



# **SOFTLOGIC HOLDINGS PLC**

INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED  
30 JUNE 2015

## **Dear Shareholders,**

I am pleased to report the first quarter financial results of FY2015/16. Group revenue increased 62.1% to Rs. 13.0 Bn as opposed to Rs. 8.0 Bn reported in the comparative quarter. Retail sector pulled in the reins to lead in Group turnover with a contribution of 33.4% post-ODEL consolidation. ICT sector, with Samsung's handset applications added to the sector's product range, emerged second in revenue contribution with 29.0% followed by Healthcare Services (17.1%), Financial Services (16.6%), Automobiles (2.2%) and Leisure (1.0%).

Consolidated Gross Profit increased a strong 47.5% to reach Rs. 4.3 Bn during the first three months of the financial year (Rs. 2.9 Bn reported last year). Increasing activity levels led the operational expenses to increase by 44.1% to Rs. 3.1 Bn during the quarter. However, a decline in operation cost margins were noted from 26.6% in 1QFY15 to 23.7% in 1QFY16 following synergy benefits and stringent cost discipline measures. Distribution costs increased to Rs. 654.8 Mn (up 55.9%) while administration costs increased 41.2% to Rs. 2.4 Bn for the period under review.

Finance Income registered a decline of 28.8% to Rs. 301.1 Mn during the quarter. The drop was primarily due to a decline in unrealized fair value gains of the investment portfolio (fixed and equity) of Asian Alliance Insurance PLC triggered by a more stable interest rate regime (treasury bond investments) and equity market performance during 1QFY16. Finance expenses increased 28.8% to Rs. 805.9 Mn during the first quarter of the financial year. Nonetheless, finance cost to turnover for the quarter decreased from 7.8% in the comparable period to 6.2% due to lower interest rates and unlocking cash flows from enhanced activities.

Other Operating Income which registered a gain of 79.8% to Rs. 193.9 Mn chiefly composed of fees received for new loans processed at Softlogic Finance PLC. This is a veritable new source of sustainable income line for the company.

Strong operational performance following consolidation of ODEL PLC and commendable performance at ICT boosted the Group operating profits by 59.4% to Rs. 1.4Bn for the quarter. Consequently, the Group PBT rose by 59.7% to Rs. 470.9 Mn.

Profit for the period during the first three months of FY2015/16 amounted to Rs. 304.2 Mn (up by a strong 35.0%).

## **Information & Communication Technology**

Revenues at ICT cluster more than doubled to Rs. 3.8 Bn during the quarter (Versus Rs. 1.8 Bn in 1QFY15). Softlogic Communication (Pvt) Ltd, the telco-company of Softlogic, proved to be the top contributor with exceptional performance from 'Microsoft' followed by Softlogic Distribution (Pvt) Ltd, which mirrored the robust growth in the 'Samsung' mobile phone division. The telco sector's success also relates to its successful strategy in fully utilising the strong retail network coupled with an ambitious sales team delivering targets. IT business continued its growth levels supported by its B2B business line.

This segment's Operating Profit for the period was Rs. 256.1 Mn (up 37.6%) taking sector PBT to Rs.177.2 Mn (up 52.6%). ICT sector PAT increased 49.5% to Rs.131.4 Mn for the quarter.

## **Retail**

Retail sector emerged to be the top contributor for the first time making up 33.4% of Group turnover and registering 110.8% growth to Rs. 4.4 Bn during the period. This year-on-year growth was due to consolidation of ODEL PLC's financials during 1QFY16. Consumer Durables and Branded Apparel operations contributed equally with noteworthy increase in footfall coupled with the entrance of new brands and store expansions. Consumer Electronics showroom network as of today stands with 208 stores island wide, the last being opened in Yakkalamulla in Galle. This segment targets 250 stores by 31<sup>st</sup> March 2016. The Branded Apparel Division continued to focus in acquiring top international fashion brands for Sri Lanka as it introduced 'Pepe Jeans', leading denim and casual wear brand from Tommy Hilfiger. The exclusive store for this renowned casual clothing line was opened at Liberty Plaza and it will also be available in all ODEL and Galleria outlets. Crocs, leading casual footwear retailer, was added to our

portfolio in June with the flagship store at Liberty Plaza. We opened two other exclusive stores for Giordano and International watch store at Liberty Plaza.

