

Shalimar (Malay) PLC

Annual Report | 2015/16



Goodhope

A CARSON CUMBERBATCH COMPANY

Financial Calendar

Financial Year End 31st March 2016

Announcement of Results

First Quarter ended 30th June 2015 14th August 2015

Second Quarter ended 30th September 2015 13th November 2015

Third Quarter ended 31st December 2015 12th February 2016

Dividend Declaration

First Interim Dividend 8th March 2016

107th Annual General Meeting 26th May 2016

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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 Shalimar (Malay) PLC for the year ended 31st March 2016, and welcome you to the One Hundred and Seventh Annual General Meeting of the Company.

The year under review turned out to be a challenging one for companies operating in the Palm Oil industry. The slowdown in the global economic outlook witnessed over the past three years also impacted our operating business environment.

The Global Commodities market witnessed a downturn along with a sharp decline in Crude Oil prices. The Crude Palm Oil ("CPO") prices too have seen a similar trend with prices reaching five year low over the last 1-2 year period, mostly trading at lower than average prices recorded in the previous price cycles. The factors leading to low CPO price regime and the current prices are further explained in the Review of Operational Performance presented together with this Annual Report.

We also witnessed extreme weather conditions during the year with the widespread agreement that an El-Nino phenomenon impacted the crop production both in Indonesia as well as certain parts of Malaysia during the year under review. The El-Nino and adverse weather conditions resulted in approximately 20% crop drop in Indonesia during the year and this will have a resultant drop in crop over the next 1-2 years. Similarly, the crop production in Malaysia during the second half of the financial year under review dropped significantly.

Your Company recorded a profit before tax of Rs. 104.70 mn for the year ended 31st March 2016, after taking into consideration other income and gains, as compared to Rs. 92.26 mn recorded in the year to 31st March 2015. The dividend income recorded during the period under review was low as no dividend income was received from the Company's long term unquoted investment. The net profit after tax for the period under review was Rs. 77.80 mn as compared to Rs. 66.20 mn recorded in the previous financial year. A more detailed analysis of the financial performance is presented in the attached Review of Operational Performance.

An announcement was made on the Colombo Stock Exchange ("CSE") on 1st December 2015 on the inability of the Company to ensure that its public holding is maintained at the minimum level required as noted in section 13.1 of the annual report of the Board of Directors on the affairs of the Company in page 15 to this annual report and as elaborated in my review for the previous year as well. The Company gave notice of an action plan that included, if feasible, the sale of the plantation in Malaysia and to distribute the proceeds thereof to the shareholders.

The rapid infrastructure and commercial developments taking place near the location of the plantation has increased the commercial value of the plantation as opposed to its value based on agricultural usage. The relatively smaller size of the plantation also has an impact on the operational viability of the plantation over time whereby economies of scale could be derived only by maintaining a threshold volume of acreage. The Company is also

Chairman's Statement

dependent on outside mills for processing of its FFB (Fresh Fruit Bunches) production, whereby a minimum of 2,500-3,000 hectares of plantation is required to economically operate a small palm oil mill.

For the Company to sustain its profitability in the future and achieve economies of scale it would be important to expand the existing land bank. However, apart from the high cost of land in the region, the Company is unable to enhance its economic returns by expanding the size of the plantation in the vicinity of its location due to the regulatory restrictions currently in force prohibiting acquisition of agricultural land in the Selangor region of Malaysia by foreign entities.

Having deliberated and considered the multitude of factors which are briefly enumerated above, the Board of Directors of the Company is of the opinion that the sale of the plantation estate owned by the Company in Malaysia at this opportune time would optimize the returns to the shareholders.

The Board of Directors has also evaluated other alternative options inclusive of amalgamating with the other three Malaysian Plantation Companies of the Group and is of the view that such amalgamation would not derive additional benefits considering the additional administrative burden and inability to derive operational synergies and economies of scale as the combined acreage would still be less than 1,500 hectares.

Accordingly, the Board of Directors of your Company has taken a decision to convene an Extraordinary General Meeting ('EGM')

of the Company to consider the proposed sale of its plantation and is explained in the Notice of the EGM which will be sent out to the shareholders.

In view of the above, the Company has obtained valuations from three independent professional firms as noted in section 20 of the Annual Report of the Board of Directors, to justify the potential value and relying on such valuations and initiated discussions with potential 3rd party buyers for the plantation owned in Malaysia pending the approval of such a sale by the shareholders of the Company at the EGM. A brief profile of the independent professional valuers is provided in section 10 in page 81 of the Information to Shareholders and investors.

As noted in the Annual Report of the Board of Directors on Affairs of the Company in page 19 and in Note 10.1 (i) to the financial statements, and as required by applicable Accounting Standards, the Company has obtained independent professional valuations on the potential realizable value of the property as highlighted above.

It needs to be noted that the market capitalization of the Company, based on the market share price as at 25th April 2016, is greater than the net asset value of the Company after incorporating the realizable value of the property as at 31st March 2016 as disclosed in page 79 under the section "Information to Shareholders". Further, the Company's investment in Shalimar Development Sdn. Bhd. is carried at fair value in the financial statements as more fully explained in Note 12 therein.

I would like to take this opportunity to extend my gratitude to all business

associates, financiers, and the regulatory authorities in Sri Lanka and Malaysia for their continued support. I would be failing in my duties if I don't extend the appreciation of the Board of Directors of the Company to the shareholders for their continued support and confidence placed in the Directors. I welcome Mr. S. Mahendrarajah who was appointed to the Board on 1st June 2015.

I also wish to thank our management and staff in Malaysia and Sri Lanka for all their hard work and dedication during an extremely volatile period. Last but not least, I would like to extend my appreciation to 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

25th April 2016

Review of Industry and Operational Performance

Review of Industry

We have seen a slowdown in the global economic outlook over the past three years, presenting multiple challenges to the Palm Oil industry. The Crude Palm Oil (“CPO”) prices too have seen a similar trend with prices reaching a five year low over the last 1-2 year period, mostly trading at lower than average prices recorded in the previous price cycles. CPO prices traded between RM 1,900-2,300 during most part of the financial year 2015/16.

One of the main reasons for the prices to be lower than the expectations at the beginning of the financial year was the materialization of bumper Soybean crop driving Soybean Oil prices down. Sunflower Oil production too continued to be strong, supported by favorable weather conditions in producing countries. The decline in global crude oil prices too had an impact on the CPO prices, as the demand for Palm Oil based bio-diesel is affected by lower crude oil price regime.

Lower market prices for CPO had a significant impact on the “revenue from the sale of FFB” for the period under review. The Company recorded a net sale average of MYR 457 per MT of FFB for financial year 2016, compared to MYR 486 per MT of FFB recorded during the previous year, being a drop of 6%.

However, CPO prices have currently moved up trading at a range of RM 2,600-2,700 reflecting the anticipated drop in CPO production both in Malaysia and in Indonesia, and given the expectation that supply will be lower than the demand for the coming year. Prices for most part of the year under review

traded at a low range as CPO inventory in Malaysia increased, the effect of which was further compounded by bumper Soybean Oil and other competing oil crops. The declining CPO inventory levels and the low CPO production estimates have supported prices at current levels.

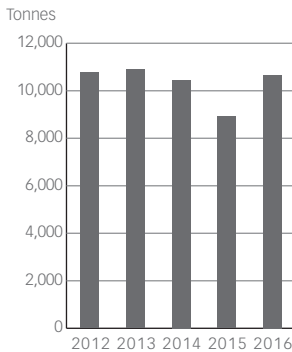
In the medium term CPO prices are expected to be volatile with uncertainty in Global Crude Oil price movements along with other competing oil prices.

Overview of Financial and Operational Performance

The year under review also witnessed fluctuating weather patterns and resultant impact on crops due to biological factors in most parts of Malaysia; except for East Malaysia. Accordingly, the crop performance of the plantation of your Company too was subject to these factors, the cropping pattern dropping substantially from the 2nd half of the current financial year. This was largely due to the El-Nino phenomenon which was prevalent in South East Asia and the resulting dry weather conditions experienced.

However, due to the results from the corrective actions undertaken in the previous years, the overall crop production of the Company recorded an increase of 19.6% against the FFB production of the previous financial year partly offsetting the impact on revenue from the drop in sale prices for FFB. The crop production was significantly high during the 1st half of the financial year due to favorable conditions that prevailed during the period; however, crop production has since dropped from the 2nd half onwards reflecting biological patterns.

Crop Production

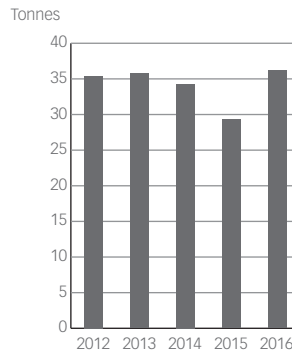


As per accounting standards, the Company is required to translate income and expenditure items using the average rate of exchange. In the period under review, the MYR remained volatile resulting in a significant drop in average currency rate used for translation of the MYR revenue to LKR terms compared to the previous financial year, though the closing exchange rate drop from previous year to the current year was marginal. The revenue in LKR terms for the period decreased by 2% consequent to the drop in the average exchange rate.

We have also been able to enhance the effectiveness of the field programs and fertilizer application activities through close supervision and adoption of best agronomy management practices, thereby continuously ensuring proper maintenance of general field condition and drainage management within the plantation.

As has been highlighted in previous years' annual reports, the Company continues its focus on improving the productivity levels of the workforce and harvesting efficiency. With the above initiatives in place the Company

Yield Per Hectare



has managed the cost of production at RM 135.34 per MT of FFB which is lower than the cost recorded in previous year.

Resultantly, your Company recorded a profit after tax of Rs. 77.80 mn during the year under review, as compared to Rs. 66.20 mn recorded in the previous year. Profit before tax was Rs. 104.70 mn as compared to Rs. 92.26 mn recorded in the previous year.

As at 31st March 2016, total planted hectareage was 294.82 ha, and was classified as mature.

As explained in Note 16 to the Financial Statements, as per the provisions of part III of the Finance Act, No. 10 of 2015 which was certified on 30th October 2015, the Company was liable to pay Super Gain Tax (SGT). Accordingly a total of Rs. 33.56 mn was paid as SGT during the period under review.

Agro Harapan Lestari Sdn. Bhd.

Managers

25th April 2016

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. The following key risks are identified on a going concern basis for the Company;

However, as mentioned in the Chairman's Statement and also in the Circular released to the shareholders, the Company based on shareholder approval, intends to sell its plantation property taking into account the commercial value of the said land. This sale process will be subject to the Company obtaining required regulatory and shareholder approvals.

Commodity Price Risk

The price of Crude Palm Oil (CPO) is determined based on international market forces. The sale of oil palm Fresh Fruit Bunches (FFB) is the prime source of cash inflow for the Company.

Our end product is FFB. FFB prices are derived from CPO prices. We supply our produce to palm oil mills within the region, based on pre-agreed terms.

Environmental Risk

Unfavourable global and local weather patterns, resulting in adverse weather

conditions, natural and man-made disasters including fires and haze from fires, droughts, floods and crop disease could affect the quantity or quality of FFB we are able to harvest.

The Company adopts sound fertilizer applications to safeguard the operational yields that may be impacted due to adverse weather patterns. Furthermore, we have taken measures to ensure proper water management in flood prone areas so that long term benefits can be realized.

Potential crop production is affected by diseases such as Ganoderma, leaf eating insects and Bagworms ultimately impacting yields. The Company constantly invests in agronomy and plantation management practices to mitigate the impact that would be caused by any sudden up-rise of these diseases.

Labour Risk

A critical success factor for a labour intensive industry such as the oil palm plantation is the attraction and retention of skilled labour. It is quite challenging to attract locals for plantation work and the fact that the Malaysian government has imposed some restrictions in attracting labour from foreign regions has aggravated such vulnerabilities.

Another significant development is the noticeable shift in employment from plantations to the manufacturing sector; creating a void in the labour market. We have managed to address any short fall that was encountered during the year.

