



Goodhope

A CARSON CUMBERBATCH COMPANY



Good Hope PLC

**Summarised Financial Report
for the Six months ended
30th September 2021**

GOOD HOPE PLC

Review of operations for the period ended 30th September 2021

The Company holds minority equity investments in Shalimar Developments Sdn. Bhd. (SDSB) and in Shalimar (Malay) PLC (SMPLC) which comprise the sole operation of the Company. SDSB's investee company carries out palm oil plantation operations in Indonesia.

Whilst the COVID-19 pandemic continue to pose challenges and uncertainties to the operating environment in Indonesia, the Management is taking all required safety measures within the plantations to mitigate any business impact. Whilst the Crude Palm Oil prices (CPO) have continued to trade at higher levels during the quarter under review, the duty on CPO sales introduced by the Indonesian government in Dec 2020 to support its bio-diesel mandate has limited the benefit of this CPO price upside to all Indonesian plantation Companies alike. The investee company has been taking manifold measures to preserve its operations and its liquidity position so as to remain resilient in the face of these industry and economic challenges.

The Company received dividends from its long-term investments in the period under review. Further, the Company earned interest income from its short-term deposits in Sri Lanka, the rate of which has declined sharply following the pandemic outbreak. Accordingly, the Company recorded an after tax profit of Rs. 22.53 Mn from its operations during the period under review; compared to a profit of Rs 0.85 Mn recorded in the corresponding period of the previous financial year.

Interim Dividend

The Company received a dividend from its investment in SDSB in July 2021 and consequently declared an interim dividend of Rs 10.77 per share to the shareholders for the year ending 31st March 2022. This was paid to the shareholders who had provided complete bank account details on 16th July 2021 and to others on 26th July 2021.

Minimum Public Holding

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

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

We wish to highlight that the objective of the voluntary offer made to all shareholders on 17th March 2011 was to acquire the entire minority shareholding as a step towards the consolidation of the oil palm plantation business. The offer documents also mentioned that upon completion of the voluntary offer, the rationale for remaining listed will be evaluated. Since the voluntary offer did not result in the acquisition of the entire minority shareholding, the Company continued to remain listed.

Taking into consideration that a voluntary offer had been made and also considering that there is no requirement for additional capital infusion to the Company and resultantly, there being no plans for issuing of new shares nor a dilution by the majority shareholder and as previously communicated to shareholders through market disclosures and Annual Reports and in terms of the revised Listing Rules, we will report the proposed course of action.

Agro Harapan Lestari (Pvt) Ltd

Managers

09th November 2021

GOOD HOPE PLC
Statement of Profit or Loss

(All figures in Sri Lankan Rupees '000)

	Quarter ended			Six months ended		
	30th September		Change	30th September		Change
	2021	2020		2021	2020	
		%			%	
Dividend Income	22,845	-	100%	22,845	-	100%
Interest Income	72	1,094	-93%	833	2,193	-62%
	22,917	1,094	1995%	23,678	2,193	980%
Administrative expenses	(534)	(638)	-16%	(1,036)	(1,008)	3%
Profit before tax for the period	22,383	456	4809%	22,642	1,185	1811%
Income tax expense	(111)	(138)	-20%	(111)	(340)	-67%
Profit for the period	22,272	318	6904%	22,531	845	2566%
Earnings Per Share (Rs.)	5.73	0.08		5.80	0.22	

	Quarter ended			Six months ended		
	30th September		Change	30th September		Change
	2021	2020		2021	2020	
		%			%	
Profit for the period	22,272	318	6904%	22,531	845	2566%
Other comprehensive income						
Other Comprehensive Income/(Loss) not to be reclassified to profit or loss in subsequent periods						
Loss on Change in Fair Value of Financial Assets classified under Fair Value through Other Comprehensive income (FVOCI)	-	(10,893)	-100%	(27,894)	(67,667)	-59%
Net Other Comprehensive Expenses not to be reclassified to profit or loss in subsequent periods	-	(10,893)	-100%	(27,894)	(67,667)	-59%
Total Comprehensive Income / (Expenses) for the period, net of tax	22,272	(10,575)	-311%	(5,363)	(66,822)	-92%

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

Figures in brackets indicate deductions/negative changes.

The above figures are subject to audit.