Strong synergies emerged following ODEL acquisition with notable operational cost savings and a better sales platform. Our first major initiative for ODEL is the development of a megamall adjoining the ODEL flagship store at Alexandre Place, Colombo 07. The mall structure would be of 400,000 sq.ft with car park amenities. Blocher Blocher Partners of Germany, a globally renowned expert in architecture and design, have been contracted for the mall development. The mall would not only retail our own brands but also rent out space to external retailers, cinemas, restaurants and other service providers.

Operating profit improved immensely to Rs. 357.1 Mn (Versus Rs. 118.2 Mn in 1QFY15) during 1QFY16. Operating profit margin improved to 8.2% in 1QFY16 from 5.7% in the comparative quarter despite new companies being added to the sector. Consequently, Operating profit contribution to the consolidated number improved to 24.9% from 13.1% in the previous year. Sector's finance cost increased 125.5% to Rs. 272.0 Mn primarily due to ODEL's acquisition cost.

### **Healthcare Services**

Healthcare Services continued to operate steadily during the quarter with a 17.7% contribution to topline after registering a modest growth of 10.0% to Rs. 2.3 Bn. Operating Profit witnessed a marginal decline to Rs. 521.7 Mn for 1QFY16 concluding sector PAT at Rs. 345.1 Mn during the quarter.

We are progressing on the pre-construction schedule for Asiri Kandy Hospital. We target to commence construction in October 2015. Construction of the laboratory and administrative building and the facelift process of Asiri Hospital Holdings in Kirula Road would be completed by mid-2016.

### **Financial Services**

Financial Services segment witnessed a 9.5% growth in topline to Rs. 2.1 Bn during 1QFY16 with its contribution to the Group revenue constituting 16.6%. Operating profit of the sector recorded more than a two-fold growth to Rs. 330.7 Mn (105.3 Mn in 1QFY15) for the quarter under review. Despite a decline in the insurance company's investment gains for the year, the sector's PBT achieved manifold growth to Rs. 89.8 Mn (Versus Rs. 14.4 Mn in 1QFY15).

Both the Life and Non-Life business of Asian Alliance Insurance PLC performed within expectations to record a revenue growth of 28.9% with GWP of Rs. 1.5 Bn. The Life operation recorded a GWP growth of 39.8% well ahead of the industry to Rs. 1.0 Bn for the quarter and ranked 5<sup>th</sup> in the industry. General Insurance revenue for the year was Rs. 429.2 Mn, which grew 4% compared with the previous year.

Robust performance at Softlogic Finance PLC led the company to register a 12.1% income growth to Rs. 986.0 Mn during the quarter. A notable improvement in net interest income margin was witnessed during the quarter to 43% from 35% with the repricing of deposits following the decline in interest rates. Change in product mix from Leasing and Hire Purchase to working capital loans to SMEs led the growth of the company while fresh revenue was sourced in other operating income segment. Consequently, Softlogic Finance PLC's assets rose to Rs. 21.6 Bn (Rs. 17.6 Bn as at 30<sup>th</sup> June 2014) while Customer Deposits improved to Rs. 13.0 Bn (Rs. 9.7 Bn as at 30<sup>th</sup> June 2014) and thus Customer Advances grew by 37.6% to Rs 17.2 Bn. PAT of the company grew to Rs. 55.0 Mn for the quarter as against Rs. 5.2 Mn in 1QFY15.

### **Automobile**

Automobile sector registered better revenue of Rs. 296.8 Mn (Rs. 134.4 Mn in 1QFY15) during the quarter. This was primarily derived from our 3S-Ford facility and restructuring of our sales team. The re-launch of our bus range – 'King Long' also added to the sales driver.

## **Leisure**

Centara Ceysands Resorts & Spa has done well and performed better than most competitors new in the industry having contributed Rs. 131.3 Mn to the sector's quarterly topline. The first quarter is generally off-peak season and from the bookings ahead, potential for strong upside in the coming months is assured.