Mandatory wage increases continue to burden the cost of production as it is not linked to commensurate productivity increases. This creates the need to manage costs through

efficient processes and improved field conditions.

Operational Risk

The Malaysian plantations do not own CPO processing mills and thereby have a significant dependence on third party millers – which gives us minimal influence as a price taker. Where possible; the Company continues to negotiate better rates and terms whilst seeking alternative millers to reduce the bargaining power of existing mill owners.

Biological Asset Risk

The biological assets 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 affect the valuation include the forecasted selling price of FFB, which is largely dependent on the projected international selling prices of CPO, and the applicable market discount rate which are beyond the control of the Company. While we take adequate measures to manage the controllable input of the valuation assumptions, volatility in the environmental and industry dynamics such as weather patterns, biological cycles, as well as changes in macro-economic and political factors including inflation rates and changes in the above mentioned factors also can result in fluctuations in the appraised fair value of our biological assets and may impact our financial results.

Financial Risks

Foreign Exchange Risk

The Company's exposure to foreign exchange risk is minimal as the Malaysian and Sri Lankan operations are primarily domestic and

transactions are recorded in the respective functional currency, i.e., Malaysian Ringgit and Sri Lankan Rupee. However, a significant element of the risk is generated through the translation of results to Sri Lankan Rupee for the purpose of financial reporting as the principal operations are in Malaysia.

Credit Risk

The credit risk is primarily encountered through trade receivables, which arise from its operating activities and deposits with banking institutions. The Company trades only with recognized and credit worthy third parties and all customers are subject to a credit verification process. In addition, receivable balances are monitored on an on-going basis with the result that the Company's exposure to bad debts is minimal.

Liquidity Risk

The Company manages such liquidity risk exposures through effective working capital management. The Company also has planning guidelines in place to ensure that the short term and medium term liquidity is managed at acceptable levels.

Investment Risk

Long term investments held by the Company are also in the Oil Palm Plantation industry and hence, the performance of the investee companies are subject to a similar risk profile noted herein which the Company is exposed to.

Agro Harapan Lestari Sdn. Bhd.

Managers

25th April 2016

Profile of the Directors

Hariharan Selvanathan

Hariharan Selvanathan is the Chairman of Bukit Darah PLC, Deputy Chairman of Carson Cumberbatch PLC and Goodhope Asia Holdings Ltd. He is the President Commissioner of the palm oil related companies in Indonesia. He holds Directorships in several subsidiary companies within the Carsons 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 Carsons Management Services (Private) Limited and Agro Harapan Lestari (Private) Limited, the Group's Management Companies. He is a Past President of the National Chamber of Commerce and Past Vice Chairman of the International Chamber of Commerce (Sri Lanka).

He counts over 20 years of experience in commodity trading in International Markets and holds a Bachelor of Commerce Degree.

Manoharan Selvanathan

Manoharan Selvanathan holds a Bachelor's Degree in Commerce, and is the Chairman of Sri Krishna Corporation (Private) Limited, Ceylon Finance & Securities (Private) Limited and Selinsing PLC, and is a Group Director of most Companies in the Carson Cumberbatch Group in Sri Lanka, Indonesia, Malaysia and 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. At present he is the Honorary Consul of the Republic of Chile in Sri Lanka.

He 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 the prestigious 'PRAVASI BHARATIYA SAMMAN AWARD' by the President of India.

He also received the Presidential Honour of 'ORDER OF KNIGHT COMMANDER' in October 2013, awarded by the Government of Chile.

Israel Paulraj

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

He served as 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 and National Chamber of Commerce of Sri Lanka Shippers Council. He served on the Board

of Arbitrators of the Ceylon Chamber of Commerce. He has served as 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 and Hony. Treasurer of the National Christian Council of Sri Lanka. He has also served as 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 H.E. the President R.Premadasa. He served as Chairman of the Ecumenical Loan Fund of Sri Lanka and on 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 of Law Degree and an Executive Diploma in Business Administration.

Chandima Gunawardena

Chandima Gunawardena serves as a Non-Independent, Non-Executive Director of Carson Cumberbatch PLC and in most of the Carsons Group Companies 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.

He 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 Carsons 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 and presently serves as the Chief Executive Officer for the Plantations, Oils and Fats Sector of the Carsons 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 Carsons Group.

He has previously served on the Board of Union Assurance PLC and counts over 31 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.

Profile of the Directors

Kenneth Sellayah

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

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

Nalake Fernando

Nalake Fernando is a Director of the Property Management Companies of the Carson Cumberbatch Group - Equity One PLC and Equity Two PLC. He is also a Director of Carsons Management Services (Private) Limited and in some of the Boards of the Malaysian Plantation Companies of the Carsons Group. He was the Country representative for Sri Lanka with Dalekeller & Associates Ltd, Designers and Skidmore Ownings & Merrill Architects. He was also a Director of SKC Management Services Ltd.

He counts over 40 years of work experience and holds a Technician's Certificate of the Institute of Work Study Practitioners of UK.

Subramaniam Mahendrarajah

Subramaniam Mahendrarajah is a Director of Selinsing PLC, Indo-Malay PLC, Guardian Capital Partners PLC, Equity One PLC and Leechman & Company (Private) Ltd. He is also the Group Finance Director of Sri Krishna Group of Companies. He has over 40 years 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, and
- reasonable and prudent judgments and estimates have been made,
- listing rules of the Colombo Stock Exchange (CSE) have been met, and
- Code of best practise on corporate governance issued jointly by the Institute of Chartered Accountants of Sri Lanka (ICASL) and the Securities & 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. 7 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.

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 (Pvt) Ltd.

Secretaries

Colombo

25th April 2016

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 at a meeting held on 25th April 2016.

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 2016 of Shalimar (Malay) PLC, a public limited liability Company incorporated in Sri Lanka in 1909.

2. The Principal Activities of the Company

There were no significant changes in the nature of the principal activities of the Company during the financial year under review, where the principal activity of the Company continues to be cultivation of oil palm and managing and holding of investments.

3. 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 to 3 and Review of Industry and Operational Performance on pages 4 to 5. These reports form an integral part of the Annual Report of the Board of Directors on the Affairs of the Company.

4. Financial Results

The Company recorded a net profit after tax of Rs. 77.80 mn for the year. An abridgement of the Company's performance is presented in the table below.

5. Auditors' Report

The Auditors' Report on the Financial Statements is given on page 29 of this Annual Report.

6. Significant Accounting Policies

The Accounting policies adopted in the preparation of the Financial Statements are given on pages 35 to 49 in the Notes to the Financial Statements.

<i>For the year ended 31st March</i>	2016	2015
	Rs. '000	Rs. '000
Profit after taxation	77,799	66,202
Profit brought forward from previous year	307,584	320,583
Adjustment for super gain tax	(33,562)	-
Profit available for appropriation	351,821	386,785
Other comprehensive income	176	(223)
Appropriation		
Dividend paid	(75,023)	(78,978)
Unappropriated profits carried forward	276,974	307,584

7. Financial Statements

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

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 2016 are set out on pages 30 to 66.

8. Statement of Directors' Responsibilities

The Statement of Directors' Responsibilities for the Financial Statements is given on page 11 of this Annual Report.

9. Interests Register

9.1 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.

9.2 Remuneration of Directors

The Directors' remuneration of the Company, for the financial year ended 31st March 2016, is given in Note 5 and Note 25.2 to the Financial Statements on pages 50 and 65 respectively.

Aggregate remuneration paid to the Non-Executive Directors are disclosed under Note 5 on page 50 and Note 25.2 on page 64.

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

9.3 Directors' Interests in Contracts and Shares

Directors' interests in contracts of the Company are disclosed in Note 25.3 on page 65 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 2016	1st April 2015
Mr. H. Selvanathan	-	-
Mr. M. Selvanathan	1	1
Mr. I. Paulraj	-	-
Mr. D.C.R. Gunawardena	-	-
Mr. A.K. Sellayah	-	-
Mr. P.C.P. Tissera	-	-
Mr. K.C.N. Fernando	-	-
Mr. S. Mahendrarajah (appointed w.e.f. 1st June 2015)	53	60

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

10. Corporate Donations

There were no donations granted during the year.

11. 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.

11.1 Directors to Retire by Rotation

In terms of Articles 87 & 88 of the Articles of Association of the Company, Mr. D.C.R. Gunawardena retires by rotation and being eligible, offers himself for re-election.

11.2 Appointment of Directors who are over Seventy Years of Age

Mr. I. Paulraj and Mr. A.K. Sellayah 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 that the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not be applicable to the said Directors.

11.3 Retirement at the first Annual General Meeting following the appointment as a Director

In terms of Article 94 of the Articles of Association of the Company, Mr. S. Mahendrarajah retires from the Board and being eligible offers himself for re-election.

12. Auditors

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

A sum of Rs. 692,000 was paid to them by the Company as audit fees for the year ended 31st March 2016 (2015: Rs. 668,000).

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 remuneration 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.

12.1 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.

13. 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).

13.1 Minimum Public Holding

As per the Colombo Stock Exchange (CSE) Listing Rule No. 7.13, a Listed Entity on the Main Board having a Public Holding below the specified requirement in terms of the CSE Rules, has to ensure that the Public Holding of such Entity is maintained at a minimum level of 15% of its total ordinary voting shares in the hands of a minimum number of 500 public shareholders on or before 31st December 2015. The Company does not at present satisfy the requirement relating to minimum public holding.

Accordingly, the Company has made an application to the Securities and Exchange Commission of Sri Lanka on 1st December 2015 requesting an extension to maintain the Minimum Public Holding of the Company below the required Levels till 31st December 2017 and informing the Action Plan of the Company. The Company has already made an announcement on 1st December 2015 to the shareholders detailing the Action Plan of the Company.

13.2 Board of Directors

The following Directors held office during the period under review and their brief profiles are given on pages 8 to 10 of this Annual Report.

Directors	Executive/Non-Executive/Independent
Mr. H. Selvanathan	Executive
Mr. M. Selvanathan	Executive
Mr. I. Paulraj	Non-Executive
Mr. A.K. Sellayah	Non-Executive/Independent*
Mr. D.C.R. Gunawardena	Non-Executive
Mr. P.C.P. Tissera	Executive
Mr. K.C.N. Fernando	Executive
Mr. S. Mahendrarajah	Non-Executive/Independent**
(Appointed w.e.f. 1st June 2015)	

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 25th April 2016, 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. A. K. Sellayah is an Independent Director in spite of being on the Board for more than nine years and being a Director of Good Hope 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.

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

** The Board has determined that Mr. S. Mahendrarajah is an Independent Director in spite of being a Director on the Boards of Indo-Malay PLC and Selinsing PLC, in which majority of the other Directors of the Board are also Directors and being a Director of Selinsing PLC which has a significant shareholding in the Company, since he is not directly involved in the management of the company.

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

13.3 Directors' Meetings

Three Board Meetings were convened during the financial year and the attendance of the Directors were as follows.

Directors	Meetings Attended (out of 3)
Mr. H. Selvanathan	3
Mr. M. Selvanathan	3
Mr. I. Paulraj	2
Mr. D.C.R. Gunawardena	3
Mr. A.K. Sellayah	2
Mr. P.C.P. Tissera	3
Mr. K.C.N. Fernando	3
Mr. S. Mahendrarajah (appointed w.e.f. 1st June 2015)	2

13.4 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.

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

* Appointed w.e.f. 18th May 2015

** Appointed w.e.f. 28th July 2015

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.

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 and 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 or 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 remunerations paid to the Non-Executive Directors are disclosed under Note 5 on page 50 and Note 25.2 on page 65.

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

13.5 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 23 to 24 of this Annual Report.

13.6 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 w.e.f. 1st January 2016 and comprises of the following members.

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

R P T R C 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 Related Party Transactions Review Committee report is given on pages 25 and 26 of this Annual Report.

