



Good Hope PLC

**Summarised Financial Report
for the year ended
31st March 2020**

GOOD HOPE PLC
Statement of Profit or Loss

(All figures in Sri Lankan Rupees '000)

	Quarter ended			Year ended		
	31st March		Change	31st March		Change
	2020	2019		2020	2019	
		%			%	
Interest Income	1,090	2,207	-51%	6,704	6,471	4%
Other Income	2,131	3,564	-40%	2,131	3,564	-40%
	3,221	5,771	-44%	8,835	10,035	-12%
Administrative expenses	(327)	(636)	-49%	(3,300)	(2,830)	17%
Profit before tax for the period	2,894	5,135	-44%	5,535	7,205	-23%
Income tax expense	-	-	-	-	-	-
Profit for the period	2,894	5,135	-44%	5,535	7,205	-23%
Earnings Per Share (Rs.)	0.75	1.32		1.43	1.86	

Statement of Comprehensive Income

	Quarter ended			Year ended		
	31st March		Change	31st March		Change
	2020	2019		2020	2019	
		%			%	
Profit for the period	2,894	5,135	-44%	5,535	7,205	-23%
Other comprehensive income						
Other Comprehensive Income/(Loss) 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)	(210,835)	174,308	-221%	(210,835)	174,308	-221%
Deferred Tax attributable to Change in Fair Value of Financial Assets classified under FVOCI	-	23,013	-100%	-	23,013	-100%
Net Other Comprehensive (Expenses) / Income not to be reclassified to profit or loss in subsequent periods	(210,835)	197,321	-207%	(210,835)	197,321	-207%
Total Comprehensive (Expenses) / Income for the year, net of tax	(207,941)	202,456	-203%	(205,300)	204,526	-200%

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 31.03.2020	As at 31.03.2019
ASSETS			
Non-Current Assets			
Property, Plant and Equipment		172	-
Non-current financial assets	(Note 3)	5,818,643	6,029,478
Total Non- Current Assets		5,818,815	6,029,478
Current Assets			
Prepayments and other receivable		79	91
Income tax receivable		1,247	484
Short term investments		43,285	81,138
Cash and cash equivalents		13,902	10,626
Total Current Assets		58,513	92,339
Total Assets		5,877,328	6,121,817
EQUITY AND LIABILITIES			
Equity			
Stated capital	(Note 6)	68,713	68,713
Retained earnings		108,341	102,806
Other reserves		5,667,259	5,878,094
Total Shareholders' Funds		5,844,313	6,049,613
Current Liabilities			
Provisions and Accrued Expenses		792	1,937
Unclaimed dividend		32,223	70,267
Total Current Liabilities		33,015	72,204
Total Liabilities		33,015	72,204
Total Equity and Liabilities		5,877,328	6,121,817
Net Asset per share (Rs.)		1,504.80	1,557.66

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.)

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

18th May 2020

The above figures are subject to audit.

(Sgd.)

H. Selvanathan
Chairman

(Sgd.)

M. Selvanathan
Director

GOOD HOPE PLC
Statement of Changes in Equity
 (All figures in Sri Lankan Rupees '000)

	Stated Capital	Available-for-sale reserve	Fair Value Reserve	Retained Earnings	Total Shareholders' Funds
Balance as at 31st March 2018	68,713	5,680,773	-	95,601	5,845,087
Effect of adoption of SLFRS 9	-	(5,680,773)	5,680,773	-	-
Balance as at 01st April 2018	68,713	-	5,680,773	95,601	5,845,087
Profit for the year	-	-	-	7,205	7,205
Other comprehensive income for the year	-	-	197,321	-	197,321
Total comprehensive income for the year	-	-	197,321	7,205	204,526
Balance as at 31st March 2019	68,713	-	5,878,094	102,806	6,049,613

	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

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

GOOD HOPE PLC
Cash Flow Statement

For the year ended 31st March

(All figures in Sri Lankan Rupees '000)

	2020	2019
Net cash outflows from operating activities	(3,681)	(2,704)
Net cash inflows / (outflows) from investing activities	42,870	(74,667)
Net cash (outflows) / Inflows from financing activities	(35,913)	24,067
Increase / (Decrease) in cash and cash equivalents	3,276	(53,304)
Cash and cash equivalents at the beginning of the year	10,626	63,930
Cash and cash equivalents at the end of the year	13,902	10,626
Cash and cash equivalents:		
Cash and bank balances	8,823	7,491
Short-term deposits	5,079	3,135
	13,902	10,626

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 2019.

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 2019 are followed in the preparation of these Interim Condensed Financial Statements except for the changes required due to adoption of new Standards and interpretations which is disclosed under Note 2.1 below.

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

2.1 New Standards effective from 01st January 2019

2.1.1 Adoption of SLFRS 16 – Leases

SLFRS 16 supersedes LKAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position.

SLFRS 16 does not have an impact on Company's Financial Statements.

