such Board approval is obtained prior to entering into the relevant Related Party Transaction.
- When reviewing a transaction, the RPTRC would decide whether the proposed transaction is carried out on an arm's length basis irrespective of whether it is recurrent or non-recurrent in nature.

- Reviewing and approval would be either by meeting of members (subject to quorum being present) or by circulation.
- In determining whether to obtain the approval of the Board of Directors for a Related Party Transaction, the RPTRC will take into account, among other factors it deems appropriate, whether the proposed RPTs pose a conflict of interest to the Directors.

During the year, the Company disposed of its Malaysian plantation property and utilized a part of the net sale proceeds to repurchase its shares. The repurchase of shares from Goodhope Asia Holdings Limited, the Holding Company amounted to a Non-Recurrent Related Party Transaction as per the RPT Code. This Committee has reviewed and approved the repurchase transaction in accordance with the Code.

The self-declarations from the Directors and Key Management Personnel are obtained for the purpose of identifying parties related to them. Further, the guidelines which senior management must follow in routing Related Party Transactions to the relevant forum, including transaction threshold values and pricing where applicable, have been documented even in the case of once approved recurrent transactions which are of operational nature, which as per the RPT Code need not be repeatedly approved if within the broad thresholds.

The RPTRC in discharging its function has introduced processes and periodic reporting by the relevant entities with a view to ensuring that:

- there is compliance with the Code;
- shareholder interests are protected; and
- fairness and transparency are maintained.

The Committee has a criteria for designating Carsons Group Key Management Personnel. Further, processes have been introduced to obtain annual disclosures from all Key Management Personnel so designated.

The Related Party Transactions of the Company for the period 1st April 2016 to 31st March 2017 have been reviewed by the Members of the RPTRC and the comments and observations of the Committee have been communicated to the Board of Directors of the Company. The approval of the shareholders have been obtained and announcements were made to the Colombo Stock Exchange where applicable

(Sgd.)

V.P. Malalasekera

Chairman

Related Party Transactions Review Committee

Carson Cumberbatch PLC

Colombo

24th April 2017

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Independent Auditors' Report



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TO THE SHAREHOLDERS OF GOOD HOPE PLC Report on the Financial Statements

We have audited the financial statements of Good Hope PLC ("the Company"), which comprise the statement of financial position as at 31 March 2017, and the statement of profit or loss, statement of other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. (set out on pages 28 to 73)

Board's Responsibility for the Financial Statements

The Board of Directors ("Board") is responsible for the preparation of these financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are

appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at March 31, 2017, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we state the following:

- a) The basis of opinion, scope and limitations of the audit are as stated above.
- b) In our opinion:
 - we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company and,
 - the financial statements of the Company, comply with the requirements of section 151 of the Companies Act.

Ernst and Young
Chartered Accountants

24th April 2017

Colombo

Partners: W R H Fernando FCA FCMA M P D Coorav FCA FCMA R N de Saram ACA FCMA Ms. N A De Silva FCA Ms. Y A De Silva FCA W K B S P Fernando FCA FCMA
Ms. K R M Fernando FCA ACMA Ms. L K H L Fonseka FCA A P A Gunasekera FCA FCMA A Herath FCA D K Hulanipamuwa FCA FCMA CLB (Lond) H M A Jayasinghe FCA FCMA
Ms. A A Ludovick FCA FCMA Ms. G G S Manatunja FCA N M Suleiman ACA ACMA B E Wijesuriya FCA FCMA

Principal: T P M Ruberu FCMA FCMA

A member firm of Ernst & Young Global Limited

Statement of Profit or Loss

<i>For the Year Ended 31 March</i>		2017	2016
	Note	Rs. '000	*(Restated) Rs. '000
Continuing Operations			
Revenue	3	13,319	2,523
Other Income and gains	4	93,534	263
Profit Before Tax from Continuing Operations		106,853	2,786
Income Tax Expense	5	(1,312)	(174)
Profit for the year from Continuing Operations		105,541	2,612
Discontinued Operations			
Profits for the Year from Operations (Net of Tax)	6	48,246	66,135
Profit from Disposal of Overseas Plantation Assets (Net of Tax)		4,380,371	-
Transfer of Translation Reserve on Discontinued Overseas Branch Operations		(405,383)	-
Total Profit for the Year from Discontinued Operations (Net of Tax)		4,023,234	66,135
Profit for the Year		4,128,775	68,747
Earnings Per Share from Continuing and Discontinued Operations (Rs.)			
Earnings Per Share from Continuing Operations (Rs.)	8	629.12	10.00
Earnings Per Share from Continuing Operations (Rs.)	8	16.08	0.38
Earnings Per Share from Discontinued Operations (Rs.)	8	613.04	9.62
Dividend Per Share (Rs.)	8.1	94.49	8.21

The Accounting Policies and Notes from pages 33 to 73 form an integral part of these Financial Statements.

*Prior period figures have been restated consequent to the adoption of LKAS 16 Property Plant and Equipment and LKAS 41 Agriculture with effect from 1st April 2016 as more fully explained in note 11.1 to the financial Statements.

Further, with the disposal of the Malaysian Plantations Assets, the results of the comparative period too has been reclassified under discontinued operations as explained in Note 6 to the financial Statements.

Figures in brackets indicate deductions.

Statement of Comprehensive Income

<i>For the Year Ended 31 March</i>		2017	2016
	Note	Rs. '000	*(Restated) Rs. '000
Profit for the year		4,128,775	68,747
Other Comprehensive Income/(Loss)			
Other Comprehensive Income/(Loss) to be reclassified to profit or loss in subsequent periods			
Exchange Differences on Translation of Financial of Foreign Operations	15	(263,847)	30,571
Gain on Sale of Financial Assets	4	(92,858)	-
Gain on Change in Fair Value of Available - for-sale Financial Assets	12	282,218	1,106,118
Transfer of translation reserve on discontinued Overseas Branch operations to the Statement of Profit or loss		405,383	
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods		330,896	1,136,689
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Surplus on Revaluation		-	33,064
Actuarial Gain on Defined Benefit Plans		-	(642)
Income Tax Effect		-	154
		-	32,576
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	32,576
Other Comprehensive Income/(Loss) for the year (Net of Tax)		330,896	1,169,265
Total Comprehensive Income/(Loss) for the year (Net of Tax)		4,459,671	1,238,012

The Accounting Policies and Notes from pages 33 to 73 form an integral part of these Financial Statements.

*Prior period figures have been restated consequent to the adoption of LKAS 16 Property Plant and Equipment and LKAS 41 Agriculture with effect from 1st April 2016 as more fully explained in note 11.1 to the Financial Statements.

Figures in brackets indicate deductions.

Statement of Financial Position

<i>As at 31 March</i>		2017	2016	2015
			*(Restated)	*(Restated)
	Note	Rs. '000	Rs. '000	Rs. '000
Assets				
Non-Current Assets				
Property, Plant and Equipment		-	-	1,260,661
Bearer Plants	11	-	-	43,907
Other Non-Current Financial Assets	12	5,663,357	5,491,012	4,384,894
Total Non-Current Assets		5,663,357	5,491,012	5,689,462
Current Assets				
Inventories		-	655	606
Trade Receivables	13	-	24,814	17,996
Advance and Prepayments		297	1,168	1,602
Taxation Recoverable		-	-	920
Cash and Bank Balances		453,136	249,161	27,883
		453,433	275,798	49,007
Assets of disposal group held for sale	6.4	-	1,380,870	-
Total Current Assets		453,433	1,656,668	49,007
Total Assets		6,116,790	7,147,680	5,738,469
Equity and Liabilities				
Equity				
Stated Capital	14	68,713	68,713	68,713
Retained Earnings		100,315	98,532	127,946
Other Reserves	15	5,511,973	6,645,652	5,477,412
Total Shareholders' Funds		5,681,001	6,812,897	5,674,071
Non-Current Liabilities				
Deferred Tax Liability		-	-	11,009
Retirement Benefit Obligations		-	-	1,883
Total Non-Current Liabilities		-	-	12,892
Current Liabilities				
Trade and Other Payable	16	396,642	315,379	48,856
Provision and Accrued Expenses		2,473	3,108	2,650
Tax Payable		36,674	362	-
		435,789	318,849	51,506
Liabilities directly associated with assets held for sale	6.4	-	15,934	-
Total Current Liabilities		435,789	334,783	51,506
Total Equity & Liabilities		6,116,790	7,147,680	5,738,469
Net Assets Per Ordinary Share (Rs.)		1,462.75	991.50	825.76

The Accounting Policies and Notes from pages 33 to 73 form an integral part of these Financial Statements.

*Prior period figures have been restated consequent to the adoption of LKAS 16 Property Plant and Equipment and LKAS 41 Agriculture with effect from 1st April 2016 as more fully explained in note 11.1 to the financial Statements.

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

(Sgd.)

S.C. Karunasena
Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Signed for and on behalf of the Managers.

Signed for and on behalf of the Board.

(Sgd.)

M.R.Jiffrey

Director

Agro Harapan Lestari Sdn. Bhd.

24th April 2017
Colombo

(Sgd.)

H. Selvanathan

Chairman

(Sgd.)

P.C.P. Tissera

Director

Statement of Changes in Equity

For the Year Ended 31 March 2017		Stated Capital	Capital Accretion Reserve	Currency Translation Reserve *(Restated)	Available for Sale Reserve	Retained Earnings *(Restated)	Total Share Holders Funds *(Restated)
Note		Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
	Balance as at 1st April 2015 as previously reported	68,713	1,431,511	(170,594)	4,216,495	275,142	5,821,267
11.1	Effect of adoption of amendments to LKAS 41 & LKAS 16	-	-	-	-	(147,196)	(147,196)
	Super Gain Tax Expense	68,713	1,431,511	(170,594)	4,216,495	127,946	5,674,071
	Balance as at 1st April 2015 (Restated)	-	-	-	(17,211)	-	(17,211)
	Profit for the year - Continuing Operations	68,713	1,431,511	(170,594)	4,216,495	110,735	5,656,860
	Profit for the year - Discontinued Operations	-	-	-	-	2,612	2,612
	Other Comprehensive Income/(Loss)	-	33,064	29,058	1,106,118	66,135	66,135
	Total Comprehensive Income/(Loss)	-	33,064	29,058	1,106,118	1,025	1,169,265
8.1	Final Dividend - 2014/15	-	-	-	-	69,772	1,238,012
8.1	Interim Dividend - 2015/16	-	-	-	-	(25,561)	(25,561)
	Balance as at 31 March 2016 (Restated)	68,713	1,464,575	(141,536)	5,322,613	(56,414)	(56,414)
	Balance as at 1 April 2016 (Restated)	68,713	1,464,575	(141,536)	5,322,613	98,532	6,812,897
	Profit for the year - Continuing Operations	-	-	-	-	98,532	6,812,897
	Profit for the year - Discontinued Operations	-	-	-	-	105,541	105,541
	Exchange Differences on Translation of Financials of Foreign Operations	-	-	-	-	4,023,234	4,023,234
15	Transfer of Translation Reserve on Discontinued Overseas Branch Operations to the Statement of Profit or Loss	-	-	(263,847)	-	-	(263,847)
15	Gain on sale of Financials Assets	-	-	405,383	-	-	405,383
4	Gain on change in the fair value of Available-for-sale Financial Assets	-	-	-	(92,858)	-	(92,858)
12	Other Comprehensive Income/(Loss)	-	-	141,536	282,218	-	282,218
	Total Comprehensive Income/(Loss)	-	-	141,536	189,360	-	330,896
	Realization of revaluation Reserve due to Disposal of Malaysian Property	-	-	141,536	189,360	4,128,775	4,459,671
15	Share Repurchase	-	(1,464,575)	-	-	1,464,575	-
14.1	Transaction cost on Share Repurchase	-	-	-	-	(5,053,130)	(5,053,130)
14.1	First interim dividend - 2016/17	-	-	-	-	(2,842)	(2,842)
8.1	Second interim dividend -2016/17	-	-	-	-	(387,817)	(387,817)
8.1	Balance as at 31 March 2017	68,713	-	-	5,511,973	(147,778)	(147,778)
						100,315	5,681,001

The Accounting Policies and Notes from pages 33 to 73 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

*Prior period figures have been restated consequent to the adoption of LKAS 16 Property Plant and Equipment and LKAS 41 Agriculture with effect from 1st April 2016 as more fully explained in note 11.1 to the financial Statements.