13.6.1 Non-Recurrent Related Party Transactions

There were no non-recurrent related party transactions which in aggregate value exceeds 10% of the equity or 5% of the total assets whichever is lower of the Company as per audited Financial Statements of 31st March 2015, which required additional disclosures in the Annual Report 2015/16 under 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.

Non-recurrent related party transaction are disclosed under Note 25.1 to the Financial Statement in page 61.

13.6.2 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 2015 are disclosed under Note 25.1 on page 64 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.

14. Dividend

The Company has paid an interim dividend of Rs. 7.25 per share resulting in a total outflow of Rs. 50,315,580 during the year.

15. Solvency Test

Taking into account the said distribution, the Directors are satisfied that the Company would meet the Solvency Test requirement under Section 56 (2) of the Companies Act No. 7 of 2007 immediately after the distribution. The Company's Auditors, Messrs. Ernst & Young have issued a Certificate of Solvency confirming the same.

16. Stated Capital

The Stated Capital of the Company as at 31st March 2016 was Rs. 69,400,800 comprising of 6,940,080 ordinary shares

given in note 14 on page 59. There was no change in the Stated Capital of the Company during the year.

17. Shareholders' Funds

Total reserves of the Company as at 31st March 2016 was Rs. 6,499.92 mn (2015: Rs. 5,413.07 mn) comprising of Retained Earnings of Rs. 276.97 mn (2015: Rs. 307.58 mn) and Other reserves of Rs. 6,222.95 mn (2015: Rs. 5,105.49 mn). Total reserves combined with Stated Capital as at 31st March 2016 was Rs. 6,569.32 mn (2015: Rs. 5,482.47 mn).

The movements are shown in the Statement of Changes in Equity given on page 33.

18. 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 (2015: Rs. 0.29 mn).

The movements in property, plant & equipment and biological assets during the year are set out in Notes 10 and 11 on pages 54 to 56 respectively.

19. Sale of Property

As mentioned in the Chairman's Statement, an announcement was made to the Colombo Stock Exchange ("CSE") on 1st December 2015 whereby the Company gave notice of an action plan that included, if feasible, the sale of the plantation in Malaysia.

The Board of Directors of your Company has taken a decision to convene an Extraordinary General Meeting ('EGM') of the Company to

consider the proposed sale of its plantation and is explained in the Notice of the EGM which will be sent out to the shareholders.

However, thus far no potential buyers or bids have been received in respect of this property from 3rd parties. Accordingly, the assets continue to be carried in the Company's books using the valuation basis/method consistent with that used in the previous years.

20. Value of the Properties

The Company consequent to the market disclosure dated 1st December 2015 as explained in Note 10.1(i), obtained the following valuations of the property by engaging independent professional valuers to ascertain the realizable value from the sale of the property which can be recognized only on the actual realization.

- (a) Savills (Malaysia) Sdn. Bhd. of RM 96 mn (Rs. 3,527 mn).
- (b) Jones Lang Wootton (Proprietor: Singham Sulaiman Sdn Bhd) of RM 80 mn (Rs. 2,939 mn).
- (c) W. M. Malik & Kamaruzaman of RM 84.53 (Rs. 3,105.63 mn)

As disclosed in the Accounting Policy 2.3. 1.4 (b) and as required by applicable accounting standards, the Company continues to recognize the fair value based on existing use basis (oil palm plantation) for the Financial Statements consistent with that of the previous year. Accordingly, the freehold land was revalued in March 2016 based on existing use (Oil Palm Plantation) basis, by an independent professional valuer W. M. Malik, a member of the Institution of Surveyors, Malaysia, a partner with W. M. Malik & Kamaruzaman.

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

The value of freehold land reflected in the Financial Statements as at 31st March 2016 is Rs. 1,359.28 mn compared to Rs. 1,324.70 mn in 2015. The details of freehold land valuation is given in Note 10.1.(i) on page 54 to the Financial Statements.

21. Value of Biological Assets

Biological assets of the Company are stated at fair value. The Company obtains the services of an independent professional valuer to establish the fair value of biological assets which are performed in accordance with international valuation standards and considering industry specific and relevant methodologies. The valuation basis/techniques and the assumptions used therein have been deliberated and agreed by the Management and are disclosed under Note 11.

Accordingly, the fair value of biological assets as at 31st March 2016 was Rs. 230.4 mn (2015: Rs. 198.7 mn) as disclosed under Note 11 on pages 55 and 56 to the Financial Statements.

22. Value of the Investment Portfolio

Unquoted Investments - The Company obtained the services of PricewaterhouseCoopers Capital Sdn. Bhd, Malaysia (PWC) to value the indicative fair value of the Company's equity interest in the unquoted investment in SDSB. The methodology followed, key assumptions used and sensitivity analysis are disclosed in Note 12 to the Financial Statements. The valuation techniques, inputs and

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

The fair value of the Company's investment as at 31st March 2016 was Rs. 5,001.77 mn (2015: Rs. 3,922.35 mn) as disclosed under Note 12 on page 57 and 58 to the Financial Statements.

23. 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.

The Company paid Rs. 33.56 mn as Super Gain Tax (SGT) during the year under review and the details are disclosed under Note 16 on page 60 to the Financial Statements.

24. Going Concern

Having taken into account the financial position and future prospects, the Directors have a reasonable expectation that the Company has adequate resources to continue to be in operational existence for the foreseeable future. For this reason the Company continues to adopt the going concern basis in preparing the Financial Statements.

25. Events After the Reporting Date

Subsequent to the reporting date, no material circumstances have arisen, which would require adjustments to or disclosure in the Financial Statements other than those disclosed in Note 23 on page 63 to the Financial Statements.

26. Share Information

The details relating to earnings, net assets, market value per share and information on share trading is given on pages 78 to 79 of this Annual Report.

27. Annual Report

The Board of Directors on 25th April 2016 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 Seventh Annual General Meeting of the Company will be held on the 26th day of May 2016 at 10.00 a.m at the 8th Floor, No. 65C, Dharmapala Mawatha, Colombo 7. The Notice of Annual General Meeting is on page 80 of this Annual Report.

29. Twenty Major Shareholders

Name of shareholders	2016		2015	
	No. of shares	%	No. of shares	%
Goodhope Asia Holdings Ltd	5,775,573	83.22	5,775,573	83.22
Selinsing PLC	744,984	10.73	744,984	10.73
Good Hope PLC	215,136	3.10	215,136	3.10
Indo-Malay PLC	153,576	2.21	153,576	2.21
Mr. K.C. Vignarajah	27,351	0.39	26,931	0.39
Mrs. S. Vignarajah	4,759	0.07	4,759	0.07
Dr. D. Jayantha	2,100	0.03	2,100	0.03
Mr. J.A.A. Chandrasiri	1,798	0.03	1,798	0.03
Best Real Invest Co Services (Private) Limited	1,708	0.02	1,706	0.02
Mr. N.K. Punchihewa	1,259	0.02	1,500	0.02
Mr. M.M.A. Ameen	1,200	0.02	1,200	0.02
Miss. K.R. Vignarajah	810	0.01	800	0.01
Dr. R.D. Kahandawa Arachchi	700	0.01	700	0.01
Mrs. F.H. Ameen	500	0.01	500	0.01
Mr. P.K.D.F. Pitigala	500	0.01	500	0.01
Mr. N.S.C. De Silva	500	0.01	500	0.01
Mr. V.H.D.S.S. Siriwardena	424	0.01	424	0.01
Mr. V. Baskerasundaram	400	0.01	400	0.01
Mrs. N.K.I. Munavir	400	0.01	400	0.01
Miss S. Subramaniam	300	0.00	300	0.01

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

30. 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 pages 5 and 6 of this Annual Report. Action plans to monitor and manage these risks are incorporated into the business plans and reviewed on a continuous basis.

31. Pending litigation

There are no litigations currently pending against the Company.

32. Human Resources

The Company has no employees other than the plantation workers in its Malaysian operations, since the business and operation of the Company are managed by Agro Harapan Lestari Sdn. Bhd. The Company has had no material issues pertaining to employees and industrial relations during the year ended 31st March 2016.

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

25th April 2016

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 the 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 Shalimar (Malay) 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- Plantations and Oils & Fats Sector, Internal Auditors, 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.

Audit Committee Report

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 Shalimar (Malay) PLC have been reviewed by the Audit Committee Members at Audit Committee Meetings. The draft Financial Statements of Shalimar (Malay) PLC for the year ended 31st March 2016 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 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 the field audits at estate level are planned and implemented every alternate year, which are carried out by the Plantation Sector Internal Audit Team. As directed by the Audit Committee the Plantation Sector Internal Audit carried out a sales pricing related review, during the current year.

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 2017, subject to the approval of the shareholders of Shalimar (Malay) PLC at the Annual General Meeting.

(Sgd)

V.P. Malalasekera

Chairman – Audit Committee

Carson Cumberbatch PLC

25th April 2016.

Related Party Transactions Review Committee Report

The Related Party Transactions Review Committee (RPTRC) of Carson Cumberbatch PLC was constituted on 1st January 2016.

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

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', 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 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.

The self-declarations from the Directors and Key Management Personnel (KMP) 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

Related Party Transactions Review Committee Report

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 (KMP). Further, processes have been introduced to obtain annual disclosures from all KMPs so designated.

The Committee held its First Meeting on 9th March 2016 with all Members in attendance. The Related Party Transactions of the Company as at that date were 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.

(Sgd.)

V.P. Malalasekera

*Chairman – Related Party Transactions
Review Committee*

Carson Cumberbatch PLC

25th April 2016

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Independent Auditors' Report



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TO THE SHAREHOLDERS OF SHALIMAR (MALAY) PLC

Report on the Financial Statements

We have audited the financial statements of Shalimar (Malay) PLC ("the Company"), which comprise the statement of financial position as at 31 March 2016, and the statement of profit or loss, statement of 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 30 to 66)

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, 2016, 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 & Young
Chartered Accountants
25th April, 2016
Colombo

Statement of Profit or Loss

<i>For the year ended 31st March</i>		2016	2015
	Note	Rs. '000	Rs. '000
Revenue	3	168,512	172,518
Direct Operating Costs		(49,590)	(55,706)
Gross Profit		118,922	116,812
Gain arising from changes in fair value of biological assets	11	24,308	2,994
Other income and gains	4	358	527
Administrative expenses		(38,656)	(28,078)
Finance costs	25.1	(233)	-
Profit Before Income Tax	5	104,699	92,255
Income tax expense	6	(26,900)	(26,053)
Profit for the Period		77,799	66,202
Earnings Per Share (Rs.)	7	11.21	9.54
Dividend Per Share* (Rs.)	7.1	7.25	3.56

The Accounting Policies and Notes from pages 35 to 66 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

** Includes only interim dividend paid for the current year whereas, in the comparative period includes only final dividend proposed (as no interim dividend was paid in the previous financial year).*

Statement of Comprehensive Income

<i>For the year ended 31st March</i>		2016	2015
	Note	Rs. '000	Rs. '000
Profit for the Year		77,799	66,202
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	38,224	(179,020)
Gain on change in fair value of Available - For - Sale Financial Assets	12.1	1,079,227	464,014
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods		1,117,451	284,994
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods			
Actuarial Gain/(Loss) on Defined Benefit Plan	18	232	(294)
Income tax effect	17	(56)	71
		176	(223)
Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods		176	(223)
Other Comprehensive Income/ (Loss) for the year, net of tax		1,117,627	284,771
Total Comprehensive Income/(Loss) for the year, net of tax		1,195,427	350,973

The Accounting Policies and Notes from pages 35 to 66 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

Statement of Financial Position

As at	Note	31st March 2016 Rs. '000	31st March 2015 Rs. '000
Assets			
Non-Current Assets			
Property, Plant and Equipment	10	1,380,425	1,346,918
Biological Assets	11	230,490	198,706
Non Current Financial Assets	12	5,001,578	3,922,351
Total Non-Current Assets		6,612,493	5,467,975
Current Assets			
Inventories		733	231
Trade and Other Receivables	13	21,486	24,870
Advance and Prepayments		1,351	577
Taxation receivable		-	4,226
Cash and Cash Equivalents		12,813	43,154
Total Current Assets		36,383	73,058
Total Assets		6,648,876	5,541,033
Equity and Liabilities			
Equity			
Stated Capital	14	69,401	69,401
Retained Earnings		276,974	307,584
Other Reserves	15	6,222,941	5,105,490
Total Shareholders Funds		6,569,316	5,482,475
Non-Current Liabilities			
Deferred Tax Liability	17	57,889	50,217
Retirement Benefit Obligations	18	2,870	2,674
Total Non-Current Liabilities		60,759	52,891
Current Liabilities			
Trade and Other Payables	19	13,339	3,121
Provision and Accrued Expenses		2,941	2,546
Income Tax Payable		2,521	-
Total Current Liabilities		18,801	5,667
Total Equity & Liabilities		6,648,876	5,541,033
Net Assets per Ordinary Share (Rs.)		946.58	789.97

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

(Sgd.)