GOOD HOPE PLC
Statement of financial position

(All figures in Sri Lankan Rupees '000)

	Note	As at 30.09.2021	As at 31.03.2021
ASSETS			
Non-Current Assets			
Property, Plant and Equipment		402	113
Non-current financial assets	(Note 3)	7,069,570	7,097,464
Total Non- Current Assets		7,069,972	7,097,577
Current Assets			
Prepayments and other receivable		228	349
Income tax receivable		528	582
Short term investments		33,359	53,469
Cash and cash equivalents		6,497	5,740
Total Current Assets		40,612	60,140
Total Assets		7,110,584	7,157,717
EQUITY AND LIABILITIES			
Equity			
Stated capital	(Note 6)	68,713	68,713
Retained earnings		92,591	111,888
Other reserves		6,918,186	6,946,080
Total Shareholders' Funds		7,079,490	7,126,681
Current Liabilities			
Provisions and Accrued Expenses		313	257
Unclaimed dividend		30,781	30,779
Total Current Liabilities		31,094	31,036
Total Liabilities		31,094	31,036
Total Equity and Liabilities		7,110,584	7,157,717
Net Asset per share (Rs.)		1,822.83	1,834.98

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

(Sgd.)

Aneesh Dudeja
President / Chief Financial Officer

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

Approved & signed for and on behalf of the Managers, Approved & signed for and on behalf of the Board,

(Sgd.)

Rushdi Azeez
Director
Agro Harapan Lestari (Pvt) Ltd

09th November 2021

The above figures are subject to audit.

(Sgd.)

H. Selvanathan
Chairman

(Sgd.)

M. Selvanathan
Director

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

	Stated Capital	Fair Value Reserve	Retained Earnings	Total Shareholders' Funds
Balance as at 01st April 2020	68,713	5,667,259	108,341	5,844,313
Profit for the year	-	-	3,547	3,547
Other comprehensive income for the year	-	1,278,821	-	1,278,821
Total comprehensive income for the year	-	1,278,821	3,547	1,282,368
Balance as at 31st March 2021	68,713	6,946,080	111,888	7,126,681

	Stated Capital	Fair Value Reserve	Retained Earnings	Total Shareholders' Funds
Balance as at 01st April 2020	68,713	5,667,259	108,341	5,844,313
Profit for the period	-	-	845	845
Other comprehensive income for the period	-	(67,667)	-	(67,667)
Total comprehensive income for the period	-	(67,667)	845	(66,822)
Balance as at 30th September 2020	68,713	5,599,592	109,186	5,777,491

	Stated Capital	Fair Value Reserve	Retained Earnings	Total Shareholders' Funds
Balance as at 01st April 2021	68,713	6,946,080	111,888	7,126,681
Profit for the period	-	-	22,531	22,531
Other comprehensive income for the period	-	(27,894)	-	(27,894)
Total comprehensive income for the period	-	(27,894)	22,531	(5,363)
Interim Dividend - 2021/22 (Note 8)	-	-	(41,828)	(41,828)
Balance as at 30th September 2021	68,713	6,918,186	92,591	7,079,490

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

GOOD HOPE PLC
Cash Flow Statement

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

	2021	2020	31.03.2021
Net cash outflows from operating activities	22,118	(3,318)	(827)
Net cash inflows / (outflows) from investing activities	20,467	2,193	(7,335)
Net cash outflows from financing activities	(41,828)	-	-
Increase / (Decrease) in cash and cash equivalents	757	(1,125)	(8,162)
Cash and cash equivalents at the beginning of the period	5,740	13,902	13,902
Cash and cash equivalents at the end of the period	6,497	12,777	5,740
Cash and cash equivalents:			
Cash and bank balances	2,564	7,539	412
Short-term deposits	3,933	5,238	5,328
	6,497	12,777	5,740

The above figures are subject to audit.

GOOD HOPE PLC

1. Basis of preparation of Summarised Financial Report

The interim condensed financial statements have been prepared in compliance with Sri Lanka Accounting Standard LKAS 34 - Interim Financial Reporting. These interim condensed financial statements should be read in conjunction with the annual financial statements for the year ended 31st March 2021.

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

2. Accounting policies and comparative information

The same accounting policies and methods of computation as stated in the annual financial statements for the year ended 31st March 2021 are followed in the preparation of these Interim Condensed Financial Statements.

