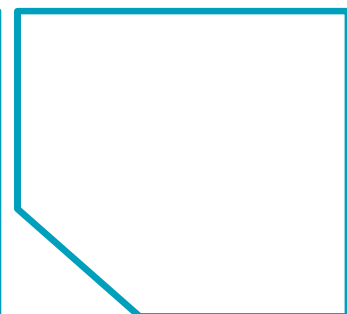




Goodhope

A CARSON CUMBERBATCH COMPANY



Good Hope PLC

**Summarised Financial Report
for the three months ended
30th June 2020**

GOOD HOPE PLC

Review of operations for the period ended 30th June 2020

The equity investment in PT Agro Indomas (PTAI) in Indonesia made via Shalimar Developments Sdn. Bhd. (SDSB) and the shares held in Shalimar (Malay) PLC (SMPLC) comprise the sole operation of the Company.

The Global Crude Palm Oil prices witnessed historical lows in the past few years and the industry continued to be buffeted by declining CPO prices, though some signs of recovery has been seen in the early part of 2020. The outbreak of the COVID-19 pandemic has added further uncertainties to the operating environment. In the midst of these industry challenges, PTAI has been taking several measures to consolidate its position and to remain resilient in the current environment. Hence, no dividend was received from the Company's long term unquoted investment in the period under review. The only source of revenue is the interest income earned from the short term deposits. Accordingly, the Company recorded a profit after tax of Rs. 0.53 mn from operations during the period under review compared to the profit of Rs 1.49 mn recorded in the corresponding period of the previous financial year.

Minimum Public Holding

As previously informed, the Company is not in compliance with the minimum public holding requirements in relation to a Company Listed on the Main Board of the Colombo Stock Exchange (CSE) as per Rule 7.13.1 (a) of the Listing Rules of CSE, due to which the Company was transferred to the 'Watch List' of the CSE in terms of Rule 7.13.2 (b) of the previous Listing Rules of the CSE with effect from 2nd July 2018.

However, the CSE via their Circular No. 03/2019 dated 3rd October 2019 amended the Listing Rules on enforcement actions applicable for non-compliance with minimum public holding requirements with effect from 12th September 2019. Accordingly, in terms of Rule 7.13.2 of the Listing Rules of the CSE, the company was transferred to the Second Board with effect from 15th November 2019.

We wish to highlight that the objective of the voluntary offer made to all shareholders in 2011 was to acquire the entire minority shareholding as a step towards the consolidation of the oil palm plantation business. The offer documents also mentioned that upon completion of the voluntary offer, the rationale 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 and in terms of the revised Listing Rules, we will report the proposed course of action.

Agro Harapan Lestari (Pvt) Ltd

Managers

07th August 2020

GOOD HOPE PLC
Statement of Profit or Loss

(All figures in Sri Lankan Rupees '000)

	Three months ended		
	30th June		Change
	2020	2019	
Interest Income	1,099	2,181	-50%
Administrative expenses	(370)	(689)	-46%
Profit before tax for the period	729	1,492	-51%
Income tax expense	(202)	-	-
Profit for the period	527	1,492	-65%
Earnings Per Share (Rs.)	0.14	0.38	

	Three months ended		
	30th June		Change
	2020	2019	
Profit for the period	527	1,492	-65%
Other comprehensive income			
Other Comprehensive Income/(Loss) not to be reclassified to profit or loss in subsequent periods			
Loss on Change in Fair Value of Financial Assets classified under Fair Value through Other Comprehensive income (FVOCI)	(56,774)	-	100%
Net Other Comprehensive (Expenses) / Income not to be reclassified to profit or loss in subsequent periods	(56,774)	-	100%
Total Comprehensive (Expenses) / Income for the period, net of tax	(56,247)	1,492	-3870%

Changes represent the percentage change in current period's results compared to corresponding period of last year.

Figures in brackets indicate deductions/negative changes.

The above figures are subject to audit.

GOOD HOPE PLC**Statement of financial position**

(All figures in Sri Lankan Rupees '000)

	Note	As at 30.06.2020	As at 31.03.2020
ASSETS			
Non-Current Assets			
Property, Plant and Equipment		157	172
Non-current financial assets	(Note 3)	5,761,869	5,818,643
Total Non- Current Assets		5,762,026	5,818,815
Current Assets			
Prepayments and other receivable		56	79
Income tax receivable		1,045	1,247
Short term investments		44,296	43,285
Cash and cash equivalents		13,102	13,902
Total Current Assets		58,499	58,513
Total Assets		5,820,525	5,877,328
EQUITY AND LIABILITIES			
Equity			
Stated capital	(Note 6)	68,713	68,713
Retained earnings		108,868	108,341
Other reserves		5,610,485	5,667,259
Total Shareholders' Funds		5,788,066	5,844,313
Current Liabilities			
Provisions and Accrued Expenses		236	792
Unclaimed dividend		32,223	32,223
Total Current Liabilities		32,459	33,015
Total Liabilities		32,459	33,015
Total Equity and Liabilities		5,820,525	5,877,328
Net Asset per share (Rs.)		1,490.32	1,504.80

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

(Sgd.)