C. S. Karunasena

Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these Financial Statements. The Accounting Policies and Notes from pages 35 to 66 form an integral part 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.

25th April, 2016
Colombo

(Sgd.)

H. Selvanathan

Chairman

(Sgd.)

P. C. P. Tissera

Director

Statement of Changes in Equity

	Note	Stated	Capital	Currency	Available-	Retained	Total
		Capital	Accretion	Translation	For - Sale	Profits	Equity
		Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance as at 1st April 2014		69,401	1,523,893	(69,900)	3,366,503	320,583	5,210,480
Profit for the year		-	-	-	-	66,202	66,202
Other Comprehensive Income/(Loss)		-	-	(179,020)	464,014	(223)	284,771
Total Comprehensive Income/(Loss)		-	-	(179,020)	464,014	65,979	350,973
Final Dividend - 2013/14	7.1	-	-	-	-	(78,978)	(78,978)
Balance as at 31 March 2015		69,401	1,523,893	(248,920)	3,830,517	307,584	5,482,475
Balance as at 1st April 2015		69,401	1,523,893	(248,920)	3,830,517	307,584	5,482,475
Super gain tax expense	16	-	-	-	-	(33,562)	(33,562)
Adjusted balance as at 1st April 2015		69,401	1,523,893	(248,920)	3,830,517	274,022	5,448,913
Profit for the year		-	-	-	-	77,799	77,799
Other Comprehensive Income/(Loss)		-	-	38,224	1,079,227	176	1,117,627
Total Comprehensive Income/(Loss)		-	-	38,224	1,079,227	77,975	1,195,426
Final Dividend - 2014/15	7.1	-	-	-	-	(24,707)	(24,707)
Interim Dividend - 2015/16	7.1	-	-	-	-	(50,316)	(50,316)
Balance as at 31 March 2016		69,401	1,523,893	(210,696)	4,909,744	276,974	6,569,316

The Accounting Policies and Notes from pages 35 to 66 form an integral part of these Financial Statements. Nature of the reserves are described in Note 15 to the Financial Statements.

Figures in brackets indicate deductions.

Cash Flow Statement

<i>For the year ended 31st March</i>		2016	2015
	Note	Rs. '000	Rs. '000
Cash Flows from Operating Activities			
Profit Before Taxation		104,699	92,255
Adjustments for:			
Depreciation on Property, Plant and Equipment	10	1,543	1,858
Gain on disposal of property, plant and equipment		-	(477)
Write-off of property, plant and equipment		-	1,233
Provision for retirement benefit obligations	18	359	296
Interest income	3	(647)	(1,861)
Net gain from change in fair value of biological assets	11	(24,308)	(2,994)
Interest expense	25.1	233	-
Exchange differences in currency translation of Malaysian Operations		(4,232)	(4,789)
Operating profit before working capital changes		77,647	85,521
Decrease/(Increase) in inventories		(502)	111
Decrease/(Increase) in trade and other receivables		2,608	(5,661)
Increase/(Decrease) in trade payable and accruals		3,373	(7,815)
Cash generated from operations		83,126	72,156
Tax paid		(12,537)	(29,888)
Super gain tax paid	16	(33,562)	-
Net cash inflows from operating activities		37,027	42,268
Cash Flows from Investing Activities			
Proceeds from sale of property, plant and equipment		-	478
Purchase of Property, Plant and Equipment	10	-	(288)
Interest income		647	1,861
Net cash generated in investing activities		647	2,051
Cash Flow from Financing Activities			
Interest paid	25.1	(233)	-
Dividend paid		(67,782)	(79,029)
Net cash used in financing activities		(68,015)	(79,029)
Net decrease in cash & cash equivalents		(30,341)	(34,710)
Cash & cash equivalents at the beginning of the year		43,154	77,864
Cash & cash equivalents at the end of the year (Note A)		12,813	43,154
Note A			
Cash & Cash Equivalents			
Cash and Bank balances		10,172	23,731
Short-term Deposits		2,641	19,423
		12,813	43,154

The Accounting Policies and Notes from pages 35 to 66 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

Notes to the Financial Statements

1. CORPORATE INFORMATION

1.1 General

Shalimar (Malay) 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 and the principal place of business is situated at Ladang Shalimar, 45700, Bukit Rotan, Selangor Darul Ehsan, Malaysia.

1.2 Principal Activities and Nature of Operations

During the year, the principal activities of the Company were cultivation of oil palm and selling of fresh fruits Bunches and the 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 Shalimar Malay PLC for the year ended 31st March 2016 was authorized for issue in accordance with a resolution of the board of directors on 25th April 2016.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 General Accounting Policies

2.1.1 Statement of Compliance

The Financial Statements of Shalimar (Malay) 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 items in the statement of Financial Position,

- Biological assets are measured at fair value less cost to sell

Notes to the Financial Statements

- 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 Comparative Information

The accounting policies have been consistently applied by the Company and, are consistent with those used in the previous year. Previous year's figures and phrases have been re-arranged whenever necessary to conform to current presentation.

2.2 Summary of Significant Accounting Policies

2.2.1 Conversion of Foreign Currencies

(a) Presentation Currency

The Financial Statements are presented in Sri Lanka Rupees.

(b) Investment Operations in Sri Lanka

The functional currency of the investment operations in Sri Lanka is Sri Lanka 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 Lanka 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 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

Notes to the Financial Statements

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 used (Oil Palm Plantations) basis annually in order to ensure that the book value reflects the market value.

Any surplus or deficit arising there from 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 Biological Assets

Biological Assets represent immature and mature palm oil plantations and are stated at fair value less costs to sell. Oil palm trees have an average life up to 26 years, with the first 30 to 36 months as immature and the remaining years as mature. As market determined prices or values are not readily available for plantations in its present condition, the Company uses the present value of expected future cash flows (excluding any future cash flows for financing the assets, taxation, or re-establishing plantations after harvest) from the asset, discounted at a current market determined pre-tax rate in determining fair values.

Gains or losses arising on initial recognition of plantations at fair values less costs to sell and from the change in fair values less costs to sell of plantations at each reporting date are included in the Statement of Profit or Loss for the period in which they arise.

2.3.3 Financial Instruments — Initial Recognition and Subsequent Measurement

Financial assets within the scope of LKAS 39 are classified 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 marketplace (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, 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 recognised

Notes to the Financial Statements

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 other comprehensive income in the available-for-sale reserve until the investment is derecognised, 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 estimate 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.

Derecognition

A financial asset is derecognised 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 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

Notes to the Financial Statements

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 payables.

Subsequent measurement

Trade and other payables are measured at amortized cost.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

2.3.4 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.

2.3.5 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

(1) 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". An actuarial valuation of the gratuity liability of the Company as at 31 March 2016 was undertaken by Actuarial and Management Consultants (Pvt) Ltd, a firm of professional actuaries.

The result of such valuation was incorporated in these Financial Statements.

The define benefit costs comprise the following:

- Service cost
- Interest cost on the define benefit liability
- Re-measurement of define 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.

Notes to the Financial Statements

(2) 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.

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 Malaysia 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.

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	10
Deferred tax	2.2.2(b)	17
Impairment of assets	2.3.3/2.3.6	-
Employee Benefit Liabilities	2.4.1	18
Financial Instruments	2.3.3	9/12/13/19
Biological Assets Valuation	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 is 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 biological assets, 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	9/ 10/ 11
Quantitative disclosures of fair value measurement hierarchy	9
Investment in unquoted equity shares	9/ 12.1
Property, plant and equipment under revaluation model	10
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 categorization (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 Biological Assets and Freehold Land unquoted involvement of external valuers is decided upon annually by the Management after discussion with and approval by the Company's Audit Committee. Selection criteria include market

Notes to the Financial Statements

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 re-assessed 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 for the financial year ended 31st March 2016. 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 01st 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 01st January 2018.

**(c) Amendment to LKAS 16
property plant and Equipment
and LKAS 41 Agriculture**

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of LKAS 41. Instead, LKAS 16 will apply. After initial recognition, bearer plants will be measured under LKAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of LKAS 41 measured at fair value less costs to sell. This amendment is retrospectively effective for annual periods beginning on or after 01st January 2016, with early adoption permitted.

Pending the detailed review on the above standards, the extent of the impact has not been determined by the Management.

Notes to the Financial Statements

<i>For the year ended 31st March</i>		2016	2015
		Rs. '000	Rs. '000
3. REVENUE			
Oil Palm:			
Sale of fresh fruit bunches		167,865	170,657
Investment:			
Interest income		647	1,861
		168,512	172,518
4. OTHER INCOME AND GAINS			
Other income		358	527
		358	527
5. PROFIT BEFORE TAX			
is stated after charging all expenses including the following:			
Depreciation (Note 10)		1,543	1,858
Management fee, performance incentive and sales commission (Note 25.1)		19,374	20,207
Professional Fees		12,522	2,657
Auditors' remuneration		692	668
Directors' fees (Note 25.2)		1,150	900
Personnel costs (Note 5.1)		25,835	24,149
5.1 Personnel Costs*			
Salaries, wages and other staff related expenses		24,560	22,911
Defined contribution plans - EPF		916	942
Retirement benefit obligations (Note 18)		359	296
		25,835	24,149

*The Company has no employees, other than the plantation workers in its Malaysian operations.

6. TAXATION

6.1 Major components of income tax expense

The major components of income tax expense for the year ended 31st March 2016 and 2015 are:

<i>For the year ended 31st March</i>		2016	2015
		Rs. '000	Rs. '000
Statement of profit or loss			
Current Income Tax			
Current year Income tax expense (Note 6.2)		23,137	24,813
Deferred Income Tax			
- Origination /(Reversal) of temporary differences (Note 17)		3,763	1,240
Income tax expense recognized in the statement of profit or loss		26,900	26,053
Other Comprehensive Income			
Deferred tax on actuarial gains and losses (Note 17)		56	(71)
Income tax charged directly to other comprehensive income		56	(71)

6.2 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 year ended 31st March 2016 and 31st March 2015 are as follows:

<i>For the year ended 31st March</i>	2016	2015
	Rs. '000	Rs. '000
Profit before tax	104,699	92,255
Tax at the domestic rates applicable to profits generated in the countries where the Company operates	12,678	11,349
Adjustments:		
Non-deductible expenses	2,231	1,288
Income not subject to tax		
including biological gains (Note 6.3 (d) and Note 11)	(2,960)	(364)
Double tax credit for Malaysian Branch (Note 6.3 (b))	(11,757)	(11,819)
Others-Taxation in Malaysian Branch (Note 6.3 (a))	22,945	24,359
Deferred Tax (Notes 17)	3,763	1,240
Income tax expense recognised in profit or loss	26,900	26,053

6.3 Taxation of Profits

- (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% (2015 - 25%).
- (b) During the year ended 31 March 2016, as provided for under Section 46 of the Inland Revenue Act No. 10 of 2006, these profits are liable to tax in Sri Lanka at 12% (2015 - 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 in Sri Lanka on profits from plantation in Malaysia.
- (d) In terms of Section 9 & 10 of the Inland Revenue Act No. 10 of 2006, and amendments thereto, dividend and interest income received from Malaysia is exempt from income tax.
- (e) Profits of the Company, other than such referred to in Note 6.3 (b) and (d) are liable to tax at a rate of 28% (2015 - 28%).