Cash Flow Statement

<i>For the Year Ended 31 March</i>	2017	2016
	Rs. '000	*(Restated) Rs. '000
Note		
Cash Flows from Operating Activities		
Profit before taxation from continuing operations	106,853	2,786
Profit before taxation from discontinued operations	4,035,989	80,682
Adjustments for:		
Profit on Disposal of Discontinued Operation	6 (4,380,371)	-
Transfer of Translation Reserve on Discontinued Overseas Branch Operations	6 405,383	-
Gain on sale of financial assets	4 (92,858)	-
Unclaimed dividend Forfeited	(676)	(263)
Depreciation on Property, Plant and Equipment and Bearer Plants	6.4.3/11 -	3,995
Provision for retirement benefit obligations	6.4.2 169	194
Interest income	3 (5,493)	(430)
Interest Expense	91	48
Unrealized Exchange gain	(11,413)	-
Land compensation received	-	(28,647)
Exchange differences in currency translation of Malaysian Operations	(159,919)	(3,486)
Operating profit before working capital changes	(102,245)	54,879
Decrease/(Increase) in inventories	219	(49)
Decrease/(Increase) in trade and other receivables	25,685	(6,385)
(Decrease)/Increase in trade payable and accruals	(9,385)	6,203
Cash generated from operations	(85,726)	54,648
Income tax paid	(14,410)	(8,389)
Super gain tax paid	-	(17,211)
Retirement benefit obligation paid	-	(1,160)
Net cash inflows from operating activities	(100,136)	27,888
Cash Flows from Investing Activities		
Development cost of biological assets	-	(14,444)
Proceeds from disposal of Malaysian estate operations (Net of Expenses)	5,395,204	257,180
Proceed from Sale of Shares	110,548	-
Land compensation received	-	28,647
Interest income	3 5,493	430
Net cash used in investing activities	5,511,245	271,813
Cash Flow from Financing Activities		
Dividend paid (Excluding unclaimed dividend)	(151,070)	(78,375)
Share buyback payments (Including Expenses)	(5,055,973)	-
Interest paid	(91)	(48)
Net cash used in financing activities	(5,207,134)	(78,423)
Net (decrease)/increase in cash & cash equivalents	203,975	221,278
Cash & cash equivalents at the beginning of the year	249,161	27,883
Cash & cash equivalents at the end of the year (Note A)	453,136	249,161
Note A		
Cash & Cash Equivalents		
Cash and bank balances	369,254	246,435
Short-term deposits	83,882	2,726
	453,136	249,161

Cash & bank balance includes Rs. 344.44 Mn of unclaimed dividend as explained in Note 16.1 to the financial statements.

*Prior period figures have been restated consequent to the adoption of LKAS 16 Property Plant and Equipment and LKAS 41 Agriculture with effect from 1st April 2016 as more fully explained in note 11.1 to the financial Statements.

The Accounting Policies and Notes from pages 33 to 73 form an integral part of these Financial Statements.

Notes to the Financial Statements

1. CORPORATE INFORMATION

1.1 General

Good Hope PLC ("Company") is a public quoted company with limited liability, incorporated and domiciled in Sri Lanka. The registered office of the Company is located at No. 61, Janadhipathi Mawatha, Colombo 01.

1.2 Principal Activities and Nature of Operations

The Company's principal activities were cultivation of oil palm and managing and holding of an investment portfolio. As noted in the Chairman's statement and Review of Industry and Operational performance, during the financial year, the Company disposed of its Malaysian plantations assets and consequently exited from the Oil Palm Plantation Segment. Hence, the principal activity of the Company is now managing and holding of an investment portfolio.

1.3 Parent Entity and Ultimate Parent Entity

The Company's parent entity is Goodhope Asia Holdings Limited incorporated in Singapore. In the opinion of the directors, the Company's ultimate parent undertaking and controlling party is Bukit Darah PLC which is incorporated in Sri Lanka.

1.4 Date of Authorization for Issue

The Financial Statements of Good Hope PLC for the year ended 31

March 2017 was authorized for issue in accordance with a resolution of the board of directors on 24th April 2017.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 General Accounting Policies

2.1.1 Statement of Compliance

The Financial Statements of Good Hope PLC comprises the Statement of Financial Position and the Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows, together with the Accounting Policies and Notes to the Financial Statements.

These financial statements are prepared in accordance with the Sri Lanka Accounting Standards laid down by the Institute of Chartered Accountants of Sri Lanka, and also in compliance with the requirements of the Companies Act No. 7 of 2007.

2.1.2 Basis of Preparation

The Financial Statements of the Company have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS and LKAS) as issued by Institute of Chartered Accountants of Sri Lanka.

The Financial Statements have been prepared on a historical cost basis, except for the following material

Notes to the Financial Statements

items in the Statement of Financial Position,

- Available-for-sale financial assets are measured at fair value
- Land is measured at cost at the time of the acquisition and subsequently land is revalued

2.1.3 Adoption of Amendments to LKAS 41 (Agriculture) and LKAS 16 (Property, Plant and Equipment)

The Company adopted the amendments to LKAS 41 and LKAS 16 with effect from 1 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 were measured under LKAS 16 at accumulated cost (before maturity) using the cost model (after maturity) up to the date of disposal. These amendments have been applied retrospectively.

Reconciliation of equity and reconciliation of total comprehensive income for the year ended 31 March 2016 are given in Note 11.1 to the financial statements.

2.1.4 Comparative Information

The accounting policies have been consistently applied by the Company and, are consistent with those used in the previous year except for the Note 11.1 disclosed below. Previous year's figures and phrases have been rearranged whenever

necessary to conform to current presentation.

With the disposal of the oil palm segment, certain accounting policies (given under accounting policies 2.3.1, 2.3.2, 2.3.4, 2.3.5, 2.4.1, 2.6) specific to the Oil palm plantations segment will no longer be applicable for the future financial periods.

2.2 Summary of Significant Accounting Policies

2.2.1 Conversion of Foreign Currencies

(a) Presentation Currency

The Financial Statements are presented in Sri Lankan Rupees.

(b) Investment Operations in Sri Lanka

The functional currency of the investment operations in Sri Lanka is Sri Lankan Rupees. Transactions in foreign currencies are initially translated into functional currency using the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies as at the reporting date are translated at the functional currency rate of exchange ruling at that date. The exchange differences arising on translation are taken to Statement of profit or loss.

(c) Operations in Malaysia

The functional currency of the foreign operations in Malaysia is the Malaysian Ringgit. As at the reporting date, the assets and liabilities of the

Malaysian Operations are translated into the presentation currency (Sri Lankan Rupees) 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 exchange differences arising on the translation are recognized in other comprehensive income.

2.2.2 Taxation

(a) Current Taxes

The Company's liability to taxation is computed in accordance with the provisions of the Inland Revenue Act, No. 10 of 2006 and the subsequent amendments thereto. Full consideration is given to the tax laws prevailing in the countries of incorporation and operation.

Liability to taxation of the Company is made after claiming relief available in terms of the Double Taxation Agreement entered into between the Governments of Malaysia and Sri Lanka.

(b) Deferred Taxation

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all temporary differences, except:

- Where the deferred tax liability arises from an asset or liability in

a transaction that affects neither the accounting profit nor the taxable profit.

Deferred tax assets are recognized for all deductible differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- Where the deferred tax assets relating to deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor the taxable profit.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the deferred tax assets to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the assets are realized or the liabilities are settled, based on tax

Notes to the Financial Statements

rates and tax laws that have been enacted or substantially enacted at the reporting date.

Current tax and deferred tax relating to items recognized directly in statement of other comprehensive income are also recognized in statement of other comprehensive income and not in the statement of profit or loss.

Deferred tax assets and liabilities are set off if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.2.3 Events occurring after the Reporting Period

The materiality of the events occurring after the reporting date is considered and appropriate adjustments or disclosures are made in the Financial Statements in accordance with LKAS 10: Events After the Reporting Period.

2.3 Assets and Bases of Their Valuation

Assets classified as current assets in the Statement of Financial Position are cash and those which are expected to be realised in cash during the normal operating cycle of the Company's business or within one year from the reporting date.

Assets other than current assets are those which the Company intends to hold beyond a period of one year from the reporting date.

2.3.1 Property, Plant & Equipment

(1) Valuation

Property, Plant & Equipment are stated at cost or valuation less accumulated depreciation, provided on the basis stated in (3) below.

(2) Cost

Cost of Property, Plant & Equipment is the cost of acquisition or construction together with any expenses incurred in bringing the assets to its working condition for its intended use.

Expenditure incurred for the purpose of acquiring, extending or improving assets of a permanent nature by means of which to carry on the business or to increase the earning capacity of the business has been treated as capital expenditure.

(3) Depreciation

The provision for depreciation is calculated by using a straight line method on the cost or valuation of all Property, Plant & Equipment other than freehold land, in order to write off such amounts over the estimated useful lives.

The principal annual rates used are:

	No. of years
Freehold buildings	20
Plant & machinery	10
Furniture, fittings & office equipment	8-10
Motor vehicles	4

No depreciation is provided on freehold land.

Depreciation of an asset begins when it is available for use whereas depreciation of an asset is ceased at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized.

The appropriateness of useful lives of the assets and the residual value is assessed annually.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(4) Plantations

(a) Permanent Land Development Costs

Land development costs incurred in respect of developing the land for cultivation which are permanent in nature, are capitalized as "land cost".

(b) Revaluation of Land

Revaluation of the freehold land in Malaysia is carried out on an existing use (oil palm plantation) basis annually in order to ensure that the book value reflects the market value. Any surplus or deficit arising therefrom is adjusted through the Capital Accretion Reserve once in every three years, unless there is a significant change in the valuation in which case it is recognized immediately.

2.3.2 Bearer Plants

Bearer Plants represent immature and mature palm oil plantations and are stated at cost less accumulated depreciation. Oil palm trees have an average life up to 25 years, with the first 30 to 36 months as immature and the remaining years as mature.

(a) Immature plantations

Immature Plantations are stated at acquisition cost which includes the cost incurred for field preparation, planting, fertilizing and maintenance, capitalization of borrowing costs incurred on loans used to finance the developments of immature plantations and an allocation of other indirect costs based on planted hectares. No depreciation is provided during the immature period.

Carrying values of the Immature Plantation are reviewed for impairment when events or changes

Notes to the Financial Statements

in circumstances indicate that the carrying value may not be recovered.

(b) Mature plantations

Mature plantations are measured at cost amount less accumulated depreciation and impairment losses.

Depreciation is provided on straight-line basis over estimated useful life of the Mature Plantations and recognized in Profit or Loss Statement.

The principal annual rate used is:

	No. of years
Bearer Plants	22

Carrying values of the Mature Plantation are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recovered.

2.3.3 Financial instruments — Initial recognition and subsequent measurement

Financial assets within the scope of LKAS 39 are broadly categorised as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company

determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus (in the case of assets not at fair value through profit or loss) directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include cash and short-term deposits, trade and other receivables, quoted and unquoted financial instruments.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(a) Trade and Other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments. They do not consist assets that are quoted in an active market. Trade and other receivables are initially recognized at fair value plus any directly attributable transaction cost. After initial measurement, such financial

assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. The losses arising from impairment are recognised in the profit or loss as a part of administration costs.

(b) Available-for-sale financial investments

Available-for-sale financial investments include equity securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss.

After initial measurement, available for-sale financial investments are subsequently measured at fair value with unrealised gains or losses recognised as comprehensive income in the available-for-sale reserve until the investment is derecognized, at which time the cumulative gain or loss is recognised in other operating income, or determined to be impaired, at which time the cumulative loss is reclassified to the Statement of Profit or Loss in finance costs and removed from the available-for-sale reserve.

Fair value of investments in unquoted ordinary shares are determined based on income approach that estimates the fair value by discounting projected cash

flows in a discrete projection period to present value.

The Company evaluates its available for-sale financial assets to determine whether the ability and intention to sell them in the near term is still appropriate. Reclassification to loans and receivables is permitted when the financial assets meet the definition of loans and receivables and the Company has the intent and ability to hold these assets for the foreseeable future or until maturity.

De-recognition

A financial asset is de-recognised when:

- The rights to receive cash flows from the asset have expired
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into

Notes to the Financial Statements

a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of it, the asset is recognised to the extent of the Company's continuing involvement in it.

Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with

similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of profit or loss. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account.

(c) Cash & Cash Equivalents

Cash and cash equivalents are cash in hand, demand deposits and short-term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of Cash Flow Statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts. Investments in money market instruments with short maturities i.e. three months or less from the date of acquisition are also treated as cash equivalents.

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of LKAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, carried at amortised cost. This includes directly attributable transaction costs.

The Company's financial liabilities include trade and other payable.

Subsequent measurement

Trade and other payable are measured at amortized cost.

De-recognition

A financial liability is de-recognised

when the obligation under the liability is discharged or cancelled or expired.

