Goodhope

A CARSON CUMBERBATCH COMPANY

Indo-Malay PLC

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

INDO-MALAY 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. 0.19 mn from operations during the period under review compared to the loss of Rs 0.18 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 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 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

INDO-MALAY PLC

Statement of Profit or Loss

(All figures in Sri Lankan Rupees '000)	Three months ended		
	30th June		Change
	2020	2019	
			%
Interet income	**576**	720	-20%
Administrative expenses	**(383)**	(902)	-58%
Profit / (loss) before tax for the period	**193**	(182)	-206%
Income tax expense	**-**	-	-
Profit / (loss) for the period	**193**	(182)	-206%
Earnings per ordinary share (expressed in Rs.)	**0.04**	(0.04)	

Statement of comprehensive income	Three months ended		
	30th June		Change
	2020	2019	
			%
Profit for the period	**193**	(182)	-206%
Other Comprehensive Income			
Other Comprehensive Income not to be reclassified to Profit or Loss in subsequent periods			
(Loss) / Gain on Change in Fair Value of Financial Assets classified under Fair Value Through Other Comprehensive Income (FVOCI)	**(40,529)**	-	100%
Net Other Comprehensive (Expenses) / Income not to be reclassified to Profit or Loss in subsequent periods	**(40,529)**	-	100%
Other Comprehensive (Expenses) / Income for the period, net of tax	**(40,529)**	-	100%
Total Comprehensive (Expense) / Income for the period, Net of Tax	**(40,336)**	(182)	22063%

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.

INDO-MALAY 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)**	**5,706,410**	5,746,938
Total Non- Current Assets		**5,706,567**	5,747,110
Current Assets			
Prepayments and other receivable		**84**	124
Income tax receivable		**820**	820
Short term investments		**25,957**	25,395
Cash and cash equivalents		**18,812**	19,686
Total Current Assets		**45,673**	46,025
Total Assets		**5,752,240**	5,793,135
EQUITY AND LIABILITIES			
Equity			
Stated capital	**(Note 6)**	**70,033**	70,033
Retained earnings		**54,460**	54,267
Other reserves		**5,568,264**	5,608,793
Total Shareholders' Funds		**5,692,757**	5,733,093
Current Liabilities			
Provisions and Accrued Expenses		**211**	770
Unclaimed dividend		**59,272**	59,272
Total Current Liabilities		**59,483**	60,042
Total Liabilities		**59,483**	60,042
Total Equity and Liabilities		**5,752,240**	5,793,135
Net Asset per share (Rs.)		**1,183.18**	1,191.56

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,

(Sgd.)

M.R. Jiffrey
Director
Agro Harapan Lestari (Pvt) Ltd

Approved & signed for and on behalf of the Board,

(Sgd.)

D. C. R. Gunawardena
Chairman

(Sgd.)

S. Mahendrarajah
Director

07th August 2020

The above figures are subject to audit.

INDO-MALAY 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 1st April 2019	70,033	5,819,628	47,642	5,937,303
Profit for the year	-	-	6,625	6,625
Other comprehensive income for the year	-	(210,835)	-	(210,835)
Total comprehensive income for the year	-	(210,835)	6,625	(204,210)
Balance as at 31st March 2020	70,033	5,608,793	54,267	5,733,093

	Stated Capital	Fair Value Reserve	Retained Earnings	Total Shareholders' Funds
Balance as at 1st April 2019	70,033	5,819,628	47,642	5,937,303
Profit for the period	-	-	(182)	(182)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	-	-	(182)	(182)
Balance as at 30th June 2019	70,033	5,819,628	47,460	5,937,121

	Stated Capital	**Fair Value Reserve**	**Retained Earnings**	**Total Shareholders' Funds**
Balance as at 1st April 2020	**70,033**	**5,608,793**	**54,267**	**5,733,093**
Profit for the period	**-**	**-**	**193**	**193**
Other comprehensive income for the period	**-**	**(40,529)**	**-**	**(40,529)**
Total comprehensive loss for the period	**-**	**(40,529)**	**193**	**(40,336)**
Balance as at 30th June 2020	**70,033**	**5,568,264**	**54,460**	**5,692,757**

The above figures are subject to audit.

Figures in brackets indicate deductions/negative changes.

INDO-MALAY 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	**(1,450)**	(3,782)	(3,796)
Net cash inflows from investing activities	**576**	720	2,360
Net cash (outflows) / inflows from financing activities	**-**	(78)	2
Decrease in cash and cash equivalents	**(874)**	(3,140)	(1,434)
Cash and cash equivalents at the beginning of the period	**19,686**	21,120	21,120
Cash and cash equivalents at the end of the period	**18,812**	17,980	19,686
Cash and cash equivalents:			
Cash and bank balances	**18,812**	17,980	17,642
Short-term deposits	**-**	-	2,044
	18,812	17,980	19,686

The above figures are subject to audit.