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

3. Fair Value Measurement

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

Fair value measurement hierarchy for financial assets as at 30th September 2021 and 31st March 2021 are as follows :

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

Non Current Financial Assets Measured at Fair Value:	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
As at 30th September 2021					
<u>Equity Investments at Fair Value through OCI (FVOCI)</u>					
<u>Quoted Equity Shares</u>					
Shalimar (Malay) PLC (Note 4(b))	30th September 2021	173,435	173,435	-	-
<u>Unquoted Equity Shares</u>					
Shalimar Developments Sdn.Bhd. (Note 4(a))	31st December 2020	6,896,135	-	-	6,896,135
FVOCI financial assets as at 30th September 2021		7,069,570	173,435	-	6,896,135
As at 31st March 2021					
<u>Equity Investments at Fair Value through OCI (FVOCI)</u>					
<u>Quoted Equity Shares</u>					
Shalimar (Malay) PLC (Note 4(b))	31st March 2021	201,329	201,329	-	-
<u>Unquoted Equity Shares</u>					
Shalimar Developments Sdn.Bhd.(Note 4(a))	31st December 2020	6,896,135	-	-	6,896,135
FVOCI financial assets as at 31st March 2021		7,097,464	201,329	-	6,896,135

GOOD HOPE PLC

4. Non-current financial assets

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

The Company holds a 13.33% equity investment (March 2021: 13.33%) in Shalimar Developments Sdn. Bhd. (SDSB), an investment holding Company incorporated in Malaysia. The sole equity investment of SDSB is in PT Agro Indomas (PTAI), an oil palm plantation Company based in Indonesia, in which it has a controlling interest. The Company has designated its investment in SDSB as Equity Investments at Fair Value through OCI.

The Company obtained the services of PricewaterhouseCoopers (Pvt) Ltd (PwC Sri Lanka) to carry out an independent indicative fair market valuation of the equity interest in the unquoted investment in SDSB as at valuation date of 31st December 2020. Unquoted equity shares of Shalimar Developments Sdn. Bhd. has been valued based on adjusted net asset basis. Such net assets represent the investment value of PT Agro Indomas (PTAI) which was determined based on income approach using discounted cash flow method.

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

- (a) Estimated economic life of the oil palm plantations of PTAI is 26 years (including the immature period).
- (b) Consider one planting cycle (i.e. no replantation at the end of the economic life).
- (c) Yield per hectare based on year of planting, maturity profile and terrain.
- (d) CPO ex-mill prices in FY 2021/22 is estimated to be USD 543/MT and this is assumed to change in line with the change in forward Rotterdam prices and Indonesia Palm oil levy during the forecast period, i.e until FY 2039/40. After FY 2030/31 prices are assumed to remain unchanged.
- (e) Weighted average cost of capital (WACC) of 9.12%.
- (f) Indonesian corporate taxation rate at 22% in FY 2021 and 20% thereafter.
- (g) Inflation assumed approximately 3% p.a.

Sensitivity of the key assumptions used

The significant unobservable inputs used in the above fair value measurement categorised within Level 3 of the fair value hierarchy (Note 3) together with a quantitative sensitivity analysis are as shown below:

The below values are based on 13.33% equity stake in SDSB and base case is at WACC of 9.12%.

	WACC		CPO ex – mill price		Yield	
	1% Increase Rs'000	1% Decrease Rs'000	5% Increase Rs'000	5% Decrease Rs'000	5% Increase Rs'000	5% Decrease Rs'000
Effect of fair value in unquoted equity shares in SDSB designated as Financial Assets classified under FVOCI	(749)	806	2,105	(2,111)	1,271	(1,277)

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

The Company holds a non-controlling interests of 3.10% (March 2021 : 3.10%) in Shalimar (Malay) PLC. The fair value of the said investment is determined by reference to published price quotations in the Colombo Stock Exchange.

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

5.1 Contingent Liabilities

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

5.2 Events After the Reporting Period

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

5.3 Assets Pledged

There were no assets pledged as at the reporting date.