2.3.4 Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Property, plant and equipment and bearer plants are not depreciated or amortized once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Notes to the Financial Statements

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

2.3.5 Inventories

Inventories except for fresh fruit bunches are stated at cost or net realizable value whichever is lower, after making due allowance for obsolete and slow moving items. Fresh fruit bunches are stated at since realised values.

The value of consumable is determined on a weighted average cost basis.

2.3.6 Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is any objective evidence that a

non-financial asset or a group of non-financial assets is impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the group of non-financial asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell or its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of non-financial assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2.4 Liabilities And Provisions

Liabilities classified as current liabilities in the Statement of Financial Position are those obligations payable on demand or within one year from the reporting date. Items classified as non-current liabilities are those obligations which become payable beyond a period of one year from the reporting date.

All known liabilities have been accounted for in preparing these Financial Statements. Provisions and liabilities are recognised when the Company has a legal or constructive

obligation as a result of past events and it is probable that an outflow of economic benefits will be required to settle the obligation.

2.4.1 Retirement Benefit Obligations

(a) Defined Benefit Plans - Retirement Gratuity

Gratuity is a defined benefit plan. The Company is liable to pay gratuity in terms of relevant statute.

The Company's operations in Malaysia are liable to pay Retirement Gratuity where employees have served in the Company's operations in Malaysia for more than five years and fulfilling the conditions in the Malaysian Agricultural Producers Association and National Union Plantation Worker's agreements.

The Company measures the present value of the promised retirement benefits of gratuity which is a defined benefit plan with the advice of an actuary every year using "Projected Unit Credit Method".

The defined benefit costs comprise the following:

- Service cost
- Interest cost on the defined benefit liability
- Re-measurement of defined benefit liability

Service costs which include current service costs, past service costs

and gains or losses on non-routine settlements are recognised as expense in profit or loss. Past service costs are recognised when plan amendment or curtailment occurs.

Interest on the defined benefit liability is the change during the period in the defined benefit liability that arises from the passage of time which is determined by applying the discount rate based on the yield on long term government bonds to the defined benefit liability. The interest on the defined benefit liability is recognised as expense or income in profit or loss.

Re-measurements comprising actuarial gains and losses are recognised immediately in other comprehensive income in the period in which they arise. Remeasurements are recognised in retained earnings within equity and are not reclassified to profit or loss in subsequent periods.

Further, this liability is not externally funded.

(b) Defined Contribution Plans - EPF

All employees who are eligible for Defined Provident Fund contributions in Malaysia are covered by relevant contribution funds in line with the relevant statutes.

Notes to the Financial Statements

Employer's contribution to Defined Provident Fund covering the employees is recognised as an expense in the Statement of Profit or Loss in the period in which it is incurred.

2.4.2 Capital Commitments and Contingencies

All material capital commitments and contingent liabilities which exist as at the reporting date are disclosed in the respective notes to the Financial Statements.

2.5 Statement of profit or loss

2.5.1 Revenue

Revenue represents proceeds from sale of fresh fruit bunches from Malaysian operations and investment income from Sri Lankan operations.

2.5.2 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable net of trade discounts and sales taxes. The following specific criteria are used for the purpose of recognition of revenue:

Sale of fresh fruit bunches - upon delivery and acceptance by customers.

Dividend income - when the shareholders' right to receive dividend is established.

Interest income - accrued on a time proportionate basis.

Other income - on an accrual basis.

2.5.3 Expenditure Recognition

The expenses are recognized on an accrual basis. All expenditure incurred in the ordinary course of business and in maintaining the Property, Plant & Equipment in a state of efficiency has been charged to income in arriving at the profit for the year.

For the purpose of presentation of the Statement of Profit or Loss, the Directors are of the opinion that "function of expenses" method presents fairly the elements of the Company's performance, and hence such presentation method is adopted.

2.6 Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components.

All operating segments' operating results are reviewed regularly by the senior management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the senior management and board of directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and bearer plants.

2.7 Related party disclosures

Disclosures are made in respect of related party transactions in accordance with LKAS 24.

2.8 Critical Accounting Estimates and judgments

The preparation of Financial Statements in conformity with Sri Lanka Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and underlying assumptions are based on historical

experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Estimates/Judgments made by management in the application of Sri Lanka Accounting Standards that have a significant effect on the Financial Statements are mentioned below.

	Policy	Note
Property, plant & equipment valuation and depreciation	2.3.1	6.4.3
Deferred tax	2.2.2(b)	6.4.1
Impairment of assets	2.3.3 / 2.3.6	10
Employee benefit liabilities	2.4.1	6.4.2
Financial instruments	2.3.3	10/12/ 13/16
Bearer Plants	2.3.2	11

Notes to the Financial Statements

2.9. Current versus non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification. An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period Or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period Or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.10. Fair value measurement

The Company measures financial instruments such as investment in equity instruments, and non-financial assets such as land, at fair value at each reporting date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are summarised in the following notes:

	Note
Disclosures for valuation methods, significant estimates and assumptions	6.4.3 / 12
Quantitative disclosures of fair value measurement hierarchy	10
Investment in unquoted equity shares	10 / 12.1.(a)
Property, plant and equipment under revaluation model	6.4.3
Financial instruments	12.2

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement

is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as Freehold Land and unquoted investments. Involvement of external valuers is decided upon annually by the Management after discussion

Notes to the Financial Statements

with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or reassessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

The Management presents the valuation results to the Audit Committee and the Company's Independent Auditors. This includes a discussion of the major assumptions used in the valuations

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.11 Standards issued but not yet effective

The standards and amendments and interpretations that are issued but not yet effective up to the date of issuance of the Company's Financial Statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

(a) SLFRS 9 - Financial Instruments: Classification and Measurement

SLFRS 09 establish principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users for assessment of amount, timing and uncertainty of entity's future cash flows.

This standard is effective for annual periods beginning on or after 01 January 2018.

(b) SLFRS 15 - Revenue from Contracts with Customers

SLFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including LKAS 18 Revenue, LKAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

This standard is effective for the annual periods beginning on or after 01 January 2018.

(c) SLFRS 16 – Leases

SLFRS 16 eliminates the current dual accounting model for lessees which distinguishes between On-Balance Sheet finance leases and Off-Balance Sheet operating leases. Instead there will be a single On-Balance Sheet accounting model that is similar to current finance lease accounting.

SLFRS 16 is effective for annual Reporting periods beginning on or after January 01, 2019.

The Company does not expect significant impact on its Financial Statements resulting from the application of the above Standards.

Notes to the Financial Statements

<i>For The Year Ended 31 March</i>	2017	2016 (Restated)
	Rs. '000	Rs. '000
3. REVENUE		
Dividend Income	7,826	2,093
Interest Income	5,493	430
	13,319	2,523

<i>For The Year Ended 31 March</i>	2017	2016 (Restated)
	Rs. '000	Rs. '000
4. OTHER INCOME AND GAINS		
Gain on sale of Financial Assets (Note 4.1 and 12.1b)	92,858	-
Other income	676	263
	93,534	263

4.1 Gain on sale of Financial Assets

Following an offer made by Shalimar (Malay) PLC to repurchase shares, the Company disposed of 47,808 shares out of the total 215,136 shares held in this Company during the current year and the consequent gain realized on the disposal is recognized as an other income.

5. TAXATION

5.1 Major components of Income tax expense of the Continuing Operation

The major components of income tax expense for the financial year ended 31st March 2017 and 2016 are:

<i>For The Year Ended 31 March</i>	2017	2016
	Rs. '000	Rs. '000
Statement of profit or loss		
Current Income Tax		
Current Income Tax Expense	1,312	174
Income tax expense recognised in Statement of Profit or Loss	1,312	174
Other Comprehensive Income		
Deferred tax on actuarial gains and losses (Note 6.4.1)	-	(154)
Income tax charged directly to other comprehensive income	-	(154)

5.2 Relationship between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the year ended 31 March 2017 and 31 March 2016 are as follows:

<i>For The Year Ended 31 March</i>	2017	2016
	Rs. '000	(Restated) Rs. '000
Profit before taxation	106,853	2,786
Tax at the domestic rates applicable to profits in the countries where the Company operates	30,007	785
Adjustments:		
Notional tax credit	(314)	(17)
Income not Subject to income tax		
Dividend income received from Shalimar (Malay) PLC (Note 3)	(2,191)	(586)
Realization of AFS reserve on share repurchase (Note 4)	(26,000)	-
Other taxes (Note 4)	(190)	(8)
Income tax expense recognised in profit or loss	1,312	174

5.3 Taxation of Profits

- (a) In terms of Section 9 & 10 of the Inland Revenue Act No. 10 of 2006 of Sri Lanka, and amendments thereto, dividend and interest income received from Malaysia is exempt from income tax.
- (b) Profits earned in Sri Lanka by the Company, other than Note 5.3 (a) above are liable to tax at a rate of 28% (2016 - 28%).

5.4 Dividend Tax

Dividend distribution consists of a distribution of operational profits, distribution from sale of Malaysian assets and a redistribution of dividend income. Redistribution of dividend income received from already taxed source would not be liable to dividend tax.

Notes to the Financial Statements

6. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

As disclosed to the shareholders and to the market via circulars and also the interim financial statements, with due approval from shareholders and regulatory authorities of both Malaysia and Sri Lanka, the Company completed the sale of the Malaysian plantation assets for a consideration of RM 175 Mn (approx. Rs. 5.97 Bn) during the year to the buyer, United Pacific Realty Sdn. Bhd. and the possession of the property was handed over to the new owner on 07th December 2016.

Consequently, the plantation operation and the corresponding operating results up to the point of disposal together with the profit on disposal of the plantation assets have been classified and reported as a Discontinued Operation in accordance with the requirements of the Sri Lanka Financial Reporting Standards (SLFRS) in note 6.1 to the Financial Statements.

With the disposal of the plantation assets and the closure of the overseas branch, the corresponding translation reserve has been transferred to statement of profit or loss from the currency translation reserve.

The net earnings from the investments of the Company have been identified as those from Continuing Operations in these financial statements.

<i>For The Year Ended 31 March</i>	2017	2016
	Rs. '000	(Restated) Rs. '000
6.1 Results of Discontinued Operations		
Revenue from sale of FFB	85,480	127,262
Direct Operating Costs	(19,898)	(45,204)
Gross Profit	65,582	82,058
Other Income and Gains	1,128	28,648
Administrative Expenses	(5,618)	(29,976)
Finance Cost	(91)	(48)
Profit before Tax from Operations	61,001	80,682
Income Tax Expense	(12,755)	(14,547)
Profit for the Year from Operations	48,246	66,135
Profit from Disposal of Overseas Plantation Assets (Net of Tax)	4,380,371	-
Transfer of Translation Reserve on Discontinued Overseas Branch Operations	(405,383)	-
Total Profit for the Year from Discontinued Operations	4,023,234	66,135

6.2 Taxation of Profits - Discontinued Operation

6.2.1 Relationship between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit of discontinued Operation multiplied by the applicable corporate tax rate for the year ended 31 March 2017 and 31 March 2016 are as follows:

<i>For The Year Ended 31 March</i>	2017	2016 (Restated)
	Rs. '000	Rs. '000
Profit before taxation	61,001	80,682
Tax at the domestic rates applicable to profits in the countries where the Company operates	7,320	9,682
Adjustments:		
Non - deductible expense	47	393
Double tax credit for Malaysian branch (Note 6.2.2.(c))	(4,590)	(3,660)
Others - taxation in Malaysian branch (Note 6.2.2.(a))	9,978	8,132
Income tax expense recognised in profit or loss	12,755	14,547

Notes to the Financial Statements

6.2.2 Taxation – Discontinued operations

- (a) The provision for taxation on profits from plantation activities is based on the Company's liability to income tax in Malaysia. Profits from plantation activities are liable to tax in Malaysia at a rate of 24% (2016 - 24%).
- (b) During the year ended 31st March 2017, as provided for under Section 46 of the Inland Revenue Act No. 10 of 2006 and amendments thereto, these profits are liable to tax in Sri Lanka at 12% (2016 - 12%).
- (c) In terms of the double tax treaty agreement entered into between Sri Lanka and Malaysia, the Company is entitled to claim credit for tax paid in Malaysia, when calculating the Company's tax liability on profits from plantation in Malaysia.
- (d) Gains arising from disposal of the Malaysian property are liable to Real Property Gain Tax (RPGT) of 5% in Malaysia. Accordingly, RPGT of RM 8.62 mn (Rs. 295.4 Mn) was paid by the Company on the gain arising from the sale of the property.