6.4 Dividend Tax

Dividend distribution would consist of a distribution of operational profits and a redistribution of dividend income. Redistribution of dividend income received from an already taxed source would not be liable to dividend tax.

Notes to the Financial Statements

7. EARNINGS PER SHARE

The calculation of Earnings per ordinary share of Rs. 11.21 (2015 - Rs. 9.54) is based on the profit after taxation over the weighted average number of ordinary shares in issue during the year.

The following reflects the income and share data used for the computation of Earnings per Share;

<i>For the year ended 31st March</i>	2016	2015
Numerator		
Profit for the year (Rs.)	77,799,155	66,201,606
Profit attributable to ordinary shareholders (Rs.)	77,799,155	66,201,606
Denominator		
Number of ordinary shares (Note 14)	6,940,080	6,940,080
Earnings Per Share (Rs.)	11.21	9.54
<i>For the year ended 31st March</i>	2016	2015
	Rs. '000	Rs. '000

7.1. Dividend Paid or Proposed

Dividend paid during the year

Dividend on ordinary shares:

Interim Dividend for 2016: Rs.7.25 per share

(2015: Rs. Nil per share)

50,316 -

Final Dividend for 2015: Rs.3.56 per share

(2014: Rs.11.38 per share)

24,707 78,978

Dividend proposed for approval at AGM (Not recognised as a liability as at 31 March)

2016: Rs. Nil per share (2015: Rs. 3.56 per share)

- 24,707

	2016	2015
Dividend Per Share (Rs.) *	7.25	3.56

*Dividend per share is calculated by considering interim dividend paid for the year under review whereas, in the comparative period considering final dividend proposed (as no interim dividend was paid in the previous year).

8. FOREIGN CURRENCY TRANSLATION

The Accounting Policy on foreign currency translation is shown under 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 31st March</i>	2016	2015
	Rs.	Rs.
Malaysian Ringgit	36.74	35.80
US Dollar	144.69	133.32

9. 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 2016 and 2015:

	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 2016					
Non Financial Assets					
Land (Note: 10)	March 2016	1,359,280	-	-	1,359,280
Biological Assets (Note: 11)	March 2016	230,490	-	-	230,490
Non Financial Assets as at 31 March 2016		1,589,770	-	-	1,589,770
AFS financial assets (Note: 12.1)					
Unquoted equity shares Shalimar Developments Sdn.Bhd	December 2015	5,001,578	-	-	5,001,578
AFS financial assets as at 31 March 2016		5,001,578	-	-	5,001,578
As at 31 March 2015					
Non Financial Assets					
Land (Note: 10)	March 2013	1,324,704	-	-	1,324,704
Biological Assets (Note: 11)	March 2015	198,706	-	-	198,706
Non Financial Assets as at 31 March 2015		1,523,410	-	-	1,523,410
AFS financial assets (Note: 12.1)					
Unquoted equity shares Shalimar Developments Sdn.Bhd	March 2015	3,922,351	-	-	3,922,351
AFS financial assets as at 31 March 2015		3,922,351	-	-	3,922,351

Key assumptions, methods of valuations and significant unobservable inputs for assets categorised under Level 3 of the Fair value measurement hierarchy are disclosed under Note 10, 11 and 12 to the Financial Statements.

Notes to the Financial Statements

10. PROPERTY, PLANT & EQUIPMENT
10.1 Movement of Property, Plant & Equipment

	Freehold Land Rs. '000	Freehold Buildings Rs. '000	Plant & Machinery Rs. '000	Furniture and Fittings and Equipment Rs. '000		Motor Vehicles Rs. '000	Total Rs. '000
				Plant & Machinery	Furniture and Fittings and Equipment		
Cost/Valuation As at 01 April 2015	1,324,704	30,381	686	1,496	5,867	1,363,134	
Additions	-	-	-	-	-	-	
Translation adjustment for the year	34,576	793	19	39	153	35,580	
As at 31 March 2016	1,359,280	31,174	705	1,535	6,020	1,398,714	
Depreciation							
As at 01 April 2015	-	9,210	528	956	5,522	16,216	
Charge for the year	-	1,280	47	73	143	1,543	
Translation adjustment for the year	-	330	16	27	157	530	
As at 31 March 2016	-	10,820	591	1,057	5,821	18,289	
Net Book Value							
As at 31st March 2016	1,359,280	20,354	114	478	199	1,380,425	
As at 31st March 2015	1,324,704	21,171	158	540	345	1,346,918	

(i) The company consequent to the market disclosure dated 1st December 2015, obtained the following valuations of the property by engaging independent professional valuers to ascertain the realizable value from the sale of the property which can be recognized only on the actual realization.

- (a) Savills (Malaysia) Sdn. Bhd. of RM 96 mm (Rs. 3,527 mm).
 (b) Jones Lang Wootton (Proprietor: Singham Sulaiman Sdn Bhd) of RM 80 mm (Rs. 2,939 mm).
 (c) W. M. Malik & Kamaruzaman of RM 84.53 (Rs. 3,105.63 mm)

As disclosed in the Accounting Policy 2.3.1.4 (b) and as required by applicable accounting standards, the Company continues to recognize the fair value based on existing use basis (oil palm plantation) for the Financial Statements consistent with that of the previous year. Accordingly, the freehold land was revalued in March 2016 based on existing use (Oil Palm Plantation) basis, by an independent professional valuer W. M. Malik, a member of the Institution of Surveyors, Malaysia, a partner with W. M. Malik & Kamaruzaman.

Valuation technique

Existing use (Oil Palm Plantation) basis

Significant unobservable valuation input

Indicative market value of comparable land

Significant increases (decreases) in indicative market value per hectare of comparable land would result in a significantly higher (lower) fair value measurement.

- (ii) The carrying value of the freehold land, if the asset was carried at historical cost would be Rs. 22 Mn (2015 - Rs. 22 Mn).
- (iii) Property, plant & equipment includes fully depreciated assets having a gross carrying amount of Rs. 13.94 Mn (2015 - Rs. 13.94 Mn).
- (iv) All property, plant and equipment are located in Malaysia.
- (v) During the financial year, the Company has not purchased any property, plant and equipment (2015: Rs. 0.29 Mn).

10.2 Sale of Property

As mentioned in the Chairman's Statement, an announcement was made to the Colombo Stock Exchange ("CSE") on 1st December 2015 whereby the Company gave notice of an action plan that included, if feasible, the sale of the plantation in Malaysia.

The Board of Directors of the Company has taken a decision to convene an Extraordinary General Meeting ('EGM') of the Company to consider the proposed sale of its plantation.

However, thus far no potential buyers or bids have been received in respect of this property from 3rd parties. Accordingly, the assets continue to be carried in the Company's books using the valuation basis/method consistent with that used in the previous years.

11. BIOLOGICAL ASSETS

	2016 Rs. '000	2015 Rs. '000
Carrying value at the beginning of the year	198,706	219,516
Gain arising from changes in fair value	24,308	2,994
	223,014	222,510
Currency translation differences	7,476	(23,804)
Carrying value at the end of the year	230,490	198,706

Biological assets represent mature palms in the Company's Malaysian plantations. As market determined prices or values are not readily available for plantations in its present condition, the company uses present value of expected future cash flows from the assets of the plantation, discounted at current market determined pre-tax rate in establishing the fair value.

Gains or losses arising on initial recognition of plantations at fair value less costs to sell and from the changes in fair values of plantations at each reporting date are included in the profit or loss for the respective period. The deferred tax impact on recognition of biological assets has been charged to the statement of profit or loss.

Notes to the Financial Statements

Analysis of biological assets are as follows:

	2016	2015
	Rs. '000	Rs. '000
Plantation Values		
Mature Plantation	230,490	198,706
	230,490	198,706
	Ha	Ha
Plantation Area		
Mature Plantation	294.82	294.82
	294.82	294.82

11.1 The Company obtains the services of an independent professional valuer to establish the fair value of the biological assets. Accordingly, the biological assets of the Company have been valued in March 2016 and 2015 by KJPP Rengganis, Hamid & Partners of Indonesia. These valuations are performed in accordance with international valuations standards, using the following key assumptions:

- (a) Projected economic production life of palm oil plants is 22 years (2015: 22 years) after maturity.
- (b) Malaysian discount rate per annum of 8.71% in 2016 (2015: 8.58%).
- (c) This valuation is based on market FFB Price. FFB price for the first year is estimated at RM 479 per MT. FFB price is projected to increase for second year at RM 494 per MT. The third year is estimated at RM 511 per MT. The fourth & fifth years are estimated at RM 527 per MT. The remaining years are also estimated at RM 545 per MT.
- (d) Yield per hectare of 19 MT to 37 MT in 2016 (2015: 16 MT to 29 MT). Yield per hectare is based on year of planting, maturity profile and terrain of the plantation.

11.2 Sensitivity of the key assumptions used

	FFB Price		Discount Rate		Yield	
	1% Increase	1% Decrease	0.1% Increase	0.1% Decrease	1% Increase	1% Decrease
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Effect on the carrying value of biological assets - 2016	12,417	(12,380)	(8,670)	8,743	10,727	(10,691)

12. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

12.1. Non Current Financial Assets

As at	31st March 2016 Rs. '000	31st March 2015 Rs. '000
Available-for-sale investments		
Unquoted equity shares (12.1.a)	5,001,578	3,922,351
Total available for sale investments	5,001,578	3,922,351
Total financial assets - Non Current	5,001,578	3,922,351

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

The Company holds a 13.33% equity investment (2015: 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.

12.2. 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.

As at	31st March 2016 Rs. '000	31st March 2015 Rs. '000	31st March 2016 Rs. '000	31st March 2015 Rs. '000
Financial assets				
Available for sale investments	5,001,578	3,922,351	5,001,578	3,922,351
Total	5,001,578	3,922,351	5,001,578	3,922,351

The Company obtained the services of PricewaterhouseCoopers Capital 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 31st December 2015.

Notes to the Financial Statements

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:

- Estimated economic life of PTAI's oil palm plantations of 26 years (including the Immature period).
- Considered one planting cycle (i.e. no replanting at the end of the economic life) and the residual value of land.
- CPO ex-mill prices are projected at USD 450/MT in 2015/16 and stabilize at USD 650/MT.
- Yield per hectare based on year of planting, maturity profile and terrain.
- Weighted average cost of capital (WACC) range of 12% to 13% p.a.
- Indonesian Corporate Taxation rate of 25% p.a.
- Inflation assumed at approximately 5% to 6% p.a.

The Management assessed that the fair value of cash and short term deposits, trade and other receivable, trade and other payable approximate their carrying amount largely due to the short terms maturities of these instruments.

12.3. Sensitivity of the key assumption used:

The significant unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy (Note 9) together with a quantitative sensitivity analysis as at 31 March 2016 are as shown below:

The below values are based on 13.33% equity stake in SDSB and base case is at WACC of 13% p.a.

	WACC		CPO ex – mill price		Yield	
	1 % increase	1 % decrease	5 % increase	5 % decrease	5 % increase	5 % decrease
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Effect of Fair Value of unquoted equity shares in SDSB designated as Asset Available for Sale	(104,632)	114,300	301,957	(301,225)	199,193	198,461

13. TRADE AND OTHER RECEIVABLES

As at	31st March 2016 Rs. '000	31st March 2015 Rs. '000
Trade debtors	10,797	9,284
Amounts Due From Related companies	Relationship	
– Indo-Malay PLC	Fellow Subsidiary	5,268
– Selinsing PLC	Fellow Subsidiary	5,421
		-
	21,486	24,870

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

	Total Rs. '000	Neither Past due nor impaired Rs. '000	Past due but not impaired			
			<30 days Rs.	30 -60 days Rs.	61 - 90 days Rs.	90 days Rs.
At 31 March 2016	10,797	10,797	-	-	-	-
At 31 March 2015	9,284	9,284	-	-	-	-

14. STATED CAPITAL

As at	31st March 2016 Rs. '000	31st March 2015 Rs. '000
Issued and Fully Paid-Ordinary		
6,940,080 Ordinary Shares	69,401	69,401
	69,401	69,401

15. OTHER RESERVES

As at	31st March 2016 Rs. '000	31st March 2015 Rs. '000
Currency translation reserve	(210,696)	(248,920)
Available-for-sale reserve	4,909,744	3,830,517
Capital accretion reserve	1,523,893	1,523,893
	6,222,941	5,105,490

Currency translation reserve

Currency translation reserves 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.