Aneesh Dudeja

President / Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements.

Approved & signed for and on behalf of the Managers,

Approved & signed for and on behalf of the Board,

(Sgd.)

(Sgd.)

(Sgd.)

M.R. Jiffrey

Director

Agro Harapan Lestari (Pvt) Ltd

07th August 2020

*The above figures are subject to audit.***D. C. R. Gunawardena**

Chairman

S. N. Alles

Director

GOOD HOPE PLC**Statement of Changes in Equity**

(All figures in Sri Lankan Rupees '000)

	Stated Capital	Fair Value Reserve	Retained Earnings	Total Shareholders' Funds
Balance as at 01st April 2019	68,713	5,878,094	102,806	6,049,613
Profit for the year	-	-	5,535	5,535
Other comprehensive income for the year	-	(210,835)	-	(210,835)
Total comprehensive income for the year	-	(210,835)	5,535	(205,300)
Balance as at 31st March 2020	68,713	5,667,259	108,341	5,844,313

	Stated Capital	Fair Value Reserve	Retained Earnings	Total Shareholders' Funds
Balance as at 01st April 2019	68,713	5,878,094	102,806	6,049,613
Profit for the period	-	-	1,492	1,492
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	1,492	1,492
Balance as at 30th June 2019	68,713	5,878,094	104,298	6,051,105

	Stated Capital	Fair Value Reserve	Retained Earnings	Total Shareholders' Funds
Balance as at 01st April 2020	68,713	5,667,259	108,341	5,844,313
Profit for the period	-	-	527	527
Other comprehensive income for the period	-	(56,774)	-	(56,774)
Total comprehensive income for the period	-	(56,774)	527	(56,247)
Balance as at 30th June 2020	68,713	5,610,485	108,868	5,788,066

*The above figures are subject to audit.**Figures in brackets indicate deductions/negative changes.*

GOOD HOPE PLC
Cash Flow Statement

For the three months ended 30th June
 (All figures in Sri Lankan Rupees '000)

	2020	2019	31.03.2020
Net cash outflows from operating activities	(1,899)	(5,071)	(3,681)
Net cash inflows from investing activities	1,099	2,123	42,870
Net cash outflows from financing activities	-	-	(35,913)
(Decrease) / Increase in cash and cash equivalents	(800)	(2,948)	3,276
Cash and cash equivalents at the beginning of the period	13,902	10,626	10,626
Cash and cash equivalents at the end of the period	13,102	7,678	13,902
Cash and cash equivalents:			
Cash and bank balances	7,935	7,678	8,823
Short-term deposits	5,167	-	5,079
	13,102	7,678	13,902

The above figures are subject to audit.

GOOD HOPE PLC

1. Basis of preparation of Summarised Financial Report

The interim condensed financial statements have been prepared in compliance with Sri Lanka Accounting Standard LKAS 34 - Interim Financial Reporting. These interim condensed financial statements should be read in conjunction with the annual financial statements for the year ended 31st March 2020.

Further, provisions of the Companies Act no.7 of 2007 have been considered in preparing the interim condensed financial statements of the Company.

2. Accounting policies and comparative information

The same accounting policies and methods of computation as stated in the annual financial statements for the year ended 31st March 2020 are followed in the preparation of these Interim Condensed Financial Statements.

The comparative information have been reclassified wherever necessary to conform to the current year classification.

3. Fair Value Measurement

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

Fair value measurement hierarchy for financial assets as at 30th June 2020 and 31st March 2020 are as follows :

(All the figures are in Sri Lankan Rupees '000)

Non Current Financial Assets Measured at Fair Value:	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
As at 30th June 2020					
<u>Equity Investments at Fair Value through OCI (FVOCI)</u>					
<u>Quoted Equity Shares</u>					
Shalimar (Malay) PLC (Note 4(b))	30th June 2020	193,816	193,816	-	-
<u>Unquoted Equity Shares</u>					
Shalimar Developments Sdn.Bhd. (Note 4(a))	31st December 2019	5,568,053	-	-	5,568,053
FVOCI financial assets as at 30th June 2020		5,761,869	193,816	-	5,568,053
As at 31st March 2020					
<u>Equity Investments at Fair Value through OCI (FVOCI)</u>					
<u>Quoted Equity Shares</u>					
Shalimar (Malay) PLC (Note 4(b))	31st March 2020	250,590	250,590	-	-
<u>Unquoted Equity Shares</u>					
Shalimar Developments Sdn.Bhd.(Note 4(a))	31st December 2019	5,568,053	-	-	5,568,053
FVOCI financial assets as at 31st March 2020		5,818,643	250,590	-	5,568,053