<i>For The Year Ended 31 March</i>	2017	2016 (Restated)
	Rs. '000	Rs. '000

6.3 Net Cash Inflows from Operating Activities

Net Cash Inflows from Operating Activities	(107,962)	25,706
Net Cash Inflows / (Outflows) from Investing Activities	5,395,204	271,383
Net Cash Outflows from Financing Activities	(91)	(48)
Net Cash Inflows	5,287,151	297,041

6.4 Plantation segment classified as held for sale as at 31 March are as follows:

<i>As at 31 March</i>		2017	2016
		Rs. '000	(Restated) Rs. '000
Assets			
Property, plant and equipment	Note 6.4.3	-	1,324,802
Bearer plants	Note 11	-	56,068
Assets of disposal group held for sale		-	1,380,870
Liabilities			
Deferred tax liability	Note 6.4.1	-	(14,394)
Retirement benefit obligations	Note 6.4.2	-	(1,540)
Liabilities directly associated with assets held for sale		-	(15,934)
Net assets directly associated with disposal group		-	1,364,936

6.4.1 Deferred tax liability

<i>As at 31 March</i>		2017	2016
		Rs. '000	(Restated) Rs. '000
Deferred Tax Liability			
Deferred Tax on Property, Plant & Equipment		-	1,039
Deferred Tax on Bearer Plants	Note 11.1	-	20,165
		-	21,204
Deferred Tax Assets			
Defined Benefit Plans - Through Statement of Profit or Loss		-	(216)
Defined Benefit Plans - Through Other Comprehensive Income		-	(154)
		-	(370)
Effect of Exchange Rate movement		-	(6,440)
Net Deferred Tax Liability		-	14,394

Notes to the Financial Statements

6.4.2 Retirement benefit obligations

Retirement Benefits Obligation-Gratuity

<i>As at 31 March</i>	2017	2016
	Rs. '000	Rs. '000
Beginning of the year	1,540	1,883
Charge for the year	Note 6.4.2.1 169	194
Actuarial Loss - Recognised in Other Comprehensive Income	-	642
Payments made during the year	-	(1,160)
Exchange Loss	(117)	(19)
Disposals	(1,592)	-
End of the year	-	1,540

Messrs. Actuarial & Management Consultants (Pvt) Ltd. Independent Actuaries, carried out an actuarial valuation of the defined benefit plan gratuity on March 31, 2016. Appropriate and compatible assumptions were used in determining the cost of retirement benefits. The principal assumptions used are as follows:

	2016
Discount Rate	4%
Salary Increment Rate	3%
Withdrawal Rate	10%

6.4.2.1 Charge for the year

<i>For The Year Ended 31 March</i>	2017	2016
	Rs. '000	Rs. '000
Interest Cost	-	72
Current Service Cost	169	122
	169	194

6.4.3 Property, plant and equipment

	Freehold Land	Freehold Buildings	Plant & Machinery	Furniture, Fittings and Equipment	Motor Vehicles	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cost/ Valuation						
As at 01 April 2016	1,307,848	22,773	1,606	3,889	12,018	1,348,134
Additions	-	-	-	-	-	-
Translation Adjustment	(90,335)	(1,619)	(114)	(276)	(3,472)	(95,816)
Disposals	(1,217,513)	(21,154)	(1,492)	(3,613)	(8,546)	(1,252,318)
As at 31 March 2017	-	-	-	-	-	-
Depreciation						
As at 01 April 2016	-	8,236	1,443	3,694	9,959	23,332
Charge for the year	-	-	-	-	-	-
Translation Adjustment	-	(586)	(103)	(263)	(707)	(1,659)
Disposals	-	(7,650)	(1,340)	(3,431)	(9,252)	(21,673)
As at 31 March 2017	-	-	-	-	-	-
Net Book Value						
As at 31 March 2017	-	-	-	-	-	-
As at 31 March 2016	1,307,848	14,537	163	195	2,059	1,324,802

Notes to the Financial Statements

6.4.3 Property, plant and equipment (Contd.)

- (i) All property plant and equipment were located in Malaysia. During the financial year, the Company disposed of the Malaysian plantation assets (Property, Plant and Equipment and Biological Assets) for a consideration of RM 175 Mn (Approx. Rs. 5.97 Bn) as detailed in note 6.
- (ii) "The freehold land was revalued on 31st March 2016 based on existing use basis, by an independent valuer Encik W. M. Malik, a member of the Institution of Surveyors, Malaysia, a partner with W. M. Malik & Kamaruzaman.

Revaluation gain over the carrying value of the freehold land has been credited to the capital accretion reserve and included under other reserves.

Valuation Technique

Existing use basis

Significant unobservable valuation input:

Indicative market value of comparable land

- (iii) The carrying value of the freehold land, if the asset were carried at historical cost would have been Rs.58 Mn as at 31st March 2016.
- (iv) During the financial year, the Company had not acquired or paid for property, plant and equipment (2016: Nil).

7. PROFIT FOR THE YEAR

is stated after charging all expenses including the following:

<i>For the year ended 31 March</i>	2017	2016
	Rs. '000	Rs. '000
Depreciation - Property, Plant and Equipment (Note 6.4.3)	-	1,712
Depreciation - Bearer Plants (Note 11)	-	2,283
Management fee, performance incentive and sales commission	10,034	16,547
Professional Fees	3,861	9,355
Auditors' remuneration	410	692
Directors' fees (Note 22.3)	1,200	1,200
Personnel costs (Note 7.1)	13,464	23,518
7.1 Personnel Costs*		
Salaries, wages and other staff related expenses	12,858	22,452
Defined contribution plans - EPF	437	872
Retirement benefit obligations (Note 18)	169	194
	13,464	23,518

* With the disposal of the Malaysian Property, the Company does not have any employees as at 31st March 2017.

8. EARNINGS PER SHARE

The calculation of Earnings per ordinary share is based on the profit after taxation over the weighted average number of ordinary shares in issue during the year. Given below is the computation of Earning Per Share :

<i>For the year ended 31 March</i>	2017	2016 (Restated)
	Rs. '000	Rs. '000
Numerator		
Profit for the year from Continuing Operations (Rs.)	105,540,659	2,612,317
Profit for the year from Discontinued Operations (Rs.)	4,023,234,186	66,135,000
Profit attributable to ordinary shareholders (Rs.)	4,128,774,845	68,747,317
Denominator		
Weighted Average Number of ordinary shares (Note 14.1)*	6,562,733	6,871,307
Earnings Per Share from Continuing and Discontinued Operations (Rs.)		
Earnings Per Share from Continuing Operations (Rs.)	629.12	10.00
Earnings Per Share from Discontinued Operations (Rs.)	16.08	0.38
Earnings Per Share from Discontinued Operations (Rs.)	613.04	9.62

*As explained in note 14.1, during the year, the Company repurchased 2,987,525 shares on 18th January 2017. Accordingly, the weighted average number of shares held during the year was considered to compute EPS for the year ended 31 March 2017.

8.1 Dividend Paid or Proposed

<i>For the Year Ended 31 March</i>	2017	2016 (Restated)
	Rs. '000	Rs. '000
Dividend paid on ordinary shares during the year		
First Interim Dividend for 2017: Rs. 56.44 per share (2016: Rs. 8.21 per share)	387,817	56,414
Second Interim Dividend for 2017: Rs. 38.05 per share (2016: Rs. Nil per share)	147,778	-
Final Dividend for 2016: Rs. Nil per share (2015: Rs. 37.20 per share)	-	25,561
Dividend Proposed		
Final dividend was not declared for 2017 and 2016	-	-
For the year ended 31 March		
Dividend per Share (Rs.)*	94.49	8.21

*Dividend per share is calculated considering the dividend paid and proposed for the year divided by the number of shares in issue which ranked for those dividends.

Notes to the Financial Statements

9. FOREIGN CURRENCY TRANSLATION

The Accounting Policy on foreign currency translation is given in 2.2.1 of summary of significant accounting policies. The principal exchange rates used for conversion of foreign currency balances are as follows:

<i>As at 31 March</i>	2017	2016
	Rs. '000	Rs. '000
Malaysian Ringgit (RM)	34.28	36.74
US Dollar	151.99	144.69

10. FAIR VALUE MEASUREMENT

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

Fair value measurement hierarchy for assets as at 31 March 2017 and 2016:

	Date of valuation	Total Rs. '000	Fair value measurement using		
			Quoted prices in active markets (Level 1) Rs. '000	Significant observable inputs (Level 2) Rs. '000	Significant unobservable inputs (Level 3) Rs. '000
Assets measured at fair value:					
As at 31 March 2017					
AFS financial assets (Note 11.1)					
Quoted equity shares	31 March 2017	288,909	288,909	-	-
Shallimar (Malay) PLC					
Unquoted equity shares					
Shallimar Developments Sdn.Bhd.	December 2016	5,374,448	-	-	5,374,448
AFS Financial Assets as at 31 March 2017		5,663,357	288,909	-	5,374,448
As at 31 March 2016					
Non-Financial Assets					
Land (Note 9)	31 March 2016	1,307,848	-	-	1,307,848
Non-Financial Assets as at 31 March 2016		1,307,848	-	-	1,307,848
AFS financial assets (Note 11.1)					
Quoted equity shares	31 March 2016	489,434	489,434	-	-
Shallimar (Malay) PLC					
Unquoted equity shares					
Shallimar Developments Sdn.Bhd.	December 2015	5,001,578	-	-	5,001,578
AFS financial assets as at 31 March 2016		5,491,012	489,434	-	5,001,578

Key assumptions, methods of valuations and significant unobservable inputs for assets categorised under level 3 of the fair value measurement hierarchy are disclosed under Notes 6, 4.3 and 12 to the Financial Statements.

Notes to the Financial Statements

11. BEARER PLANTS

<i>As at 31 March</i>	2017	2016 (Restated)
	Rs. '000	Rs. '000
Balance at the beginning of the year (Note 11.1)	56,068	43,907
Plantation development cost	1,402	14,444
Charge for the year	-	(2,283)
Disposals	(57,470)	-
Balance at the end of the year	-	56,068

11.1 Adoption of Amendments to LKAS 41 (Agriculture) and LKAS 16 (Property, Plant & Equipment- PPE)

Up to 31st March 2016, the company had fair valued biological assets in line with LKAS 41.

With effect from 1st April 2016 the company adopted the amendments to LKAS 41 and LKAS 16 in keeping with the requirement to do so.

Accordingly, bearer plants were recognised at accumulated cost less depreciation (as a PPE) up to the date of classified as assets held for sale and have been applied retrospectively.

The corresponding adjustments relating to the reversal of the accumulated fair value gains, the corresponding foreign currency translation difference and the depreciation adjustment together with the related deferred taxation have been made via retained earnings (refer note 11.1.1)

As explained in note 6, these Malaysian plantation assets were disposed during the financial year.

11.1.1 Reconciliation of Equity

	As previously reported	As at 31.03.2016 *Adoption of Amendment to LKAS 41 and LKAS 16	As restated	As previously reported	As at 01.04.2015 (Transition date) *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	-	-	-	1,260,661	-	1,260,661
Biological assets	-	-	-	237,586	(237,586)	-
Bearer Plants	-	-	-	43,907	43,907	43,907
Non-current financial assets	5,491,012	-	5,491,012	4,384,894	-	4,384,894
Total Non-Current Assets	5,491,012	-	5,491,012	5,883,141	(193,679)	5,689,462
Current Assets						
Inventories	655	-	655	606	-	606
Trade receivables	24,814	-	24,814	17,996	-	17,996
Advances and Prepayments	1,168	-	1,168	1,602	-	1,602
Taxation recoverable	-	-	-	920	-	920
Cash and cash equivalents	249,161	-	249,161	27,883	-	27,883
Assets of disposal group held for sale	1,571,245	(190,375)	1,380,870	-	-	-
Total Current Assets	1,847,043	(190,375)	1,656,668	49,007	-	49,007
Total Assets	7,338,055	(190,375)	7,147,680	5,932,148	(193,679)	5,738,469
Equity And Liabilities						
Equity						
Stated capital	68,713	-	68,713	68,713	-	68,713
Retained earnings	236,914	(138,383)	98,532	275,142	(147,196)	127,946
Other reserves	6,651,954	(6,302)	6,645,652	5,477,412	-	5,477,412
Total Shareholders' Funds	6,957,581	(144,685)	6,812,897	5,821,267	(147,196)	5,674,071
Non-Current Liabilities						
Deferred tax liabilities	-	-	-	57,492	(46,483)	11,009
Retirement benefit obligations	-	-	-	1,883	-	1,883
Total Non-Current Liabilities	-	-	-	59,375	(46,483)	12,892
Current Liabilities						
Trade and other payable	315,379	-	315,379	48,856	-	48,856
Taxation Payable	362	-	362	-	-	-
Provisions and accrued expenses	3,109	-	3,108	2,650	-	2,650
Liabilities directly associated with assets held for sale	61,624	(45,690)	15,934	-	-	-
Total Current Liabilities	380,474	(45,690)	334,783	51,506	-	51,506
Total Liabilities	380,474	(45,690)	334,783	110,881	(46,483)	64,398
Total Equity and Liabilities	7,338,055	(190,375)	7,147,680	5,932,148	(193,679)	5,738,469