2.1.2 Adoption of IFRIC Interpretation 23 - Uncertainty over Income Tax Treatment

This Interpretation clarifies how to apply the recognition and measurement requirements in LKAS 12 when there is uncertainty over income tax treatments.

The Company does not have material uncertainties over the application of tax treatments that would require separate disclosures in the financial statements.

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 31st March 2020 and 31st March 2019 are as follows :

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

		Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Non Current Financial Assets Measured at Fair Value:					
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
As at 31st March 2019					
<u>Equity Investments at Fair Value through OCI (FVOCI)</u>					
<u>Quoted Equity Shares</u>					
Shalimar (Malay) PLC (Note 4(b))	31st March 2019	250,590	250,590	-	-
<u>Unquoted Equity Shares</u>					
Shalimar Developments Sdn.Bhd.(Note 4(a))	31st December 2018	5,778,888	-	-	5,778,888
FVOCI financial assets as at 31st March 2019		6,029,478	250,590	-	5,778,888

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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:

- Estimated economic life of the oil palm plantations of PTAI is 26 years (including the immature period).
- Consider one planting cycle (i.e. no replantation at the end of the economic life).
- Yield per hectare based on year of planting, maturity profile and terrain.
- 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.
- Weighted average cost of capital (WACC) of 9.76%.
- Indonesian corporate taxation rate at 25% p.a.
- 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

COVID 19 - Outbreak

The outbreak and spread of the COVID 19 pandemic since January 2020 have caused disruption to business and economic activities, and uncertainty to the global economy.

Quarantine measures taken by respective countries widely affected directly or indirectly several industry sectors including the oil palm plantations and the financial sectors. The Company's main investment is in PT Agro Indomas in Indonesia made via Shalimar Development Sdn. Bhd. Which is engaged in Oil palm plantation. Recent COVID 19 containing measures taken by Local Government has also caused some disruptions to business operations and economic activities in general. This may impact the financial performance and results of the Company in the foreseeable future.

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5.2 Events After the Reporting Period (Contd.)

COVID 19 - Outbreak (Contd.)

Reduced interest rate schemes announced in Sri Lanka, is likely to have an impact on the interest revenue, cash flows and liquidity positions of the Company.

Fair value of Unquoted Equity Shares is determined by indicative fair market valuation of the equity interest in the unquoted investment in SDSB as at valuation date of 31 December 2019. The fair market valuation of the equity interest in the unquoted investment of SDSB in PTAI was derived using discounted cash flows method and such cash flows are based on assumptions mentioned in Note 4. Those assumptions will have an impact due to the outbreak and likely to impact on the Fair Value of Unquoted equity shares.

The Company will continue to take appropriate actions to mitigate any potential impact and will keep its contingency and risk management measures under review, as the situation evolves. With uncertainty still prevailing around COVID 19, the impact to the Company's financial results cannot be reasonably estimated at the current stage.

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

5.3 Assets Pledged

There were no assets pledged as at the reporting date.

6. Stated Capital

Stated capital of the company consists of,

As at 31.03.2020	As at 31.03.2019
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.0.2 mn (31st March 2019 : Rs.0.2 mn) has been charged in arriving at the profit before income tax for the year ended 31st March 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 year ended 31st March 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 is relatively short-term and therefore will not have an 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
	31.03.2020	31.03.2019	31.03.2020
Highest price per share (Rs.)	938.90	998.00	989.40
Lowest price per share (Rs.)	751.20	700.00	723.40
Last traded price (Rs.)	769.00	902.60	769.00
Volume traded (No. of shares)	29	169	713

GOOD HOPE PLC**Additional Notes**

I Names and the Number of Shares (voting) held by the top 20 shareholders as at 31st March 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	7,177	0.18
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
		3,865,491	99.53

II Ordinary Shares of the Company held by the public as at 31st March 2020 are as follows;

Number of public shareholders	392
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 31st March 2020.

Name of Director	Number of Shares
Mr. H. Selvanathan	-
Mr. M. Selvanathan	1
Mr. I. Paulraj	-
Mr. D.C.R.Gunawardena	-
Mr. S. N. Alles	-
Mr. D. P. De Silva (Appointed w.e.f. 16.12.2019)	-
Mr. S. Mahendrarajah (Alternate director to Mr. I. Paulraj)	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 March	2019 March
Crop Production (MT)	651,873	711,427
CPO (MT)	134,612	139,405
PK (MT)	32,644	31,559
CPO Ex Mill Price (US\$)	474	459
FFB Yield (MT per Hectare)	23.15	26.57
CPO / Ha (MT)	4.92	5.24
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 (Chairman)
M. Selvanathan
I. Paulraj
D. C. R. Gunawardena
S. N. Alles
D. P. De Silva (Appointed w.e.f. 16.12.2019)

Alternate Director

S. Mahendrarajah (for I. Paulraj)

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