The structure of the 24-storied building of Movenpick City Hotel was completed in September 2014. We are now at an advanced stage of completion of MEP, Aluminum/ Glazing and architectural works. We are well on schedule to complete by latter part of 2015. The interior fit-out is expected to be completed by December 2015. Following the process of testing and commissioning, the hotel would open its doors to external guests in April 2016.

## **Future Outlook**

Softlogic was recognized as Sri Lanka's second most valuable brand conglomerate in April 2015 by Brands Finance with many other subsidiaries including ODEL PLC, Asiri Hospital Holdings PLC, Softlogic Finance PLC, Nokia, Samsung and Panasonic being amongst the others which received recognition in their relevant categories. With the Group's growth being rapid and the acquisitions making good commercial sense at this point in time, the returns to Group, due to strong synergy and depth, is likely to witness the multiplier effect in growth in the upcoming periods.

*-Sgd-*

**Ashok Pathirage**

**Chairman**

**14 August 2015**

# Softlogic Holdings PLC

## CONSOLIDATED INCOME STATEMENT

In Rs.	Unaudited 3 months to 30-06-2015	Unaudited 3 months to 30-06-2014	Change as a %	Audited 12 months to 31-03-2015
Revenue	13,037,530,020	8,043,452,205	62.09	39,563,884,110
Cost of sales	(8,713,330,665)	(5,111,678,621)	70.46	(25,447,258,306)
<b>Gross profit</b>	<b>4,324,199,355</b>	<b>2,931,773,584</b>	<b>47.49</b>	<b>14,116,625,804</b>
Other operating income	193,928,586	107,849,340	79.81	1,162,561,036
Distribution expenses	(654,775,048)	(420,037,814)	55.88	(2,016,859,252)
Administrative expenses	(2,431,396,524)	(1,721,492,073)	41.24	(9,010,634,418)
<b>Results from operating activities</b>	<b>1,431,956,369</b>	<b>898,093,037</b>	<b>59.44</b>	<b>4,251,693,170</b>
Finance income	301,058,000	422,626,216	(28.76)	1,122,173,265
Finance expenses	(805,898,942)	(625,643,867)	28.81	(2,692,809,554)
<b>Net finance cost</b>	<b>(504,840,942)</b>	<b>(203,017,651)</b>	<b>148.67</b>	<b>(1,570,636,289)</b>
Change in fair value of investment property	-	-	-	526,702,000
Change in insurance contract liabilities	(459,156,384)	(402,527,379)	14.07	(944,348,980)
Share of profit of equity accounted investees	2,971,378	2,341,927	26.88	5,290,016
<b>Profit before tax</b>	<b>470,930,421</b>	<b>294,889,934</b>	<b>59.70</b>	<b>2,268,699,917</b>
Tax expense	(166,718,386)	(69,583,714)	139.59	(449,618,026)
<b>Profit for the period</b>	<b>304,212,035</b>	<b>225,306,220</b>	<b>35.02</b>	<b>1,819,081,891</b>
<b>Attributable to:</b>				
Equity holders of the parent	83,667,663	40,689,597	105.62	555,779,746
Non-controlling interest	220,544,372	184,616,623	19.46	1,263,302,145
	<b>304,212,035</b>	<b>225,306,220</b>	<b>35.02</b>	<b>1,819,081,891</b>
<b>Earnings per share - Basic</b>	<b>0.11</b>	<b>0.05</b>	<b>105.71</b>	<b>0.72</b>
<b>Dividend per share</b>	<b>0.25</b>	-	-	-

Note : Figures in brackets indicate deductions.

The above figures are not audited unless otherwise stated.