Available-for-sale reserve

Available-for-sale reserve represents the excess between the fair value and cost of available-for-sale financial assets.

Capital accretion reserve

Capital accretion reserve includes surplus arising from revaluation of property, plant and equipment.

The movements of the above reserves are given in the Statement of Other Comprehensive income.

Notes to the Financial Statements

16. SUPER GAIN TAX

As per the provisions of Part III of the Finance Act, No. 10 of 2015 which was certified on 30th October 2015, the Company was liable for Super Gain tax of Rs. 33.56 Million, which was fully settle during the year.

According to the Act, the super gain tax shall be deemed to be an expenditure in the financial statements relating to the year of assessment which commenced on 1st April 2013. The Act supersedes the requirements of the Sri Lanka Accounting Standards, hence the expense of Super gain tax is accounted in accordance with the requirements of the said Act as recommended by the Statement of Alternative Treatment (SoAT) on "Accounting for Super Gain Tax" issued by the Institute of Chartered Accountants of Sri Lanka, dated 24th November 2015.

Accordingly, the resulting Super Gain Tax was recorded as an adjustment to the Opening Retained Earnings reported in the Statement of Changes in Equity as of 1st April 2015. As per the Accounting Provisions of SoAT, the said adjustment did not result in a restatement to the Statement of Financial Position as of 1st April 2015.

17. DEFERRED TAX

	Statement of financial position		Statement of profit or loss	
	2016	2015	2016	2015
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Deferred Tax Liability				
Deferred Tax on Property, Plant & Equipment	3,841	3,681	160	48
Deferred Tax on Biological Assets	59,656	55,891	3,765	1,012
	63,497	59,572	3,926	1,060
Deferred Tax Assets				
Defined Benefit Plans - Through statement of profit or loss	(745)	(571)	(174)	180
Defined Benefit Plans - Through Other Comprehensive Income	56	(71)	-	-
Provision for Ex-Gratia		(11)	11	-
	(689)	(653)	(163)	180
Effect of Exchange Rate movement	(4,919)	(8,702)	-	-
Deferred Income Tax expense			3,763	1,240
Net Deferred Tax Liability	57,889	50,217		

17.1 Reconciliation of Deferred Tax Charge / (Reversal)

	2016	2015
	Rs. '000	Rs. '000
Deferred Tax Charge/ (Reversal) reported in the Statement of profit or loss	3,763	1,240
Deferred Tax Reversal reported in Other Comprehensive Income	56	(71)
	3,819	1,169

18. RETIREMENT BENEFIT OBLIGATIONS

<i>As at</i>	31st March 2016 Rs. '000	31st March 2015 Rs. '000
Retirement Benefits Obligation-Gratuity		
Beginning of the year	2,674	2,358
Charge for the year (Note 18.1)	359	296
Actuarial gain - Recognized in Other Comprehensive Income	(232)	294
Exchange (Gain)/Loss	69	(274)
End of the year	2,870	2,674

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	2015
Discount Rate	4%	4%
Salary Increase Rate	3%	3%
Withdrawal Rate	10%	10%

	2016 Rs. '000	2015 Rs. '000
18.1 Charge for the year		
Interest Cost	110	208
Current Service Cost	249	88
	359	296

18.2 Sensitivity of the principal assumptions used

	Expected Future Salaries		Discount Rate	
	1% increase	1% decrease	1% increase	1% decrease
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
The Change in Present value of Defined Benefit Obligation	76	(74)	(221)	547

18.3 The average future working life of the defined benefit obligation at the end of the reporting period is 8 years.

19. TRADE AND OTHER PAYABLES

<i>As at</i>	31st March 2016 Rs. '000	31st March 2015 Rs. '000
Trade creditors	4,882	2,738
Unclaimed dividend	7,623	383
GST Payable	834	-
	13,339	3,121

Notes to the Financial Statements

20. SEGMENTAL REPORTING

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

(A) Industry

	Oil Palm		Investments		Company	
	2016	2015	2016	2015	2016	2015
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Revenue						
External revenue	167,865	170,657	647	1,861	168,512	172,518
	167,865	170,657	647	1,861	168,512	172,518
Result						
Segment result	108,105	93,746	(3,406)	(1,491)	104,699	92,255
Taxation	(26,750)	(25,760)	(150)	(293)	(26,900)	(26,053)
Profit for the year	81,355	67,986	(3,556)	(1,784)	77,799	66,202

Other Information

Segment assets	1,634,303	1,598,455	5,014,574	3,942,578	6,648,877	5,541,033
Segment liabilities	70,695	56,898	8,865	1,660	79,560	58,558
Capital expenditure*	-	288	-	-	-	288
Depreciation	1,543	1,858	-	-	1,543	1,858
Retirement benefits charge	359	296	-	-	359	296

*Includes expenditure incurred on property plant and equipment.

(B) Geographical

	Malaysia		Sri Lanka		Company	
	2016	2015	2016	2015	2016	2015
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Revenue	167,865	170,657	647	1,861	168,512	172,518
Non-Current Assets	1,610,915	1,545,623	5,001,578	3,922,351	6,612,493	5,467,975

21. CONTRACTS FOR CAPITAL EXPENDITURE

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

22. ASSETS PLEDGED

There were no assets pledged as at the reporting date.

23. EVENTS AFTER THE REPORTING PERIOD

The Company together with Good Hope PLC, Indo-Malay PLC and Selinsing PLC with the approval of the shareholders, intend to provide the plantation property as security in the form of mortgage towards the financing facilities of Goodhope Asia Holdings Ltd, the Company's parent amounting to not more than an aggregate limit of USD 55 Mn (Rs. 7,958 Mn) in order to facilitate the Group's expansion programme of the plantation asset base. The plantation would only be provided as security only in the event the sale of the plantation property as explained in Note 10.2 to the Financial Statements does not materialize.

Further, the Company together with the Good Hope PLC, Indo-Malay PLC and Selinsing PLC have undertaken to provide a corporate guarantee for an amount not more than an aggregate limit of up to USD 55 Mn (Rs.7, 958 Mn).

Goodhope Asia Holdings Ltd will pay commission of 1.2% per annum of the value of the Financing Facility for the provision of the above security and the corporate guarantee. This commission will be distributed to the respective Malaysian plantation companies on a proportionate basis based on the market value of each Company.

There were no any other circumstances which required adjustments to or disclosures in these financial statements.

24. CONTINGENT LIABILITIES

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

Notes to the Financial Statements

25. RELATED PARTY DISCLOSURES
25.1 Transactions with related companies - 2016
Recurrent Transaction

Name of the Company	Relationship	Nature of Transaction	Terms	2015/16		2014/15	
				Transaction Value Rs.'000	Aggregate Value of related party transactions as a % of net revenue	Transaction Value Rs.'000	Amount Outstanding as at 31.03.2015 Rs.'000
Carsons Management Services (Pvt) Ltd	Group Company	Secretarial Fee	Note (a)	(544)	-	(488)	-
Goodhope Investments (Pvt) Ltd	Fellow Subsidiary	Data processing	Note (b)	(723)	(353)	-	-
AHL Business Solutions (Pvt) Ltd	Fellow Subsidiary	IT support Fee	Note (c)	(1,628)	-	(3,967)	-
Agro Harapan Lestari Sdn. Bhd.	Fellow Subsidiary	Management fee, Performance incentive and Sales commission	Note (d)	(19,374)	(1,999)	(23,207)	-
Total				(22,629)	13%		

Non Recurrent Transaction

Name of the Company	Relationship	Nature of Transaction	Terms	2015/16		2014/15	
				Transaction Value Rs.'000	Amount Outstanding as at 31.03.2016 Rs.'000	Transaction Value Rs.'000	Amount Outstanding as at 31.03.2015 Rs.'000
Goodhope Asia Holdings Ltd.	Immediate Parent	Temporary Cash Advances	Note (f)	64,546	-	-	-
Good Hope PLC	Fellow Subsidiary	Temporary Cash Advances	Note (e)	(48,635)	-	-	-
		Interest Income	Note (e)	18	-	-	-
		Interest Expense	Note (e)	(137)	-	-	-
Indo-Malay PLC	Fellow Subsidiary	Temporary Cash Advances	Note (e)	15,232	5,268	15,586	15,586
		Interest Income	Note (e)	270	-	-	-
Selinsing PLC	Fellow Subsidiary	Temporary Cash Advances	Note (e)	22,246	5,421	-	-
		Interest Income	Note (e)	13	-	-	-
		Interest Expense	Note (e)	(95)	-	-	-

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

Note (b) - Goodhope 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) - Agro Harapan Lestari Sdn. Bhd. was appointed as Managers to operate the Company's oil palm plantation business activities in Malaysia.

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

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

Note (f) - The temporary cash advances given to Goodhope Asia Holdings Ltd. are non-interest-bearing and was fully settled during the financial year.

25.2 Compensation to key management personnel

	2016 Rs. '000	2015 Rs. '000
Emoluments/Fees	1,150	900

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 13.2 on page 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.

- 25.3** 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 25.1 and 25.2 above.

26. GOING CONCERN

The financial statements of company have been prepared on a going concern basis after evaluation of the current status of the proposed disposal of the overseas plantations assets (refer note 10.2 to the Financial Statements). Having taken into account of the above and financial position, the directors have a reasonable expectation that the company's operation will continue for the foreseeable future.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's principal financial assets comprise of trade and other receivables and cash and short term deposits derived directly from its operations. The Company also holds available-for-sale investments. The Company's principal financial liabilities comprise trade and other payables.

The Company is exposed to the following areas of risk .

(a) Commodity price risk

The Company's primary source of cash inflows are from the sale of Fresh Fruit Bunches (FFB). As the FFB prices (Net Sales Average-NSA) are determined by the international market prices for Crude Palm Oil (CPO) the Company may be adversely affected by unfavourable price fluctuations. Company's end product is FFB.

As at 31 March 2016, had the NSA (price of FFB) been 5% higher/lower with all other variables are constant, profit before tax would have increased/decreased by Rs. 8.39 Mn (2015: Rs. 8.50 Mn).

(b) 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 using 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. 5,002 Mn (2015: Rs. 3,922 Mn). Sensitivity analysis of these investments have been provided in Note 12.3.

Notes to the Financial Statements

(c) Foreign exchange risk

The Company's exposure to foreign exchange transaction risk is minimal as the Malaysian and Sri Lankan operations are primarily domestic and transactions are recorded in the respective functional currencies, i.e, Malaysian Ringgit and Sri Lankan Rupee.

A significant element of exchange risk is generated through the translation of financial results into the Sri Lankan rupee for the purpose of financial reporting as the principal operations are in Malaysia.

Foreign Currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible changes in the Sri Lankan Rupees and Malaysian Ringgit exchange rates, with all other variables held constant. The impact on the Company's equity is due to changes in the fair value of Available for sale Financial Investment and net investment in Malaysian branch.

	Change in MYR Rate	
	2% increase Rs. '000	2% decrease Rs. '000
Effect on equity of the Company	101,334	(101,334)

(d) Credit Risk

The Company is exposed to credit risk primarily from its trade receivables, which arise from its operating activities and its deposits with Banking Institutions. The Company's objective is to seek continual revenue growth while minimizing losses incurred due to increased credit risk exposure.

The Company trades only with recognized and credit worthy third parties and all customers are subject to a credit verification process. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is minimal.