INDO-MALAY PLC

1. Basis of preparation of Summarised Financial Report

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

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

2. Accounting policies

The same accounting policies and methods of computation as stated in the annual financial statements for the year ended 31st March 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 figures in Sri Lankan Rupees '000)		Fair value measurement using			
Non Current Financial Assets Measured at Fair Value:	**Date of valuation**	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
As at 30th June 2020					
Equity Investments at Fair Value through OCI (FVOCI)					
Quoted equity shares					
Shalimar (Malay) PLC (Note 4(b))	30th June 2020	138,357	138,357	-	-
Unquoted Equity Shares					
Shalimar Developments Sdn.Bhd. (Note 4(a))	31 December 2019	5,568,053	-	-	5,568,053
FVOCI financial assets as at 30th June 2020		**5,706,410**	**138,357**	**-**	**5,568,053**
As at 31st March 2020					
Equity Investments at Fair Value through OCI (FVOCI)					
Quoted equity shares					
Shalimar (Malay) PLC (Note 4(b))	31st March 2020	178,885	178,885	-	-
Unquoted Equity Shares					
Shalimar Developments Sdn.Bhd. (Note 4(a))	31 December 2019	5,568,053	-	-	5,568,053
FVOCI financial assets as at 31st March 2020		5,746,938	178,885	-	5,568,053

4. Non-current financial assets

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

The Company holds a 13.33% equity investment (2019: 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 a financial assets classified under Fair Value Through OCI, and is measured at fair value.

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% (2019: 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 2.21% (March 2019 : 2.21%) 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 Assets Pledged

There were no assets pledged as at the reporting date.

5.3 Events After the Reporting Period

There have been no material events occurring after the reporting date that require adjustments to or disclosures in the financial statements.

6. Stated Capital

Stated capital of the company consists of,	**As at 30.06.2020**	As at 31.03.2020
Fully paid ordinary shares (voting)	**4,811,400**	4,811,400

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 2020 : 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	**Quarter ended**		**Year ended**
	30.06.2020	30.06.2019	**31.03.2020**
Highest price per share (Rs.)	**1,200.00**	1,473.40	**1,473.40**
Lowest price per share (Rs.)	**793.60**	1,000.00	**930.00**
Last traded price (Rs.)	**1,050.40**	1,300.00	**1,050.40**
Volume traded (No. of shares)	**64**	9	**248**

INDO-MALAY 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	4,192,867	87.14
2	Mr. R. Chandra (Decd)	148,052	3.08
3	Mr. S.R. Dean	64,540	1.34
4	Mr. R.T. Stoneham	36,546	0.76
5	Mrs. I. Raymond	33,746	0.70
6	Ms. M.E. Turner	33,590	0.70
7	Mr. F.W. Obeyesekere (Decd)	24,882	0.52
8	Mrs. B.F. Guzdar	23,328	0.48
9	Mr. C.S.A. Perera	20,080	0.42
10	Mrs. A. Ohman (Decd)	19,440	0.40
11	Mr. D. Thomson (Decd)	15,552	0.32
12	Mr. R.G. Bartholomew (Decd)	15,552	0.32
13	Mr. D.D. Dubash	15,552	0.32
14	Mr. R. Prasada Singh (Decd)	15,552	0.32
15	Mr D.S. Cameron	15,552	0.32
16	Mr. N.J.P. Hewett	13,372	0.28
17	Mrs M.D. Abeysuriya	12,960	0.27
18	Mr. J.M. Urquhart (Decd)	9,330	0.19
19	Admin.of the estate of E.Ramiah (Decd)	8,396	0.17
20	MRS. R.T. Allbon	7,776	0.16
21	Mr. W.F.J. Deutrom	7,776	0.16
		4,734,441	**98.40**

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

Number of public shareholders	**359**
Percentage of public holding	**12.85%**
Float adjusted market capitalization (Rs.)	**649,425,451**

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. S. Mahendrarajah (Director & Alternate Director to Mr. I.Paulraj) [Ceased to be Alternate Director to Mr. I. Paulraj on 24.05.2020]	75

IV PT Agro Indomas, the Company's investment made through Shalimar Developments Sdn. Bhd. (Investment vehicle in Malaysia) is located in Kalimanthan 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 June	2019 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
Indo - Malay PLC

Company Registration No.
PQ 45

Legal Form
A Public Quoted Company with Limited Liability
Incorporated in Sri Lanka in 1906.

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

Bankers
Standard Chartered Bank
Commercial Bank of Ceylon PLC
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
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Tel : +94 114357777
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Secretaries
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Colombo 01
Sri Lanka.
Tel: +94 11 2039200
Fax: +94 11 2039300

Registered Office
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Corporate Website
www.goodhopeholdings.com

Holding Company
Goodhope Asia Holdings Ltd

Ultimate Parent & Controlling Entity
Bukit Darah PLC