* Refer Note : 11.1 to the Financial Statements

Notes to the Financial Statements

11. BEARER PLANTS (CONTD...)

11.1.2 Reconciliation of Total Comprehensive Income

	Year Ended 31.03.2016		
	As previously reported	*Adoption of Amendment to LKAS 41 and LKAS 16	As restated
	Rs. '000	Rs. '000	Rs. '000
Revenue	2,523	-	2,523
Other Income	263	-	263
Gross profit	2,786	-	2,786
Other income and gains	-	-	-
Administrative expenses	-	-	-
Profit before income tax	2,786	-	2,786
Income tax expense	(174)	-	(174)
Profit for the period from Continuing operations	2,612	-	2,612
Profit after tax for the year from discontinued operations	58,834	7,301	66,135
Profit for the year	61,446	7,301	68,747
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	35,360	(4,789)	30,571
Gain on Change in Fair Value of Available-For-Sale Financial Assets	1,106,118	-	1,106,118
Net other Comprehensive Income to be reclassified to profit or loss in subsequent periods	1,141,478	(4,789)	1,136,689
Other Comprehensive Income/(Loss) not to be reclassified to profit or loss in subsequent periods			
Surplus on Revaluation	33,064	-	33,064
Actuarial Gain/ (Loss) on Defined Benefit Plan	(642)	-	(642)
Income tax effect	154	-	154
Net other Comprehensive Income/(Loss) not to be reclassified to profit or loss in subsequent periods	32,576	-	32,576
Other Comprehensive Income for the year net of tax	1,174,054	(4,789)	1,169,265
Total Comprehensive Income for the year net of tax	1,235,500	2,512	1,238,012

* Refer Note : 11.1 to the Financial Statements

12. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES

12.1 Other Non-Current Financial Assets

<i>As at 31 March</i>		2017	2016
		Rs. '000	Rs. '000
Available for sale investments			
Unquoted equity shares	12.1.(a)	5,374,448	5,001,578
Quoted equity shares	12.1.(b)	288,909	489,434
Total available for sale investments		5,663,357	5,491,012
Total other financial assets - Non-Current		5,663,357	5,491,012

12.1.(a) Available-for-sale investment — Unquoted Equity Shares

The Company holds a 13.33% equity investment (2016: 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 an available-for-sale investment, and is measured at fair value, the basis of which is detailed in note 12.2 below.

12.1.(b) Available-for-sale investment — Quoted Equity Shares

The Company holds a non-controlling interests of 3.10% (2016: 3.10%) in Shalimar (Malay) PLC. The fair value of the said investment is determined by reference to published price quotations in Colombo Stock Exchange. During the year as explained in note 4.1, Company sold 47,808 shares held in Shalimar (Malay) PLC consequent to repurchase offer made by that company.

12.2 Fair Values

Set out below is a comparison by class of the carrying amounts and fair values of the Company's financial Instruments that are carried in the financial statements.

<i>As at 31 March</i>	Carrying amount		Fair value	
	2017	2016	2017	2016
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Financial assets				
Available for sale financial investments	5,663,357	5,491,012	5,663,357	5,491,012
Total	5,663,357	5,491,012	5,663,357	5,491,012

Notes to the Financial Statements

12. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTD.)

12.2 Fair Values (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 in SDSB as at valuation date of 31 December 2016. The primary approach adopted was the Income Approach using discounted cash flows method.

Accordingly, the unquoted investment in SDSB of the Company 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 525/MT in 2016/17 and stabilise at USD 724/MT.
- (d) Yield per hectare based on year of planting, maturity profile and terrain.
- (e) Weighted average cost of capital (WACC) range of 12% to 13%.
- (f) Indonesian Corporate Taxation rate of 25%. p.a.
- (g) Inflation assumed at approximately 4% to 5% p.a.

12.3 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 10) 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 12.5%.

	WACC		CPO ex – mill price		Yield	
	1%	1%	5%	5%	5%	5%
	Increase Rs.'000	Decrease Rs.'000	Increase Rs.'000	Decrease Rs.'000	Increase Rs.'000	Decrease Rs.'000
Effect of Fair Value of unquoted equity shares in SDSB designated as AFS	(902)	969	2,238	(2,238)	1,737	(1,737)

Effect of Fair

Value of unquoted equity shares in SDSB designated as

AFS (902) 969 2,238 (2,238) 1,737 (1,737)

- 12.4** The Management assessed that the fair value of cash and short-term deposits, trade and other receivables, trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

13. TRADE RECEIVABLES

<i>As at 31 March</i>		2017	2016
		Rs. '000	Rs. '000
Trade Debtors		-	7,579
Amount due from related party	Relationship	-	-
Indo - Malay PLC	Fellow Subsidiary	-	15,932
Selinsing PLC	Fellow Subsidiary	-	1,303
		-	24,814

As at 31 March, the age analysis of trade receivables is as follows:

	Total	Neither past due nor impaired	Past due but not impaired			
			<30 days	30 -60 days	61 - 90 days	> 90 days
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
2017	-	-	-	-	-	-
2016	7,579	7,579	-	-	-	-

14. STATED CAPITAL

<i>As at 31 March</i>	2017	2016
	Rs. '000	Rs. '000
Issued and Fully Paid - Ordinary		
3,883,782 Ordinary Shares (2016: 6,871, 307)	68,713	68,713
	68,713	68,713

Notes to the Financial Statements

- 14.1** As explained in Note 6 and further to the market disclosure made and obtaining the shareholder and regulatory approval, the Company disposed of its plantation assets in Malaysia and distributed the net sales proceeds to the shareholders. Share repurchase offer was made to the shareholders as a primary means of distribution. Accordingly, the company offered maximum of 2,987,525 shares for repurchase on the basis of 10 shares for every 23 shares held at a price per share of Rs.1,691.58. The repurchase offer was opened from 29th December 2016 to 06th January 2017. The Company also obtained the approval of the shareholders on 16th November 2016 for the payment of consideration to the shareholders for the repurchase offer, as a major transaction in terms of section 185 of the Companies Act, No 07 of 2007.

Accordingly, the Company repurchased 2,987,525 shares which was the maximum number of shares offered for repurchase which comprised of 2,840,569 entitled shares and 146,956 additional shares and the Company distributed Rs. 5,053.13 Mn to the shareholders on account of the share repurchase. The repurchased shares have been cancelled and consequently the number of ordinary shares of the Company outstanding as at 31st March 2017 is 3,883,782.

15. OTHER RESERVES

<i>As at 31 March</i>	2017	2016 (Restated)
	Rs. '000	Rs. '000
Currency Translation Reserve	-	(141,536)
Available for Sale Reserve	5,511,973	5,322,613
Capital Accretion Reserve	-	1,464,575
	5,511,973	6,645,652

Currency translation Reserve

Represents exchange differences arising from the translation of the Financial Statements of foreign operations whose functional currencies are different from that of the Company's presentation currency. Upon disposal of Malaysian property this reserve has been transferred to retained earnings through Statement of Profit or Loss.

Available for sale reserve

Represents the excess between the fair value and cost of available-for-sale financial assets.

Capital accretion reserve

Included the surplus arising from revaluation of property, plant and equipment. Upon the disposal of the Malaysian property, this reserve has been transferred to retained earnings.

The movements of all the above reserves are given in the Statement of Changes in Equity.

16. TRADE AND OTHER PAYABLE

<i>As at 31 March</i>	2017	2016
	Rs. '000	Rs. '000
Trade and Other Creditors	-	8,428
Unclaimed Dividend (Note 16.1)	395,799	48,606
GST Payable	843	1,165
Land Sale Advance	-	257,180
	396,642	315,379

- 16.1** Unclaimed Dividend includes Rs. 344.44 Mn of dividends relating to non-resident shareholders pending approval of the Controller of Exchange of Sri Lanka is at 31st march 2017. This approval was received on 20th April 2017 and consequently the dividend to non-resident shareholders were remitted.

17. SEGMENTAL REPORTING

For Management purpose , the Company is organised into the following two business segments.

(A) Industry

	Oil Palm (Discontinued Operations)		Investment		Company	
	2017	2016	2017	2016	2017	2016
	*	*(Restated)	*	*(Restated)	*	*(Restated)
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Revenue						
External Revenue	85,480	127,262	13,319	2,523	98,799	129,785
	85,480	127,262	13,319	2,523	98,799	129,785
Result						
Segment result	4,035,989	80,682	106,853	2,786	4,142,842	83,468
Taxation	(12,755)	(14,547)	(1,312)	(174)	(14,067)	(14,721)
Profit for the year	4,023,234	66,135	105,541	2,612	4,128,775	68,747
Other Information						
Segment Assets	-	1,646,283	6,116,790	5,501,397	6,116,790	7,147,680
Segment Liabilities	-	284,900	435,789	49,883	435,789	334,783
Capital Expenditure	-	14,444	-	-	-	14,444
Depreciation	-	3,995	-	-	-	3,995
Retirement Benefits Charge	-	194	-	-	-	194

* Prior period figures have been restated consequent to the adoption of LKAS 16 Property Plant and Equipment and LKAS 41 Agriculture with effect from 1st April 2016 as more fully explained in note 11.1 to the financial statements.

Further, with the disposal of the Malaysian Plantations Assets, the results of the comparative period too has been reclassified under discontinued operations as explained in Note 6 to the financial Statements.

Notes to the Financial Statements

17. SEGMENTAL REPORTING (CONTD.)

(b) Geographical

	Malaysia (Discontinued Operations)		Sri Lanka		Company	
	2017	2016	2017	2016	2017	2016
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Revenue	85,480	127,262	13,319	2,523	98,799	129,785
Non-Current assets	-	-	5,663,357	5,491,012	5,663,357	5,491,012

18. CONTRACTS FOR CAPITAL EXPENDITURE

There were no material contracts for capital expenditure as at the reporting date.

19. ASSETS PLEDGED

There were no assets pledged as at the reporting date.

20. EVENTS AFTER THE REPORTING PERIOD

There were no circumstances which required adjustment to or disclosures in these Financial Statements.

21. CONTINGENT LIABILITIES

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

22. RELATED PARTY DISCLOSURES

22.1 Transactions with related companies-2017

Name of the Company	Relationship	Nature of Transaction	Terms	Transaction value during the year Rs.'000	Amount outstanding as at 31.03.2017 Rs.'000
Recurrent Transactions					
1. Carson Management Services (Pvt) Ltd.	Group Company	Secretarial expenses	Note (a)	(714)	-
2. Good Hope Investment Pvt Ltd	Fellow Subsidiary	Data processing fee	Note (b)	(576)	-
3. AHL Business Solutions (Pvt) Ltd.	Fellow Subsidiary	IT support fee	Note (c)	(1,169)	-
4. Agro Harapan Lestari Sdn. Bhd. (AHL SB)	Fellow Subsidiary	Management fees, Sales Commissions and Performance Incentives	Note (d)	(10,034)	-
		Total		(12,493)	
Aggregate value of related party transactions as a % of net revenue					
					10%
Non - Recurrent Transactions					
1. Goodhope Asia Holdings Limited	Immediate Parent Company	Temporary Cash Advances	Note (e)	(13,256)	-
		Share Repurchase	Note 14.1	(5,012,964)	-
2. Indo-Malay PLC	Fellow Subsidiary	Temporary Cash Advances	Note (e)	(2,854)	-
		Interest Income	Note (e)	188	-
3. Shallimar (Malay) PLC	Fellow Subsidiary	Temporary Cash Advances	Note (e)	5,455	-
		Sale of financial Assets	Note 4.1	109	-
		Interest Expenses	Note (e)	(63)	-
4. Selinsing PLC	Fellow Subsidiary	Temporary Cash Advances	Note (e)	2,854	-
		Interest Expense	Note (e)	(29)	-

Note (a) - Carson Management Service (Pvt) Ltd. was appointed to provide secretarial services to the company.

Note (b) - Good Hope Investments (Pvt) Ltd. was appointed to provide data processing services to the company.

Note (c) - AHL Business Solutions (Pvt) Ltd. was appointed to provide IT support services to the company.

Note (d) - AHL SB functioned as Managers to operate the Company's oil palm plantation business activities in Malaysia until the date of disposal of plantation assets in Malaysia.

Note (e) - Interest expenses / income on the "temporary cash advances" given/received are at the prevailing market rates in Malaysia. These advances have been

fully settled during the year.