The age analysis of trade debtors are disclosed under Note 13 to the Financial Statements.

(e) Liquidity Risk

The Company manages liquidity risk exposures through effective working capital management. The Company also has planning guidelines in place to ensure that the short term and medium term liquidity is managed at acceptable levels.

(f) Biological Asset Risk

The biological assets 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 affect the valuation include the forecasted selling price of FFB, which is largely dependent on the projected international selling prices of CPO, and the applicable market discount rate which are beyond the control of the Company. While we take adequate measures to manage the controllable input of the valuation assumptions, volatility in the environmental and industry dynamics such as whether patterns, biological cycles, as well as changes in macro-economic and political factors including inflation rates and changes in the above mentioned factors also can result in fluctuations in the appraised fair value of our biological assets and may impact our financial results.

The sensitivity analysis is disclosed under Note 11.2 to the Financial Statements.

Five Year Summary

<i>For the year ended 31st March</i>	2016	2015	2014	2013	2012
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Operating Results					
Revenue	168,512	170,518	319,030	292,349	289,960
Profit Before Taxation	104,699	92,255	247,999	223,973	279,133
Taxation	(26,900)	(26,053)	(36,654)	(45,032)	(57,935)
Profit for the Year	77,799	66,202	211,345	178,941	221,198
<i>As at 31st March</i>	2016	2015	2014	2013	2012
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Statement of Financial Position					
Assets					
Non-Current Assets					
Property, plant and equipment	1,380,425	1,346,918	1,508,754	1,544,088	1,571,396
Biological assets	230,490	198,706	219,516	211,105	195,598
Non-current financial assets	5,001,578	3,922,351	3,458,337	3,741,261	3,584,066
	6,612,493	5,467,975	5,186,607	5,496,454	5,351,060
Current Assets	36,385	73,058	97,992	139,651	283,829
Total Assets	6,648,877	5,541,033	5,284,599	5,636,105	5,634,889
Equity and Liabilities					
Stated capital	69,401	69,401	69,401	69,401	69,401
Reserves	6,499,916	5,413,074	5,141,079	5,489,267	5,497,588
	6,569,317	5,482,475	5,210,480	5,558,668	5,566,989
Non-Current Liabilities					
Deferred tax liability	57,889	50,217	57,381	54,281	50,005
Retirement benefit obligations	2,870	2,674	2,358	3,129	3,173
	60,759	52,891	59,739	57,410	53,178
Current Liabilities	18,801	5,667	14,380	20,027	14,721
Total Equity & Liabilities	6,648,877	5,541,033	5,284,599	5,636,105	5,634,889
<i>For the year ended 31st March</i>	2016	2015	2014	2013	2012
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash Flow Statements					
Net cash (outflows)/inflows from operating activities	36,794	42,268	182,174	171,175	205,121
Net cash (outflows)/inflows from investing activities	647	2,051	3,507	(7,353)	60,106
Net cash used in financing activities	(67,782)	(79,029)	(234,973)	(302,625)	(150,007)
Net (decrease)/increase in cash & cash equivalents	(30,341)	(34,710)	(49,292)	(138,803)	115,220

Five Year Summary

	2016	2015	2014	2013	2012
Ratios and Statistics					
Return on ordinary shareholders' funds (%)	1.18	1.21	4.06	3.22	3.97
Current ratio (times)	1.94	12.89	6.81	6.97	19.28
Quick asset ratio (times)	1.90	12.85	6.79	6.96	19.26
Gross profit margin (%) (a)	70.58	67.71	82.47	78.51	81.57
Net profit margin (%) (a)	46.17	38.37	66.25	61.21	76.29
Earnings per ordinary share (Rs.) (b)	11.21	9.54	30.45	25.78	31.87
Dividend per ordinary share (Rs.) (c)	7.25	3.56	30.97	40.83	24.50
Dividend payout (%)	64.67	37.32	101.71	158.38	76.87
Net assets per ordinary share (Rs.) (d)	946.58	789.97	750.78	800.95	802.15
Market value per share (Rs.)	2,275.00	2,150.00	1,250	879.60	899.90
P/E ratio (times)	202.94	225.39	41.05	34.11	28.23
Market capitalization (Rs.'000)	15,788,682	14,921,172	8,675,100	6,104,494	6,245,378
Plantation Operations					
Mature area (Ha.)	294.82	294.82	294.82	294.82	294.82
Net sales average (MYR)	456.67	485.97	508.47	540.60	647.30
Crop (MT)	10,666	8,916	10,451	10,891	10,775
Yield per Ha. (MT) (e)	36.18	29.28	34.32	35.77	35.39
Cost of Production per MT of FFB (MYR)	135.34	159.57	131.87	137.74	134.83

- (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.

Statement of Value Added

	2016 Rs. '000	%	2015 Rs. '000	%
Revenue	168,512		172,518	
Gain arising from changes in fair value of biological assets	24,308		2,994	
Other income & gains	358		527	
	193,178		176,039	
Bought in materials and services	(60,868)		(58,017)	
	132,310		117,968	
Distributed as follows:				
To Employees				
as remuneration	25,835	19.53	24,149	20.47
To Government				
as taxation	23,137	17.49	24,813	21.03
To Providers as capital				
as ordinary dividends	75,023	56.70	78,978	66.95
Retained in the Business				
as depreciation	1,543	1.17	1,858	1.58
as deferred tax	3,819	2.89	1,169	0.99
as retained profits	2,953	2.23	(12,999)	(11.02)
	132,310	100	117,968	100

The Statement of Value Added shows the quantum of wealth generated by the activities of the Company and its application.

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 31st March</i>	2016 US\$	2015 US\$
Revenue	1,218,924	1,317,213
Direct operating costs	(228,593)	(425,113)
Gross Profit	990,331	892,100
Gain/(loss) arising from changes in fair value of Biological Assets	757,857	24,505
Other operating income	2,465	245
Administrative expenses	(991,187)	(210,445)
Finance Cost	(1,607)	-
Profit before income tax	757,859	706,404
Income tax expense	(193,564)	(198,970)
Profit for the period	564,295	507,434

Figures in brackets indicate deductions.

Statement of Financial Position

<i>As at</i>	31st March 2016 US\$	31st March 2015 US\$
ASSETS		
Non-current assets		
Property, plant & equipment	9,540,902	10,102,895
Biological assets	1,593,046	1,490,441
Other non-current financial assets	34,568,736	29,420,575
Total Non-Current Assets	45,702,684	41,013,911
Current assets		
Inventories	5,065	1,729
Trade and other receivables	148,505	187,346
Advance and prepayments	9,342	4,330
Taxation recoverable	-	31,699
Cash and cash equivalents	88,559	323,686
Total Current Assets	251,471	548,790
Total assets	45,954,155	41,562,701
EQUITY AND LIABILITIES		
Equity attributable to equity holders		
Stated capital	868,000	868,000
Retained earnings	4,331,328	4,531,927
Other reserves	40,204,936	35,722,740
Total Shareholders' Funds	45,404,264	41,122,666
Non-current liabilities		
Deferred income tax liabilities	400,104	376,669
Retirement benefit obligations	19,837	20,056
Total Non Current Liabilities	419,941	396,725
Current liabilities		
Trade and other payables	92,196	23,418
Taxation payable	20,324	-
Provision and accrued expenses	17,430	19,892
Total Current Liabilities	129,950	43,310
Total equity and liabilities	45,954,155	41,562,701

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.

	2016	2015
	Rs.	Rs.
Income Statement	139.05	131.20
Monetary assets and liabilities	144.69	133.32
Non-current assets and liabilities	144.69	133.32

2. RETAINED EARNINGS

	2016	2015
	US\$	US\$
Balance as at 1st April 2015	4,531,927	4,632,504
Super Gain Tax expense	(234,032)	-
Adjusted balance as at 1st April 2015	4,297,895	4,632,504
Profit for the year	564,295	507,434
Other comprehensive income	1,215	(1,676)
Ordinary dividend	(532,076)	(606,335)
Balance as at 31st March 2016	4,331,328	4,531,927

3. SEGMENTAL REPORTING

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

(A) INDUSTRY

	Oil Palm		Investments		Company	
	2016 US\$	2015 US\$	2016 US\$	2015 US\$	2016 US\$	2015 US\$
Revenue						
External revenue	1,214,195	1,306,042	4,729	11,171	1,218,924	1,317,213
	1,214,195	1,306,042	4,729	11,171	1,218,924	1,317,213
Result						
Segment result	782,453	717,779	(24,596)	(11,375)	757,857	706,404
Taxation	(192,494)	(196,737)	(1,069)	(2,233)	(193,563)	(198,970)
	589,960	521,042	(25,665)	(13,608)	564,295	507,433

Other Information

Segment assets	11,990,417	34,658,560	29,572,284	45,954,155	41,562,701
Segment liabilities	488,620	427,584	61,271	12,451	549,891
Capital expenditure	-	2,162	-	-	2,162
Depreciation	11,120	14,171	-	-	11,120
Retirement benefits charge	2,581	2,254	-	-	2,581

(B) GEOGRAPHICAL

	Malaysia		Sri Lanka		Company	
	2016 US\$	2015 US\$	2016 US\$	2015 US\$	2016 US\$	2015 US\$
Revenue	1,214,195	1,306,042	4,729	11,171	1,218,924	1,317,213
Non-current assets	11,133,948	11,593,336	34,568,736	29,420,575	45,702,684	41,013,911

Five Year Summary

<i>For the year ended 31st March</i>	2016	2015	2014	2013	2012
	US\$	US\$	US\$	US\$	US\$
Operating Results					
Revenue	1,218,924	1,317,213	2,471,654	2,248,995	2,318,960
Profit Before Taxation	757,857	706,404	1,925,994	1,720,529	2,469,449
Taxation	(193,563)	(198,970)	(281,489)	(346,890)	(519,442)
Profit for the Year	564,295	507,434	1,644,505	1,373,639	1,950,007
<i>As at 31st March</i>	2016	2015	2014	2013	2012
	US\$	US\$	US\$	US\$	US\$
Statement of Financial Position					
Assets					
Non-Current Assets					
Property, plant and equipment	9,540,902	10,102,895	11,540,994	12,168,714	12,069,093
Biological assets	1,593,046	1,490,441	1,679,156	1,663,685	1,502,287
Non-current financial assets	34,568,736	29,420,575	26,454,043	29,484,289	27,527,378
	45,702,684	41,013,911	39,674,193	43,316,688	41,098,758
Current Assets	251,471	548,790	749,577	1,100,540	2,179,950
Total Assets	45,954,155	41,562,701	40,423,770	44,417,228	43,278,708
Equity and Liabilities					
Stated capital	868,000	868,000	868,000	868,000	868,000
Reserves	44,536,264	40,254,666	38,988,798	42,938,973	41,889,208
	45,404,264	41,122,666	39,856,798	43,806,973	42,757,208
Non-Current Liabilities					
Deferred tax liability	400,104	376,669	438,928	427,783	384,072
Retirement benefit obligations	19,837	20,056	18,039	24,664	24,376
	419,941	396,725	456,967	452,447	408,448
Current Liabilities	129,950	43,310	110,005	157,808	113,052
Total Equity & Liabilities	45,954,155	41,562,701	40,423,770	44,417,228	43,278,708
<i>For the year ended 31st March</i>	2016	2015	2014	2013	2012
	US\$	US\$	US\$	US\$	US\$
Cash Flow Statements					
Net cash (outflows)/inflows from operating activities	266,286	317,042	1,389,351	1,364,897	2,000,675
Net cash (outflows)/inflows from investing activities	4,653	15,384	27,219	(58,370)	(10,852)
Net cash used in financing activities	(489,141)	(592,777)	(1,823,054)	(2,347,133)	(1,311,713)
Net (decrease)/increase in cash & cash equivalents	(218,202)	(260,351)	(406,484)	(1,040,606)	678,110

Five Year Summary

	2016	2015	2014	2013	2012
Ratios and Statistics					
Return on ordinary shareholders' funds (%)	1.24	1.23	4.13	3.14	4.56
Current ratio (times)	1.94	12.67	6.81	6.97	19.28
Quick asset ratio (times)	1.90	12.63	6.79	6.96	19.26
Gross profit margin (%) (a)	81.25	67.73	82.63	78.44	81.64
Net profit margin (%) (a)	46.29	38.52	66.53	61.08	74.98
Earnings per ordinary share (US\$) (b)	0.08	0.07	0.24	0.20	0.28
Dividend per ordinary share (US\$) (c)	0.05	0.03	0.24	0.32	0.22
Dividend payout (%)	61.63	42.86	100.00	160.00	78.58
Net assets per ordinary share (US\$) (d)	6.54	5.93	0.63	6.31	6.16
Market value per share (US\$)	15.72	16.13	9.56	6.93	6.91
P/E ratio (times)	193.38	220.56	39.83	35.02	24.59
Market capitalisation (US\$'000)	109,125	111,920	66,358	48,109	47,956

- (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.