GOOD HOPE PLC

4. Non-current financial assets

a). Equity Investments at Fair Value through OCI - Unquoted Equity Shares

The Company holds a 13.33% equity investment (March 2019: 13.33%) in Shalimar Developments Sdn. Bhd. (SDSB), an investment holding Company incorporated in Malaysia. The sole equity investment of SDSB is in PT Agro Indomas (PTAI), an oil palm plantation Company based in Indonesia, in which it has a controlling interest. The Company has designated its investment in SDSB as Equity Investments at Fair Value through OCI.

The Company obtained the services of PricewaterhouseCoopers (Pvt) Ltd (PwC Sri Lanka) 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 2019. Unquoted equity shares of Shalimar Developments Sdn. Bhd. has been valued based on adjusted net asset basis. Such net assets represent the investment value of PT Agro Indomas (PTAI) which was determined based on income approach using discounted cash flow method.

The fair value of the equity investment of SDSB in PTAI has been valued based on the following key assumptions/bases:

- (a) Estimated economic life of the oil palm plantations of PTAI is 26 years (including the immature period).
- (b) Consider one planting cycle (i.e. no replantation at the end of the economic life).
- (c) Yield per hectare based on year of planting, maturity profile and terrain.
- (d) CPO ex-mill prices in FY 2020/21 is estimated to be USD 488/MT and this is assumed to change in line with the World Bank forecasted prices thereafter. Post FY2030/31 prices are assumed to remain unchanged.
- (e) Weighted average cost of capital (WACC) of 9.76%.
- (f) Indonesian corporate taxation rate at 25% p.a.
- (g) Inflation assumed approximately 3.25% and 3.10% in the first two years of forecast and 3.08% thereafter.

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 03) 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 9.76%.

	WACC		CPO ex – mill price		Yield	
	1% Increase Rs'000	1% Decrease Rs'000	5% Increase Rs'000	5% Decrease Rs'000	5% Increase Rs'000	5% Decrease Rs'000
Effect of fair value in unquoted equity shares in SDSB designated as Financial Assets classified under FVOCI	(790)	865	1,712	(1,712)	830	(830)

b). Equity Investments at Fair Value through OCI - Quoted Equity Shares

The Company holds a non-controlling interests of 3.10% (March 2019 : 3.10%) in Shalimar (Malay) PLC. The fair value of the said investment is determined by reference to published price quotations in the Colombo Stock Exchange.

5. Contingent Liabilities, Assets Pledged & Events After the Reporting Period

5.1 Contingent Liabilities

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

5.2 Events After the Reporting Period

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

5.3 Assets Pledged

There were no assets pledged as at the reporting date.

GOOD HOPE PLC

6. Stated Capital

Stated capital of the company consists of,

As at 30.06.2020	As at 31.03.2020
3,883,782	3,883,782

Fully paid ordinary shares (voting)

7. Related Party Transactions

7.1 Recurrent Related Party Transactions

7.1.1 Secretarial Fee

The Secretarial fee charged by Carsons Management Services (Private) Limited of Rs.0.05 mn (30th June 2019 : Rs.0.06 mn) has been charged in arriving at the profit before income tax for the period ended 30th June 2020.

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

7.2 Non-Recurrent Related Party Transactions

There are no non-recurrent related party transactions for the period ended 30th June 2020.

8. Going Concern

The financial statements of the Company have been prepared on a going concern basis as the Company continues to hold its main investment in SDSB. The directors have a reasonable expectation that the Company's investment segment operation will continue for the foreseeable future. The Company assesses the impact due to COVID-19 will not have a material impact on the Company's ability to continue as a going concern. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

INVESTOR INFORMATION

Share information

Highest price per share (Rs.)
Lowest price per share (Rs.)
Last traded price (Rs.)
Volume traded (No. of shares)

	Quarter ended		Year ended
	30.06.2020	30.06.2019	31.03.2020
Highest price per share (Rs.)	824.50	989.40	989.40
Lowest price per share (Rs.)	650.10	736.00	723.40
Last traded price (Rs.)	769.00	736.00	769.00
Volume traded (No. of shares)	114	245	713