Notes to the Financial Statements

22. RELATED PARTY DISCLOSURES

22.2 Transactions with related companies - 2016

Name of the Company	Relationship	Nature of Transaction	Terms	2016	
				Transaction Value Rs. '000	Amount Outstanding as at 31.03.2016 Rs. '000
Recurrent Transactions					
Carsons Management Services (Pvt) Ltd	Group Company	Secretarial Fee	Note (a)	(553)	-
AHL Business Solutions (Pvt) Ltd	Fellow Subsidiary	IT Support Fee	Note (c)	(1,628)	(892)
Goodhope Investments (Pvt) Ltd	Fellow Subsidiary	Data Processing Fee	Note (b)	(796)	(616)
Agro Harapan Lestari Sdn. Bhd. (AHL SB)	Fellow Subsidiary (Managers)	Management fee, Performance incentive and Sales commission	Note (d)	(16,547)	(4,266)
Total				(19,524)	
				13%	

Aggregate value of related party transactions as a % of net revenue

Name of the Company	Relationship	Nature of Transaction	Terms	2016	
				Transaction Value Rs. '000	Amount Outstanding as at 31.03.2016 Rs. '000
Non-Recurrent Transactions					
Indo-Malay PLC	Fellow Subsidiary	Temporary Cash Advances given Interest income	Note (e)	39,108 58	15,982 -
Sellinsing PLC	Fellow Subsidiary	Temporary Cash Advances given Interest expense Interest income	Note (e)	85,491 (30) 77	1,303 - -
Shallimar (Malay) PLC	Fellow Subsidiary	Temporary Cash Advances given Interest income Interest expense	Note (e)	48,635 137 (18)	- - -

Note (a) - Carson Management Service (Pvt) Ltd. was appointed to provide secretarial services to the company.

Note (b) - Good Hope Investments (Pvt) Ltd. was appointed to provide data processing services to the company.

Note (c) - AHL Business Solutions (Pvt) Ltd. was appointed to provide IT support services to the company.

Note (d) - AHL SB was appointed as Managers to operate the Company's oil palm plantation business activities in Malaysia.

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

Note (e) - Interest expenses / income on the "temporary cash advances" given/received are at the prevailing market rates in Malaysia. These advances are repayable upon demand.

22.3 Compensation to key management personnel

<i>Year Ended 31 March</i>	2017	2016
	Rs. '000	Rs. '000
Emoluments/Fees	1,200	1,200

Key management personnel of the Company to whom the above fee relates, are non-executive members of the Board of Directors. Details of the non-executive directors are given in Section 14.2 on pages 14 and 15 under the Annual Report of the Board of Directors on the affairs of the Company. Executive directors are not compensated for their role on the Board.

- 22.4** No material transactions have taken place during the year with the parties/entities in which key management personnel or their close family members have control, joint control or significant influence, which require disclosure in these Financial Statements other than those disclosed under 22.1 and 22.2.

23. GOING CONCERN

The financial statements of Company have been prepared on a going concern basis as the Company continued 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.

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial assets comprise of cash and short term deposits. The Company also holds available-for-sale investments.

The Company is exposed to the following areas of risk.

(a) Investment risk

The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties.

The quoted equity investment value could be impacted due to changes in the prices. These are recognised in the Statement of Comprehensive Income.

Unquoted equity investment is stated at fair value and is assessed by an independent party using the income approach based on the discounted projected cash flows. Some of the key assumptions used are selling price of CPO production level of the investing company and discount rate which are beyond the control of the Company.

At the reporting date, the unlisted equity securities are fair valued at Rs. 5,374 Mn (2016: Rs. 5,002 Mn). Sensitivity analysis of these investments have been provided in Note 12.3.

(b) Foreign Exchange Risk

A currency risk is generated through the translation of foreign currency denominated investment to Sri Lankan Rupee for the purpose of financial reporting in Sri Lankan Rupees.

Five Year Summary

<i>For The Year Ended 31 March 2017</i>	2017	2016	2015	2014	2013
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Operating Results					
Continuing Operations					
Revenue	13,319	2,523	2,562	108,654	57,476
Profit before taxation from Continuing Operations	106,853	2,786	2,815	108,723	57,476
Taxation	(1,312)	(174)	(71)	(625)	(1,271)
Profit for the Year from Continuing Operations	105,541	2,612	2,744	108,098	56,205
Discontinued Operations					
Profit for the Year from Discontinued Operations	48,246	66,135	51,255	46,859	78,705
Profit from Disposal of Overseas Plantation Assets (Net of Tax)	4,380,371	-	-	-	-
Transfer of Translation Reserve on Discontinued Overseas Branch Operations	(405,383)	-	-	-	-
Profit for the Year from Discontinued Operations	4,023,234	66,135	51,255	46,859	78,705
Total Profit for the year	4,128,775	68,747	53,999	154,957	134,910

<i>As at 31 March</i>	2017	2016	2015	2014	2013
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000

Statement of Financial Position

Assets

Non-Current Assets

Property, plant and equipment	-	-	1,260,661	1,408,649	1,443,102
Biological assets	-	-	43,907	46,191	45,745
Non-current financial assets	5,663,357	5,491,012	4,384,894	3,727,257	3,930,495
	5,663,357	5,491,012	5,689,462	5,182,097	5,419,342
Assets of Disposal Group held for Sale	-	1,380,870	-	-	-
Current Assets	453,433	275,798	49,007	62,080	92,751
Total Assets	6,116,790	7,147,680	5,738,469	5,244,177	5,512,093

Equity and Liabilities

Stated capital	68,713	68,713	68,713	68,713	68,713
Reserves	5,612,288	6,744,184	5,605,358	5,112,178	5,394,550
	5,681,001	6,812,897	5,674,071	5,180,891	5,463,263

Non-Current Liabilities

Deferred tax liability	-	-	11,009	12,241	11,856
Retirement benefit obligations	-	-	1,883	2,930	3,380

	-	-	12,892	15,171	15,263
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Current Liabilities	435,789	318,849	51,506	48,115	33,594
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Liabilities directly associated with assets held for sale	-	15,934	-	-	-
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Total Equity & Liabilities	6,116,790	7,147,680	5,738,469	5,244,177	5,512,093
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<i>For The Year Ended 31 March 2017</i>	2017	2016	2015	2014	2013
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash Flow Statements					
Continuing Operations					
Net cash (outflows)/inflows from operating activities	7,826	2,182	2,385	105,394	49,700
Net cash (outflows)/inflows from investing activities	116,041	430	358	2,854	6,505
Net cash used in financing activities	(5,207,043)	(78,375)	(61,041)	(191,881)	(303,258)
Net (decrease)/increase in cash & cash equivalents from Continuing Operations	(5,083,176)	(75,763)	(58,298)	(83,633)	(247,053)
Discontinued Operations					
Net Cash Flows from Discontinued Operations	5,287,151	297,041	40,880	56,773	70,992
Net (decrease)/increase in cash & cash equivalents	203,975	221,278	(17,418)	(26,860)	(176,061)

	2017	2016	2015	2014	2013
Ratios and Statistics					
Return on ordinary shareholders' funds (%)	72.68	1.01	0.95	2.99	2.47
Current ratio (times)	1.04	4.95	0.95	1.29	2.76
Quick asset ratio (times)	1.04	5.19	0.94	1.26	2.75
Gross profit margin (%) (a)	79.51	65.17	68.08	78.30	73.14
Net profit margin (%) (a) & (h)	155.66	52.97	34.63	61.13	56.83
Combined Earnings per ordinary share (EPS) (Rs.) (b)	629.12	10.00	7.86	22.55	19.63
EPS from Continuing Operations	16.08	0.38	0.40	15.73	8.18
EPS from Discontinued Operations	613.04	9.62	7.46	6.82	11.45
Dividend per ordinary share (Rs.) (c)	94.49	8.21	3.72	24.51	38.73
Dividend payout (%)	15.02	82.06	47.34	108.69	197.26
Net assets per ordinary share (Rs.) (d)	1,462.75	991.50	825.76	753.99	795.08
Market value per share (Rs.)	1,550.00	1,217.10	1,652.30	1,508.20	1,100.00
P/E ratio (times)	2.46	121.65	210.25	66.88	56.03
Market capitalisation (Rs.'000)	6,019,862	8,363,068	11,353,461	10,363,305	7,558,438

Five Year Summary

<i>For The Year Ended 31 March 2017</i>	2017	2016	2015	2014	2013
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Plantation Operations (Discontinued Operations)					
Mature area (Ha.)	-	273.22	313.44	313.44	310.06
Immature area (Ha.)	-	40.22	-	-	3.38
Net sales average (RM)	585.81	450.70	489.00	495.21	532.80
Crop (Tonnes)	4,116	8,167	7,929	7,209	8,064
Yield per Ha. (Tonnes) (e)	15.06	28.22	25.52	23.20	26.24
Cost of Production per MT of FFB (RM)	135.40	152.99	153.00	180.18	183.81

- (a) Gross profit margin and Net profit margin consist of dividend income received from its investment.
- (b) The earnings per ordinary share is calculated by dividing the profit for the year over the weighted average number of ordinary shares in issue during the year.
- (c) Based on proposed dividend and interim dividend paid.
- (d) Net assets per ordinary share is calculated by dividing shareholders' funds by the number of ordinary shares.
- (e) The yield is computed by taking into account the average mature hectares during the year.
- (f) Figures in previous years have been rearranged where ever necessary to conform to the discontinued Operations disclosed under Note 6 to the Financial Statements
- (g) 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 11.1.
- (h) Net profit margin is calculated by dividing operational profits of both continued and discontinued operations by total revenue.

Statement of Value Added

<i>For The Year Ended</i>	2017	%	2016	%
	Rs. '000		Rs. '000	
			(Restated)	
Revenue	98,799		129,785	
Other income & gains	94,662		28,911	
	193,461		158,696	
Bought in materials and services	371,447		(92,709)	
	564,908		65,987	
Distributed as follows:				
To Employees				
as remuneration	13,464	2.38%	23,518	20.47%
To Government				
as taxation	14,067	2.49%	14,721	21.03%
To Providers as capital				
as ordinary dividends	535,595	94.81%	81,975	66.95%
Retained in the Business				
as depreciation	-	0.00%	3,995	1.58%
as deferred tax	-	0.00%	(46,019)	0.99%
as retained profits	1,782	0.32%	(12,203)	11.02%
	564,908	100%	63,987	100%

US\$ Financials

Preparation of
US Dollar Financials

The Financial Statements of the Company are stated in Sri Lankan Rupees.
The translation of the Sri Lankan Rupee amounts into US Dollars is
included solely for the convenience of Shareholders, Investors,
Bankers and other users of Financial Statements.

US Dollar financials do not form part of the
Audited Financial Statements of the Company.

Statement of Profit or Loss

<i>For The Year Ended 31 March 2017</i>	2017	2016
	US\$	US\$
		*(Restated)
Continuing Operations		
Revenue	90,229	17,813
Other Income and Gains	633,642	1,812
Profit Before Tax from Continuing Operations	723,871	19,625
Income Tax Expense	(8,888)	(1,203)
Profit for the year from Continuing Operations	714,983	18,422
Discontinued Operations		
Profit for the Year from Discontinued Operations	326,840	475,620
Profit from Disposal of Overseas plantation assets (Net of tax)	29,674,636	-
Transfer of Translation Reserve on Discontinued Overseas Branch Operations	(2,746,250)	-
Profit for the Year from Discontinued Operations	27,255,226	475,620
Profit for the Year	27,970,209	494,042

*Prior period figures have been restated consequent to the adoption of LKAS 16 Property Plant and Equipment and LKAS 41 Agriculture with effect from 1st April 2016 as more fully explained note 11.1 to the financial statements.

Further, with the disposal of the Malaysian Plantations Assets, the results of the comparative period too has been reclassified under discontinued operations as explained in Note 6 to the financial statements.

Figures in brackets indicate deductions.

Statement of Financial Position

<i>As At 31 March</i>	2017 US\$	2016 US\$ *(Restated)
ASSETS		
Non-current assets		
Non-current financial assets	37,262,605	37,951,495
Total Non-Current Assets	37,262,605	37,951,495
Current assets		
Inventories	-	4,525
Trade and other receivables	-	172,498
Advance and prepayments	1,954	7,366
Cash and cash equivalents	2,981,452	1,721,820
	2,983,406	1,906,209
Assets of disposal group held for sale	-	9,543,645
Total Current Assets	-	11,449,854
Total assets	40,246,011	49,401,349
EQUITY AND LIABILITIES		
Equity attributable to equity holders		
Stated capital	878,000	878,000
Retained earnings	660,032	680,994
Other reserves	35,840,663	45,528,480
Total Shareholders' Funds	37,378,695	47,087,474
Non-current liabilities		
Deferred income tax liabilities		-
Retirement benefit obligations		-
Total Non Current Liabilities		-
Current liabilities		
Trade and other payables	2,609,744	2,179,628
Provision and accrued expenses	16,272	21,622
Tax Payable	241,300	2,500
	2,267,316	2,203,750
Liabilities directly associated with assets held for sale	-	110,125
Total Current Liabilities	2,867,316	2,313,875
Total equity and liabilities	40,246,011	49,401,349

*Prior period figures have been restated consequent to the adoption of LKAS 16 Property Plant and Equipment and LKAS 41 Agriculture with effect from 1st April 2016 as more fully explained in note 11.1 to the financial statements.