# Softlogic Holdings PLC

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In Rs.	Unaudited 3 months to 30-06-2015	Unaudited 3 months to 30-06-2014	Change as a %	Audited 12 months to 31-03-2015
<b>Profit for the period</b>	<b>304,212,035</b>	225,306,220	<b>35.02</b>	1,819,081,891
<b>Other comprehensive income</b>				
<b>Other comprehensive income to be reclassified to income statement in sbsequent periods</b>				
Currency translation of foreign operations	(846,536)	1,604,543	(152.76)	48,583,081
Net (loss) / gain on available-for-sale financial assets	232,086,085	119,286,813	94.56	16,245,855
	<b>231,239,549</b>	120,891,356	<b>91.28</b>	64,828,936
<b>Other comprehensive income not to be reclassified to income statement in sbsequent periods</b>				
Revaluation of land and buildings	-	-	-	369,616,947
Net change in fair value on derivative financial instruments	-	-	-	30,540,342
Actuarial gains/ (loss) on retirement benefits	-	(31,583,559)	(100.00)	(84,380,473)
Share of other comprehensive income of equity accounted investments	-	-	-	134,233
	-	(31,583,559)	(100.00)	315,911,049
Tax on other comprehensive income	-	-	-	(39,411,524)
<b>Other comprehensive income for the period, net of tax</b>	<b>231,239,549</b>	<b>89,307,797</b>	<b>158.92</b>	341,328,461
<b>Total comprehensive income for the period, net of tax</b>	<b>535,451,584</b>	<b>314,614,017</b>	<b>70.19</b>	2,160,410,352
<b>Attributable to:</b>				
Equity holders of the parent	185,922,334	93,314,239	99.24	760,741,038
Non-controlling interest	349,529,250	221,299,778	57.94	1,399,669,314
	<b>535,451,584</b>	<b>314,614,017</b>	<b>70.19</b>	2,160,410,352

Note : Figures in brackets indicate deductions.  
The above figures are not audited unless otherwise stated.

# Softlogic Holdings PLC

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In Rs.	Unaudited as at 30-06-2015	Unaudited as at 30-06-2014	Audited as at 31-03-2015
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	25,714,645,944	18,306,960,401	24,909,536,887
Lease rentals paid in advance	854,536,672	224,936,273	854,795,905
Investment property	94,848,000	2,266,146,000	94,848,000
Intangible assets	8,805,101,178	7,689,421,797	8,857,003,875
Investments in associates	28,355,498	26,432,592	26,216,105
Other non-current financial assets	12,380,424,041	7,226,461,339	9,087,649,679
Rental receivable on lease assets and hire purchase	1,571,696,204	3,592,602,722	3,669,327,302
Other non-current assets	294,528,522	194,840,384	292,792,966
Deferred tax assets	294,316,155	301,555,545	318,527,576
	<b>50,038,452,214</b>	<b>39,829,357,053</b>	<b>48,110,698,295</b>
<b>Current assets</b>			
Inventories	7,191,151,418	4,932,556,051	7,669,562,845
Trade and other receivables	8,385,053,174	6,116,102,202	6,622,803,106
Loans and advances	8,630,491,928	2,071,182,549	5,524,162,085
Rental receivable on lease assets and hire purchase	668,525,590	5,300,326,632	2,881,969,879
Amounts due from related parties	696,945	660,233	572,053
Other current assets	4,010,961,724	2,826,451,532	3,760,097,208
Short term investments	4,888,299,368	4,802,890,267	8,392,441,152
Cash in hand and at bank	3,523,392,229	1,652,619,786	1,926,725,822
	<b>37,298,572,376</b>	<b>27,702,789,252</b>	<b>36,778,334,150</b>
Investment property held for sale	2,698,000,000	-	2,698,000,000
	<b>39,996,572,376</b>	<b>27,702,789,252</b>	<b>39,476,334,150</b>
<b>Total assets</b>	<b>90,035,024,590</b>	<b>67,532,146,305</b>	<b>87,587,032,445</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Stated capital	5,089,000,000	5,089,000,000	5,089,000,000
Revenue reserves	1,045,836,202	640,064,868	1,167,195,634
Other components of equity	1,477,645,670	1,256,118,241	1,368,340,826
	<b>7,612,481,872</b>	<b>6,985,183,109</b>	<b>7,624,536,460</b>
Non-controlling interests	8,478,580,541	6,848,558,336	8,157,436,153
<b>Total equity</b>	<b>16,091,062,413</b>	<b>13,833,741,445</b>	<b>15,781,972,613</b>
<b>Non-current liabilities</b>			
Insurance contract liabilities	5,588,428,723	4,587,450,736	5,129,272,339
Interest bearing borrowings	23,638,498,679	13,441,797,098	22,844,291,422
Public deposits	2,281,214,069	2,015,167,589	2,214,295,787
Deferred tax liabilities	325,155,160	326,920,971	314,257,283
Employee benefit liabilities	680,088,470	468,163,269	655,925,545
Other deferred liabilities	2,584,398	61,736,386	3,044,433
Other non-current financial liabilities	24,210,620	6,260,352	31,710,620
	<b>32,540,180,119</b>	<b>20,907,496,401</b>	<b>31,192,797,429</b>
<b>Current liabilities</b>			
Trade and other payables	7,205,165,931	5,085,549,927	7,041,840,113
Amounts due to related parties	16,124,463	19,894,006	15,970,784
Income tax liabilities	397,594,970	200,244,281	322,656,391
Short term borrowings	15,377,862,025	12,659,911,322	14,787,184,778
Current portion of interest bearing borrowings	3,618,030,246	3,602,231,733	4,616,956,512
Other current liabilities	2,178,392,428	748,905,784	2,330,891,786
Public deposits	10,706,524,074	7,657,853,457	9,838,760,403
Bank overdrafts	1,904,087,921	2,816,317,949	1,658,001,636
	<b>41,403,782,058</b>	<b>32,790,908,459</b>	<b>40,612,262,403</b>
<b>Total equity and liabilities</b>	<b>90,035,024,590</b>	<b>67,532,146,305</b>	<b>87,587,032,445</b>