Information to Shareholders and Investors

1. Stock Exchange Listing

Shalimar (Malay) 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 2016 was Rs. 2,275 per share (2015: Rs. 2,150 per share).

3. Shareholders

<i>As at 31st March</i>	2016	2015
No. of Ordinary Shareholders	322	318

The number of ordinary shares held by non – residents as at 31st March 2016 was 5,776,383 which amount to 83.23% of the total number of ordinary shares.

Resident/non-resident Shareholders as at 31st March 2016

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	310	9,826	0.14	1	810	0.01	311	10,636	0.15
1001-10,000	6	12,824	0.19	0	0	0.00	6	12,824	0.19
10,001-100,000	1	27,351	0.39	0	0	0.00	1	27,351	0.39
100,001-1,000,000	3	1,113,696	16.05	0	0	0.00	3	1,113,696	16.05
Above 1,000,000	0	0	0.00	1	5,775,573	83.22	1	5,775,573	83.22
Grand Total	320	1,163,697	16.77	2	5,776,383	83.23	322	6,940,080	100.00

Categorization of Shareholders as at 31st March 2016

	No. of Shareholders	No. of Shares	%
Individuals	294	48,653	0.70
Institutions	28	6,891,427	99.30

Percentage of ordinary shares held by the public as at 31st March 2016 was 0.73% and the number of public shareholders was 306.

4. Market Performance - Ordinary Shares

<i>For the year ended 31st March</i>	2016	2015
Highest (Rs.)	2,500	2,488
Lowest (Rs.)	1,710	1,240
Volume Traded (Shares)	598	181,495
No. of Trades	118	430
Value of Shares Traded (Rs. '000)	1,297	273,996

5. Market Capitalization and Net Asset Value

5.1 Market Capitalization

Market capitalization of the Company, which is the number of ordinary shares multiplied by the market value of a share, was Rs. 15,788.6 mn as at 31st March 2016 (2015: Rs. 14,921.17 mn).

5.2 Net Asset Value

The Net Asset Value of the Company after incorporating realizable value of the property as per independent valuation obtained as more fully explained in Note 10.1(i) was Rs. 8,309.04 mn (per share value of Rs. 1,197.26) as at 31st March 2016.

6. Record of Scrip Issues

The under mentioned scrip issue had been made by the Company.

Year ended 31st March	Issue	Basis	No. of Ordinary Shares Capital	Cumulative Ordinary Shares (Rs.)
1998	-	-	270,000	2,700,000
1999	Bonus	10.9:1	2,943,000	32,130,000
2002 April	Bonus	1:5	642,600	38,554,000
2003 May	Bonus	1:5	771,120	46,263,260
2004 March	Bonus	1:2	2,313,360	69,400,800
Total Shares in Issue			6,940,080	

7. Malaysian Property

7.1 The gross area of the Oil Palm plantation is 297.38 ha (including infrastructure).

7.2 The plantation is situated in the State of Selangor, District Kuala Selangor.

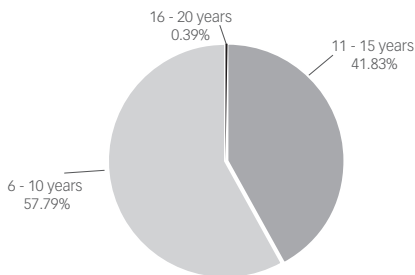
7.3 The carrying value of the property, plant & equipment as at the reporting date was Rs. 1,380.43 mn (2015: 1,346.92 mn) on an existing use basis.

8. Mature and Immature Plantation Age Analysis

Year	Mature					Immature	Total
	0-5	6-10	11-15	16-20	21-25		
Hectares	-	103.58	190.56	-	0.68	-	294.82

Information to Shareholders and Investors

Plantation Age Analysis of the company

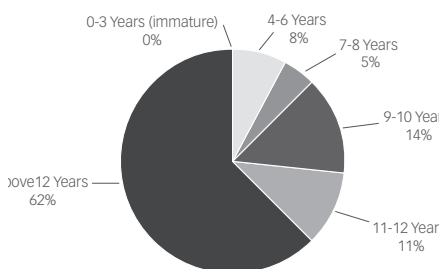


9. Indonesian Property

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 total land area of PT Agro Indomas is approximately 26,861 Ha.

	2016	2015	2014	2013	2012	2011
Crop Production (MT)	454,564	458,711	454,110	540,691	480,869	498,012
CPO (MT)	117,087	118,247	100,462	125,875	117,514	124,421
PK (MT)	27,172	27,977	23,118	29,150	26,384	28,723
CPO Ex Mill Price (US\$)	464	677	704	706	840	790
FFB Yield (MT per Hectare)	22.77	22.90	22.91	27.28	25.18	26.84
CPO / Ha (MT)	4.94	5.90	4.89	5.59	5.84	6.11
Milling Capacity (MT per Hour)	225	225	225	180	180	180
Value of biological assets and property, plant and equipment. (US\$ mn)	193.60	193.70	195.08	190.36	179.72	162.54

Plantation Age Analysis of PTAI



As noted to in the Chairman's Statement, the Global Commodities market witnessed a downturn along with a sharp decline in Crude Oil prices. The Crude Palm Oil ("CPO") prices too have seen a similar trend with prices reaching 5 year lows over the last 1-2 year period, mostly trading at lower than average prices recorded in the previous price cycles. Extreme weather conditions were experienced in Indonesia during the year with the onset of El-Nino phenomenon which impacted the crop production in the current year and is also anticipated to impact the crop production in the coming year.

10. Profile of Independent professional valuers/firms

10.1 Malaysian Property Valuation

The Company has obtained independent valuations from three reputed independent professional valuation firms. The profiles of the independent professional valuation firms are given below:

a) Savills (Malaysia) Sdn Bhd

Savills is a global real estate services provider listed on the London Stock Exchange with an international network of more than 700 offices and associates throughout the Americas, the UK, continental Europe, Asia Pacific, Africa and the Middle East, offering a broad range of specialist advisory, management and transactional services all over the world. (Website: www.savills.com.my)

b) Jones Lang Wootton

Established in 1974, Jones Lang Wootton has offices in Kuala Lumpur and Johor Bahru with a team of over 41 dedicated professionals, specialists and experienced staff, providing services covering: Valuation, Project Co-ordination, Property valuation advisory and consultancy, strategic consulting and market research, agency, property and asset management as well as project coordination to property owners, investors and occupiers. (Website: www.jlwmalaysia.com).

c) W.M. Malik & Kamaruzaman

The firm of W M Malik & Kamaruzaman, Chartered Surveyors-Valuers (“WMMK”) is a property consultancy and valuation firm providing professional services in asset valuation, estate agency, property management, market and feasibility studies, property consultancy and project management. WMMK was first established in December 1968 under the name of W M Malik & Associates, and is among the first valuation firms to be established in Malaysia. (Website: <http://wmmkj.com/home.htm>).

10.2 Biological Asset Valuation

d) KJPP Rengganis, Hamid & Partners

KJPP Rengganis, Hamid & Partners – Property, Business Valuation & Advisory Services is an international property valuation firm established in Oct 1984. The firm is Strategically Associated with CB Richard Ellis which is listed in New York Stock Exchange. The Partners have licenses in property and business valuation and there are public and registered valuers of the Indonesia Society of Appraisers (MAPPI) who are employed with the firm. (Website <http://rhp-valuation.com>)

10.3 Un-quoted Investment Valuation

e) PricewaterhouseCoopers Capital Sdn Bhd (“PwC Capital”)

PricewaterhouseCoopers Capital Sdn Bhd (“PwC Capital”) is part of the PricewaterhouseCoopers (PwC) network of firms. PwC has a presence in 157 countries with more than 208,000 employees. PwC provides industry-focused assurance, tax, consulting and deals services for public and private clients in four areas of Corporate accountability, Risk management, Structuring and M&A and Performance and process improvement. (Website : <http://www.pwc.com/my/en.html>)

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.

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.

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

MYR - Malaysian Ringgit

MPC - Malaysian Plantation Companies

AFS - Available-for-sale

MT - Metric tons.

Notice of Meeting

NOTICE IS HEREBY GIVEN that the ONE HUNDRED AND SEVENTH ANNUAL GENERAL MEETING of SHALIMAR (MALAY) PLC will be held on Thursday, the 26th day of May 2016, at 10.00 a.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 2016, 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 87 & 88 of the Articles of Association of the Company.
3. To re-elect Mr. S. Mahendrarajah as a Director in terms of Article 94 of the Articles of Association of the Company.
4. 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 seventy nine 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 four 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 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 (Pvt) Ltd.

Secretaries

Colombo

25th April 2016

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, No.61, Janadhipathi Mawatha, Colombo 1, not later than 4.45 p.m. on 24th May 2016.
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.

Notes

Form of Proxy

*I/We.....
 of..... being *a
 Member/Members of SHALIMAR (MALAY) 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,
Allen Kenneth Sellayah	or failing him,
Don Chandima Rajakaruna Gunawardena	or failing him,
Palehenalage Chandana Priyankara Tissera	or failing him,
Kurukulasuriya Calisanctus Nalaka Fernando	or failing him,
Subramaniam Mahendrarajah	

As *my/our proxy to attend at the Annual General Meeting of the Company to be held on Thursday, the 26th day of May 2016 at 10.00 a.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

	For	Against
1. To adopt the Annual Report of the Board of Directors and the Financial Statements for the year ended 31st March 2016, 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 87 & 88 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect Mr. S. Mahendrarajah as a Director in terms of Article 94 of the Articles of Association of the Company	<input type="checkbox"/>	<input type="checkbox"/>
4. 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"/>
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 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 ofTwo Thousand and Sixteen.

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 69 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 terms of Article 65 of the Articles of Association of the Company;
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 2016.

Please fill in the following details

Name :

Address :

Jointly with :

Share Folio No. :

Corporate Information

NAME OF THE COMPANY

Shalimar (Malay) PLC

COMPANY REGISTRATION NO.

PQ 51

LEGAL FORM

A Public Quoted Company with Limited Liability incorporated in Sri Lanka in 1909

DIRECTORS

Hariharan Selvanathan (Chairman)
Manoharan Selvanathan
Israel Paulraj
D. Chandima R. Gunawardena
Allen Kenneth Sellayah
P. Chandana P. Tissera
K. C. Nalaka Fernando
Subramaniam Mahendrarajah (Appointed w.e.f. 01st June 2015)

BANKERS

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

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
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Tel: + 603 7495 8000
+ 603 2095 5332 (General Line)

MANAGERS

Agro Harapan Lestari Sdn. Bhd.
Suite 6.08, Level 6, Wisma UOA Damansara II
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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 Shalimar
45700, Kuala Selangor
Selangor Darul Ehsan
Malaysia

CORPORATE WEBSITE

www.goodhopeholdings.com

HOLDING COMPANY

Goodhope Asia Holdings Ltd

ULTIMATE PARENT & CONTROLLING ENTITY

Bukit Darah PLC

Designed & produced by

emagewise

Printed by Printage (Pvt) Ltd

www.goodhopeholdings.com