GOOD HOPE PLC**Additional Notes****I Names and the Number of Shares (voting) held by the top 20 shareholders as at 30th June 2020.**

	Name of Shareholders	Number of Shares	%
1	Goodhope Asia Holdings Ltd	3,530,821	90.91
2	Mr. S.S.J.B. Rana	146,966	3.78
3	Maj.Gen N.S.S.J. Bahadur Rana	41,990	1.08
4	Mr. A.O. Wanner (Decd)	20,995	0.54
5	Mrs. M. Van Rooyen	20,995	0.54
6	Mr. W.R.F. Spearman	20,995	0.54
7	Miss. N.M. Jarvis	10,497	0.27
8	Mr. F.W. Obeyesekere (Decd)	8,397	0.22
9	Mr. C.C.S. Stephenson (Decd)	8,397	0.22
10	Mrs. R.M.M. Dean	7,275	0.19
11	Mr. K.C. Vignarajah	7,190	0.19
12	Mr. A.M.A. Vanderspar	6,858	0.18
13	Mrs. C.M. Papageorge	6,717	0.17
14	Mrs. S. Vignarajah	6,629	0.17
15	Mrs. M.R. Layton (Decd)	5,176	0.13
16	Administratrix of the Estate of Ramiah (Decd)	5,176	0.13
17	Mr. N. Izat (Decd).	4,197	0.11
18	Mrs.G.S. Amerasinghe	2,098	0.05
19	Mr. S.A. Obeyesekere	2,098	0.05
20	Mrs E.W. Tomalin	2,037	0.05
		3,865,504	99.53

II Ordinary Shares of the Company held by the public as at 30th June 2020 are as follows;

Number of public shareholders	404
Percentage of public holding	9.09%
Float adjusted market capitalization (Rs.)	271,484,518

The Company is not in compliance with the minimum public holding requirements set out in Rule 7.13.1 (a) of the Listing Rules of the Colombo Stock Exchange.

III Directors shareholdings as at 30th June 2020.

Name of Director	Number of Shares
Mr. H. Selvanathan (Vacated office on 24.05.2020)	-
Mr. M. Selvanathan (Vacated office on 24.05.2020)	1
Mr. I. Paulraj (Vacated office on 24.05.2020)	-
Mr. D.C.R.Gunawardena	-
Mr. S. N. Alles	-
Mr. D. P. De Silva	-
Mr. S. Mahendrarajah (Alternate director to Mr. I. Paulraj) [Ceased to be Alternate Director to Mr. I. Paulraj on 24.05.2020]	86

IV PT Agro Indomas, the Company's investment made through Shalimar Developments Sdn. Bhd. (Investment vehicle in Malaysia) is located in Kalimantan province, Indonesia. The total land area of PT Agro Indomas is approximately 26,981 Ha.

Operational performance information is given below.

Operational performance indicators	2020	2019
	June	June
Crop Production (MT)	120,492	171,780
CPO (MT)	26,088	33,324
PK (MT)	6,019	7,730
CPO Ex Mill Price (US\$)	473	446
FFB Yeild (MT per Hectare)	5.64	5.47
CPO / Ha (MT)	1.23	1.09
Milling Capacity (MT per Hour)	225	225

MT-Metric Tones

CORPORATE INFORMATION

Name of the Company

Good Hope PLC

Company No

PQ 43

Legal Form

A Public Quoted Company with
Limited Liability.
Incorporated in Sri Lanka in 1910.

Directors

H. Selvanathan (Vacated office on 24.05.2020)
M. Selvanathan (Vacated office on 24.05.2020)
I. Paulraj (Vacated office on 24.05.2020)
D. C. R. Gunawardena (Appointed as Chairman w.e.f. 24.05.2020)
S. N. Alles
D. P. De Silva

Alternate Director

S. Mahendrarajah (for I. Paulraj)
[Ceased to be Alternate Director to Mr. I. Paulraj on 24.05.2020]

Bankers

Commercial Bank of Ceylon PLC
Standard Chartered Bank
Deutsche Bank
Hatton National Bank PLC

Auditors of the Company

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

Managers

Agro Harapan Lestari (Pvt) Ltd
Level 20
East Tower
World Trade Centre
Echelon Square
Colombo 01
Sri Lanka.
Tel : +94 114357777
Fax : +94 114357788

Secretaries

Carsons Management Services (Private) Limited
No. 61, Janadhipathi Mawatha
Colombo 01
Sri Lanka.
Tel; +94 11 2039200
Fax; +94 11 2039300

Registered Office

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

Corporate Website

www.goodhopeholdings.com

Holding Company

Goodhope Asia Holdings Ltd

Ultimate Parent & Controlling Entity

Bukit Darah PLC