Notes to the Financial Statements

1. BASIS OF CONVERSION

The translation of Sri Lankan Rupee amounts into US Dollar amounts is solely for the convenience of the shareholders, investors, bankers and other users of Financial Statements.

The translation of the Financial Statements into US Dollar was affected on the following exchange rates.

	2017	2016
Income Statement	147.61	139.05
Monetary assets and liabilities	151.99	144.69
Non-current assets and liabilities	151.99	144.69

2. RETAINED EARNINGS

	2017 US\$	2016 US\$ *(Restated)
Balance as at 1st April	680,994	3,052,261
Effect of adoption of amendments to LKAS 41 & LKAS 16	-	(2,161,343)
	-	890,918
Super Gain Tax Expense	-	(120,015)
Adjusted Balance as at 1st April	680,994	770,903
Profit for the year - Continuing Operations	714,983	18,422
Profit for the year - Discontinued Operations	27,255,226	475,620
Other Comprehensive Income /(Loss)	-	(3,354)
Ordinary Dividend	(3,628,365)	(580,597)
Realization of Revaluation Reserve due to Disposal of Malaysian Property	9,921,701	-
Share Repurchase	(34,265,247)	-
Transaction cost on Share Repurchase	(19,260)	-
Balance as at 31st March	660,032	680,994

Notes to the Financial Statements

3. SEGMENTAL REPORTING

For Management purpose, the Company is organised into the following two business segments based on their products and services. Two reportable segments have been identified as indicated below;

(A) Industry

	Oil Palm (Discontinued Operations)		Investment		Company	
	2017	2016	2017	2016	2017	2016
	US\$	US\$	US\$	US\$	US\$	US\$
Revenue						
External Revenue	579,081	924,020	90,229	17,813	669,310	941,833
	579,081	924,020	90,229	17,813	669,310	941,833
Result						
Segment result	27,341,634	580,237	723,871	19,625	28,065,505	599,863
Taxation	(86,408)	(104,617)	(8,888)	(1,203)	(95,296)	(105,820)
	27,255,226	475,620	714,983	18,422	27,970,209	494,042
Other Information						
Segment Assets	-	11,449,854	40,246,011	37,951,495	40,246,011	49,401,349
Segment Liabilities	-	1,969,037	2,867,316	344,838	2,867,316	2,313,875
Capital Expenditure	-	99,830	-	-	-	99,830
Depreciation	-	28,731	-	-	-	28,731
Retirement Benefits Charge	-	1,395	-	-	-	1,395

(B) Geographical

	Malaysia (Discontinued Operations)		Sri Lanka		Company	
	2017	2016	2017	2016	2017	2016
	US\$	US\$	US\$	US\$	US\$	US\$
Revenue	579,081	924,020	90,229	17,813	669,310	941,833
Non-Current assets	-	-	37,262,605	37,951,495	37,262,605	37,951,495

*Prior period figures have been restated consequent to the adoption of LKAS 16 Property Plant and Equipment and LKAS 41 Agriculture with effect from 1st April 2016 as more fully explained in note 11.1 to the financial Statements.

Further, with the disposal of the Malaysian Plantations Assets, the results of the comparative period too has been reclassified under discontinued operations as explained in Note 6 to the financial Statements.

Five Year Summary

<i>For The Year Ended 31 March 2017</i>	2017	2016	2015	2014	2013
	US\$	US\$	US\$	US\$	US\$
Operating Results					
Continuing Operations					
Revenue	90,229	17,813	19,654	858,278	436,915
Profit before taxation from Continuing Operations	723,871	19,625	20,997	853,999	427,214
Taxation	(8,888)	(1,203)	(549)	(4,796)	(9,700)
Profit for the Year from Continuing Operations	714,983	18,422	20,448	849,203	417,514
Discontinued Operations					
Profit for the Year from Discontinued Operations	326,840	475,620	390,663	358,743	605,982
Profit from Disposal of Overseas Plantation Assets (Net of Tax)	29,674,636	-	-	-	-
Transfer from translation reserve on discontinued Overseas Branch operations	(2,746,250)	-	-	-	-
Profit for the Year from Discontinued Operations	27,255,226	475,620	390,663	358,743	605,982
Total Profit for the year	27,970,209	494,042	411,111	1,207,946	1,023,496

<i>As at 31 March</i>	2017	2016	2015	2014	2013
	US\$	US\$	US\$	US\$	US\$

Statement of Financial Position

Assets

Non-Current Assets

Property, plant and equipment	-	-	9,455,903	10,775,254	11,372,858
Bearer Plants	-	-	329,338	353,331	360,509
Non-current financial assets	37,262,605	37,951,495	32,889,994	28,511,107	30,975,609
	37,262,605	37,951,495	42,675,235	39,639,692	42,708,976

Assets of Disposal Group held for Sale

9,543,645 - -

Current Assets

2,983,406 1,906,209 367,590 474,872 730,956

Total Assets

40,246,011 49,401,349 43,042,825 40,114,564 43,439,932

Equity and Liabilities

Stated capital	878,000	878,000	878,000	878,000	878,000
Reserves	36,500,695	46,208,162	41,681,791	38,752,467	42,177,110
	37,378,695	47,086,162	42,559,791	39,630,467	43,055,110

Five Year Summary

<i>As at 31 March</i>	2017	2016	2015	2014	2013
	US\$	US\$	US\$	US\$	US\$

Statement of Financial Position

Non-Current Liabilities

Deferred tax liability	-	-	82,577	93,636	93,435
Retirement benefit obligations	-	-	14,124	22,413	26,637

	-	-	96,701	116,048	120,073
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Liabilities directly associated

with assets held for sale	-	110,125	-	-	
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Current Liabilities	2,867,316	2,203,750	386,334	368,049	264,749
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Total Equity & Liabilities	40,246,011	49,401,349	43,042,825	40,114,564	43,439,932
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<i>For the Year Ended</i>	2017	2016	2015	2014	2013
	US\$	US\$	US\$	US\$	US\$

Cash Flow Statements

Continuing Operations

Net cash (outflows)/inflows from operating activities	51,490	15,081	17,889	806,196	391,678
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Net cash (outflows)/inflows from investing activities	763,478	2,972	2,685	21,831	51,265
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Net cash used in financing activities	(34,259,116)	(541,675)	(457,853)	(1,467,766)	(2,389,928)
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Net (decrease)/increase in cash & cash

equivalents from Continuing Operations	33,444,148	(523,622)	(437,279)	(639,739)	(1,946,985)
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Discontinued Operations

Net Cash Flows from Discontinued Operations	35,398,493	2,052,948	306,631	417,567	609,212
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Net (decrease)/increase in cash & cash

equivalents	1,954,345	1,529,326	(130,648)	(222,172)	(1,337,773)
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<i>For the Year Ended</i>	2017	2016	2015	2014	2013
Ratios and Statistics					
Return on ordinary shareholders' funds (%)	72.68	1.01	0.95	2.99	2.47
Current ratio (times)	1.04	4.95	0.95	1.29	2.76
Quick asset ratio (times)	1.04	5.19	0.94	1.26	2.75
Gross profit margin (%) (a)	79.51	65.17	68.08	78.30	73.14
Net profit margin (%) (a) & (h)	155.66	52.97	34.63	61.13	56.83
Combined Earnings per ordinary share (EPS) (US\$.) (b)	4.26	0.07	0.06	0.18	0.15
EPS from Continuing Operations	0.11	0.00	0.00	0.12	0.06
EPS from Discontinued Operations	4.15	0.07	0.06	0.05	0.09
Dividend per ordinary share (US\$.) (c)	0.64	0.06	0.03	0.19	0.30
Dividend payout (%)	15.02	82.06	47.34	108.69	197.26
Net assets per ordinary share (US\$.) (d)	9.62	6.85	6.19	5.77	6.27
Market value per share (US\$.)	10.20	8.41	12.39	11.54	8.67
P/E ratio (times)	2.46	121.65	210.25	66.88	56.03
Market capitalisation (US\$. '000)	39,608	57,788	85,159	79,273	59,567

- (a)** Gross profit margin and Net profit margin consist of dividend income received from its investment.
- (b)** The earnings per ordinary share is calculated by dividing the profit for the year over the weighted average number of ordinary shares in issue during the year.
- (c)** Based on proposed dividend and interim dividend paid.
- (d)** Net assets per ordinary share is calculated by dividing shareholders' funds by the number of ordinary shares.
- (e)** The yield is computed by taking into account the average mature hectares during the year.
- (f)** Figures in previous years have been rearranged where ever necessary to conform to the discontinued Operations disclosed under Note 6 to the Financial Statements.
- (g)** 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 11.1.
- (h)** Net profit margin is calculated by dividing operational profits of both continued and discontinued operations by total revenue.

Information to Shareholders and Investors

1. Stock Exchange Listing

Good Hope PLC is a Public Quoted Company, the ordinary shares of which are listed on the main board of the Colombo Stock Exchange of Sri Lanka.

2. Share Valuation

Market value of the Company shares as at 31st March 2017 was Rs. 1,550.00 per share (2016: Rs. 1,217.10 per share).

3. Shareholders

<i>As at 31st March</i>	2017	2016
No. of Ordinary Shareholders	362	399

The number of ordinary shares held by non – residents as at 31st March 2017 was 3,816,874 which amount to 98.28% of the total number of ordinary shares.

Resident/Non-Residents shareholders as at 31st March 2017

Distribution of Shares	Residents			Non-Residents			Total		
	No. of Members	No. of Shares	%	No. of Members	No. of Shares	%	No. of Members	No. of Shares	%
1 - 1,000	333	10,450	0.27	4	1,073	0.03	337	11,523	0.30
1,001 - 10,000	9	35,463	0.91	9	43,537	1.12	18	79,000	2.03
10,001 - 100,000	1	20,995	0.54	4	94,477	5.00	2,4326	115,472	2.97
100,001 - 1,000,000	0	0	-	1	146,966	1.00	3,7841	146,966	3.78
Above - 1,000,000	0	0	-	1	3,530,821	1.00	90,9119	3,530,821	90.91
Grand Total	343	66,908	1.72	19	3,816,874	98.28	362	3,883,782	100.00

Categorization of Shareholders as at 31st March 2017

	No. of Shareholders	No. of Shares	%
Individuals	328	349,146	8.99
Institutions	34	3,534,636	91.01

Public Shareholding

Percentage of ordinary shares held by the public as at 31st March 2017 was 9.09% and the number of public shareholders was 349.

4. Market Performance - Ordinary Shares

<i>For the year ended 31st March</i>	2017	2016
Highest - (Rs.)	1,689.90	1,998.90
Lowest - (Rs.)	1,100.10	1,102.00
Volume Traded (Shares)	3,354	5,251
No. of Trades	343	375
Value of Shares Traded (Rs. '000)	4,856	8,205

5. Market Capitalization

Market capitalization of the Company, which is the number of ordinary shares in issue multiplied by the market value of a share, was Rs.6,019.86 mn as at 31st March 2017 (2016: Rs. 8,363.07 mn).

6. Record of Scrip Issues

The under mentioned scrip issues have been made by the Company.

Year ended 31st March	Issue	Basis	No. of Ordinary Shares	Cumulative Ordinary Share Capital Rs.
1994	-	-	441,828	4,418,280
1995	Bonus	1:01	441,828	8,836,560
1998	Bonus	1:02	441,828	13,254,840
1999	Bonus	1:01	1,325,484	26,509,680
2002 April	Bonus	1:05	530,193	31,811,610
2003 May	Bonus	1:05	636,232	38,173,930
2004 March	Bonus	4:05	3,053,914	68,713,070

7. Indonesian Property

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 Indonesian investment, PT Agro Indomas is managed through the group's (GAHL) fully owned management arm in Indonesia. The Indonesia operation consists of 26,861 hectares of plantation with processing facilities of 225 MT/hr within the plantations.