GOOD HOPE PLC

6. Stated Capital

Stated capital of the company consists of,

As at 30.09.2021	As at 31.03.2021
3,883,782	3,883,782

Fully paid ordinary shares (voting)

7. Related Party Transactions

7.1 Recurrent Related Party Transactions

7.1.1 Secretarial Fee

The Secretarial fee charged by Carsons Management Services (Private) Limited of Rs. 0.11 Mn (30th September 2020 : Rs.0.11 Mn) has been charged in arriving at the profit before income tax for the period ended 30th September 2021.

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

7.2 Non-Recurrent Related Party Transactions

There are no non-recurrent related party transactions for the period ended 30th September 2021.

8. Dividend

The Company received a dividend from its investment in SDSB in July 2021 and consequently declared an interim dividend of Rs 10.77 per share to the shareholders for the year ending 31st March 2022.

9. Going Concern

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

INVESTOR INFORMATION

Share information

	Quarter ended		Year ended
	30.09.2021	30.09.2020	31.03.2021
Highest price per share (Rs.)	1,145.00	1,049.90	1,184.00
Lowest price per share (Rs.)	916.00	711.50	650.10
Last traded price (Rs.)	1,005.00	947.20	1,121.90
Volume traded (No. of shares)	117	314	1,747

GOOD HOPE PLC**Additional Notes**

I Names and the Number of Shares (voting) held by the top 20 shareholders as at 30th September 2021.

	Name of Shareholders	Number of Shares	%
1	Goodhope Asia Holdings Ltd	3,530,821	90.91
2	Mr. S.S.J.B. Rana	146,966	3.78
3	Maj.Gen N.S.S.J. Bahadur Rana	41,990	1.08
4	Mr. A.O. Wanner (Decd)	20,995	0.54
5	Mrs. M. Van Rooyen	20,995	0.54
6	Mr. W.R.F. Spearman	20,995	0.54
7	Miss. N.M. Jarvis	10,497	0.27
8	Mr. F.W. Obeyesekere (Decd)	8,397	0.22
9	Mr. C.C.S. Stephenson (Decd)	8,397	0.22
10	Mrs. R.M.M. Dean	7,275	0.19
11	Mr. K.C. Vignarajah	7,271	0.19
12	Mr. A.M.A. Vanderspar	6,858	0.18
	Mrs. C.M. Papageorge	6,717	0.17
14	Mrs. S. Vignarajah	6,629	0.17
15	Mrs. M.R. Layton (Decd)	5,176	0.13
16	Administratrix of the Estate of Ramiah (Decd)	5,176	0.13
17	Mr. N. Izat (Decd).	4,197	0.11
18	Mr. S.A. Obeyesekere	2,098	0.05
19	Mrs. G.S. Amerasinghe	2,098	0.05
20	Mrs E.W. Tomalin	2,037	0.05
		3,865,585	99.53

II Ordinary Shares of the Company held by the public as at 30th September 2021 are as follows;

Number of public shareholders	404
Percentage of public holding	9.09%
Float adjusted market capitalization (Rs.)	354,800,963

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

III Directors shareholdings as at 30th September 2021.

Name of Director	Number of Shares
Mr. H. Selvanathan	-
Mr. M. Selvanathan	1
Mr. I. Paulraj	-
Mr. D.C.R.Gunawardena	-
Mr. S. N. Alles	-
Mr. D. P. De Silva	-

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

Operational performance information is given below.

Operational performance indicators	2021	2020
	September	September
Crop Production (MT)	310,765	254,912
CPO (MT)	64,878	54,307
PK (MT)	15,159	12,902
CPO Ex Mill Price (US\$)	507	480
FFB Yield (MT per Hectare)	11.78	11.76
CPO / Ha (MT)	2.53	2.52
Milling Capacity (MT per Hour)	225	225

MT-Metric Tones

CORPORATE INFORMATION

Name of the Company

Good Hope PLC

Company No

PQ 43

Legal Form

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

Directors

H. Selvanathan
M. Selvanathan
I. Paulraj
D. C. R. Gunawardena
S. N. Alles
D. P. De Silva

Bankers

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

Auditors of the Company

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

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Secretaries

Carsons Management Services (Private) Limited
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Registered Office

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Corporate Website

www.goodhopeholdings.com

Holding Company

Goodhope Asia Holdings Ltd

Ultimate Parent & Controlling Entity

Bukit Darah PLC