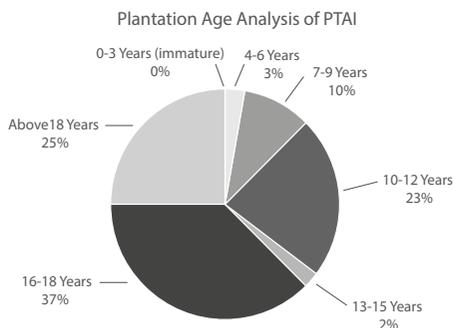
Information to Shareholders and Investors

7. Indonesian Property (Contd...)

	2017	2016	2015	2014	2013
Crop Production (MT)	407,349	454,564	458,711	454,110	540,691
CPO (MT)	96,038	117,087	118,247	100,462	125,875
PK(MT)	21,817	27,172	27,977	23,118	29,150
CPO Ex Mill Price (US\$)	517	464	677	704	706
FFB Yeild (MT per Hectare)	20.40	22.77	22.90	22.91	27.28
CPO / Ha (MT)	4.11	4.94	5.90	4.89	5.59
Milling Capacity (MT per Hour)	225	225	225	225	180
Value of biological assets and property, plant & equipment. (US\$ Mn)	Note 2	193.6	193.70	195.08	190.36

Note 1 The Indonesian operations was significantly impacted by the el-nino weather patterns witnessed during the previous year and had recorded two consecutive years of adverse weather effects, resulting in reduced crop production. The performance of this investment has reflected similar crop production recorded by other listed entities in the region.

Note 2 Up to 31st March 2016, the PT Agro Indomas had fair valued biological assets in line IAS 41. With effect from 1st April 2016 PTAI adopted the amendments to IAS 41 and IAS 16. Accordingly, Biological assets have been recognised at accumulated cost less depreciation (as a PPE). Consequently, accumulated biological gains of US\$ 65.18 Mn (net of tax) have been reversed to the retained earnings during the year under review. The valuation of SDSB as carried out by independent professional valuers as explained in note 12.2 reflect the fair value of the investment which also considers the fair value of PTAI.



Oil palm trees have an average life up to 25 years, with the first 30 to 36 months as immature and the remaining years as mature. PTAI also follows the same accounting policies applicable to Oil Palm Plantation segment of the group as disclosed in Notes to the financial statement in pages 33 to 49.

Glossary of Financial Terms

Capital Reserves

Reserves identified for specific purposes and considered not available for distribution.

Cash Equivalents

Liquid investments with original maturities of six months or less.

Contingent Liabilities

Conditions or situations at the Balance Sheet date, the financial effects of which are to be determined by future events which may or may not occur.

Discontinued Operations

Operations of an entity that either has been disposed of, or is classified as held for sale

Current Ratio

Current assets divided by current liabilities.

Quick Ratio

Current assets less inventories divided by current liabilities.

Gross Profit Margin

Gross profit divided by revenue.

Net Profit Margin

Net profit divided by revenue.

Dividend Per Share

Dividend paid interim and proposed, divided by the number of shares in issue which ranked for those dividends.

Dividend Payout

Total interim and proposed dividends divided by profit after tax.

Earnings Per Ordinary Share

Profits attributable to ordinary shareholders before extraordinary items and after preference dividend divided by the weighted average number of ordinary shares in issue, ranking for dividend.

Equity

Shareholders' funds.

Events Occurring after Reporting Date

Significant events that occur between the Reporting date and the date on which Financial Statements are authorized for issue.

Market Capitalization

The market value of a company at a given date obtained by multiplying the share price by the number of shares in issue.

Net Assets Per Share

Total assets less total liabilities divided by the number of ordinary shares in issue.

Net Current Assets

Current assets less current liabilities. Measures the capital required to finance day-to-day operations.

Glossary of Financial Terms

Price Earnings Ratio (P/E)

Market price of a share divided by earnings per share.

Rate of Ordinary Dividend

The Rupee amount of the dividend per share as a percentage of the nominal value of the shares.

Reserves

The total of capital and revenue reserves

Related Parties

Parties who could control or significantly influence the financial and operating policies/decisions of the business.

Return on Shareholders' Funds

Profit attributable to ordinary shareholders divided by shareholders' funds (total of ordinary share capital and reserves).

Revenue Reserves

Reserves considered as being available for distribution.

Segment

Constituent business units grouped in terms of nature and similarity of operations.

Value Addition

The quantum of wealth generated by the activities of the Company.

Others

CPO - Crude Palm Oil

PK - Palm Kernel

FFB - Fresh Fruit Bunches

Ha - Hectare

RM - Malaysian Ringgit

MPC - Malaysian Plantation Companies

AFS – Available - for - Sale

MT – Metric Tonnes

Notice of Meeting

NOTICE IS HEREBY GIVEN that the ONE HUNDRED AND EIGHTH ANNUAL GENERAL MEETING of GOOD HOPE PLC will be held on Friday, the 26th day of May 2017, at 2.00 p.m. at the 8th Floor, No. 65C, Dharmapala Mawatha, Colombo 07, for the following purposes:

1. To receive and adopt the Annual Report of the Board of Directors and the Financial Statements for the year ended 31st March 2017, together with the Report of the Auditors thereon.
2. To re-elect Mr. D. C. R. Gunawardena who retires by rotation in terms of Articles 98 & 99 of the Articles of Association of the Company.
3. To re-appoint Mr. I. Paulraj as a Director of the Company who is over seventy years of age and to consider and if deemed fit to pass the following resolution:
 "IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not be applicable to Mr. I. Paulraj who is eighty years of age and that he be re-appointed a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year".
4. To re-appoint Mr. T. Rodrigo as a Director of the Company who is over seventy years of age and to consider and if deemed fit to pass the following resolution:
 "IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not be applicable to Mr. T. Rodrigo who is eighty seven years of age and that he be re-appointed a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year".
5. To re-appoint Mr. A.K. Sellayah as a Director of the Company who is over seventy years of age and to consider and if deemed fit to pass the following resolution:
 "IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not be applicable to Mr. A.K. Sellayah who is seventy five years of age and that he be re-appointed a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year".
6. To re-appoint Mr. M. Selvanathan as a Director of the Company who is seventy years of age

and to consider and if deemed fit to pass the following resolution:

- "IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not be applicable to Mr. M. Selvanathan who is seventy years of age and that he be re-appointed a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year".
7. To re-appoint Messrs. Ernst & Young, Chartered Accountants as Auditors of the Company as set out in Section 154 (1) of the Companies Act No. 7 of 2007 and to authorize the Directors to determine their remuneration.

By Order of the Board

(Sgd.)

K.D.De Silva (Mrs.)

Director

Carsons Management Services (Private) Limited

Secretaries

Colombo

24th April 2017

Notes

1. A member is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a member of the Company. A Form of Proxy accompanies this notice.
2. The completed Form of Proxy must be deposited at the Registered Office of the Company at No.61, Janadhipathi Mawatha, Colombo 1 not later than 4.45 p.m. on 24th May 2017.
3. A person representing a Corporation is required to carry a certified copy of the resolution authorising him/her to act as the representative of the Corporation. A representative need not be a member.
4. The transfer books of the Company will remain open.
5. Security Check
 We shall be obliged if the Shareholders/proxies attending the Annual General Meeting, produce their National Identity Card to the security personnel stationed at the entrance.

Form of Proxy

*I/We.....
 of.....
 being *a Member/Members of GOOD HOPE PLC, hereby appoint

 of.....
 bearing NIC No./Passport No..... or failing him/her.

Hariharan Selvanathan	or failing him,
Manoharan Selvanathan	or failing him,
Israel Paulraj	or failing him,
Tennyson Rodrigo	or failing him,
Allen Kenneth Sellayak	or failing him,
Don Chandima Rajakaruna Gunawardena	or failing him,
Palehenalage Chandana Priyankara Tissera	

as *my/our proxy to attend at the Annual General Meeting of the Company to be held on Friday, the 26th day of May 2017 at 2.00 p.m. at the 8th Floor, No. 65 C, Dharmapala Mawatha, Colombo 07 and any adjournment thereof and at every poll which may be taken in consequence thereof.

	For	Against
1. To adopt the Annual Report of the Board of Directors and the Financial Statements for the year ended 31st March 2017, together with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-elect Mr. D. C. R. Gunawardena who retires by rotation in terms of Articles 98 & 99 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-appoint Mr. I. Paulraj who is over seventy years of age as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
4. To re-appoint Mr. T. Rodrigo who is over seventy years of age as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
5. To re-appoint Mr. A.K. Sellayah who is over seventy years of age as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
6. To re-appoint Mr. M. Selvanathan who is seventy years of age as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
7. To re-appoint Messrs. Ernst & Young, Chartered Accountants as Auditors of the Company as set out in Section 154 (1) of the Companies Act No. 7 of 2007 and to authorize the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>

Signed this day of Two Thousand and Seventeen.

.....
 Signature/s

Notes

- * Please delete the inappropriate words.
- A shareholder entitled to attend and vote at a General Meeting of the Company, is entitled to appoint a proxy to attend and vote instead of him/her and the proxy need not be a shareholder of the Company. A proxy so appointed shall have the right to vote on a show of hands or on a poll and to speak at the General Meeting of the shareholders.
- A shareholder is not entitled to appoint more than one proxy on the same occasion.
- Instructions are noted on the reverse hereof.

Form of Proxy

Instructions as to Completion

1. Kindly perfect the form of proxy after filling in legibly your full name and address, by signing in the space provided. Please fill in the date of signature.
2. If you wish to appoint a person other than the Directors as your proxy, please insert the relevant details in the space provided overleaf.
3. In terms of Article 86 of the Articles of Association of the Company: The instrument appointing a proxy shall be in writing and -
 - (i) in the case of an individual shall be signed by the Appointor or by his Attorney; and
 - (ii) in the case of a Corporation shall be either under its common seal or signed by its Attorney or by an officer on behalf of the Corporation.

The Company may, but shall not be bound to, require evidence of the authority of any such Attorney or officer.

A proxy need not be a member of the Company.

4. In the case of joint-holders of a share, the senior who tenders a vote, whether in person or by proxy or by Attorney or by representative, shall be accepted to the exclusion of the votes of the other joint- holders and for this purpose seniority shall be determined by the order in which the names stands in the Register of Members in respect of the joint holding.
5. To be valid the completed Form of Proxy should be deposited at the Registered Office of the Company situated at No. 61, Janadhipathi Mawatha, Colombo 1 not later than 4.45 p.m. on 24th May 2017.

Please fill in the following details

Name :

Address :

Jointly with :

Share Folio No. :

Corporate Information

NAME OF THE COMPANY

Good Hope PLC

COMPANY REGISTRATION NO.

PQ 43

LEGAL FORM

A Public Quoted Company with Limited Liability incorporated in Sri Lanka in 1910

DIRECTORS

H. Selvanathan (Chairman)
M. Selvanathan
I. Paulraj
T. Rodrigo
A. K. Sellayah
D. C. R. Gunawardena
P. C. P. Tissera

ALTERNATE DIRECTOR

Subramaniam Mahendrarajah
(for Israel Paulraj)

BANKERS

Commercial Bank of Ceylon PLC.
HSBC Bank Malaysia Berhad
Standard Chartered Bank
Deutsche Bank

AUDITORS IN SRI LANKA

Messrs. Ernst & Young
Chartered Accountants
201, De Saram Place,
Colombo 10, Sri Lanka.
Tel: + 94 11 2463500
Fax: +94 11 2697369

AUDITORS IN MALAYSIA

Messrs. Ernst & Young
AF : 0039
Level 23A, Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
50490, Kuala Lumpur, Malaysia
Tel: + 603 7495 8000
+ 603 2095 5332 (General Line)

MANAGERS

Agro Harapan Lestari Sdn. Bhd.
Suite 6.08, Level 6, Wisma UOA Damansara II
No.6 Changkat Semantan
Damansara Heights
50490, Kuala Lumpur, Malaysia
Tel: + 603 2093 4660
+ 603 2093 5660

SECRETARIES

Carsons Management Services (Pvt) Ltd
61, Janadhipathi Mawatha
Colombo 01, Sri Lanka
Tel: + 94 11 2039200
Fax: + 94 11 2039300

REGISTERED OFFICE

61, Janadhipathi Mawatha,
Colombo 01, Sri Lanka
Tel: + 94 11 2039200
Fax: + 94 11 2039300

PRINCIPAL PLACE OF BUSINESS

Ladang Bandar
42700 Banting
Selangor Darul Ehsan, Malaysia

CORPORATE WEBSITE

www.goodhopeholdings.com

HOLDING COMPANY

Goodhope Asia Holdings Ltd

ULTIMATE PARENT AND CONTROLLING ENTITY

Bukit Darah PLC

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Goodhope

A CARSON CUMBERBATCH COMPANY

www.goodhopeholdings.com