Note : Figures in brackets indicate deductions.

The above figures are not audited unless otherwise stated.

I certify that the financial statements comply with the requirements of the Companies Act No. 7 of 2007.

-sgd-

Group Chief Financial Officer

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

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Director

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Director

# Softlogic Holdings PLC

## CONSOLIDATED CASH FLOW STATEMENT

In Rs.	Unaudited 3 months to 30-06-2014	Unaudited 3 months to 30-06-2013	Audited 12 months to 31-03-2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/ (loss) before tax	470,930,421	294,889,934	2,268,699,917
<b>Adjustments for:</b>			
Finance income	(301,058,000)	(422,626,216)	(1,122,173,265)
Finance cost	805,898,942	625,643,867	2,692,809,554
Change in fair value of investment property	-	-	(526,702,000)
Share of results of associates	(2,971,378)	(2,341,927)	(5,290,016)
Gratuity provision and related costs	35,191,874	30,021,465	140,196,129
Provisions for/ write off of impaired receivables	38,300,000	2,145,891	96,689,666
Provision for impairment of inventories	5,200,000	-	190,001,431
Depreciation of property, plant and equipment	355,490,228	253,254,163	1,189,997,919
Profit on sale of property, plant and equipment	(5,579,159)	(10,501,028)	(24,486,006)
Profit on sale of investments	(23,791,916)	4,549,602	(644,439,532)
Unrealised (gain)/ loss on foreign exchange	(12,813,920)	(3,465,950)	(65,919,502)
Amortisation/ impairment of intangible assets	68,660,472	52,109,280	248,049,626
Amortisation of prepaid lease rentals	259,233	259,233	1,036,939
Increase / (decrease) in deferred income	(22,701,232)	(2,821,575)	64,246,524
Impairment & derecognition of property, plant & equipment and Intangible assets	30,637	5,421,497	29,141,735
<b>Profit before working capital changes</b>	<b>1,411,046,202</b>	<b>826,538,236</b>	<b>4,531,859,119</b>
(Increase) / decrease in inventories	473,211,427	176,797,799	(1,317,762,392)
(Increase) / decrease in trade and other receivables	(1,800,550,068)	(1,024,727,319)	(1,974,792,070)
(Increase) / decrease in loans and advances	(6,266,320,069)	60,514,687	(5,344,525,114)
(Increase) / decrease in investments in lease and hire purchase	4,311,075,386	(537,563,377)	1,828,266,427
(Increase) / decrease in other current assets	(250,864,516)	(52,551,082)	(1,083,438,824)
(Increase) / decrease in amounts due from related parties	(124,892)	118,227	206,407
Increase / (decrease) in trade and other payables	176,139,738	(666,106,689)	1,033,858,656
Increase / (decrease) in amounts due to related parties	153,679	385,404	(3,537,818)
Increase / (decrease) in other current liabilities	(130,258,161)	36,120,930	1,394,780,108
Increase / (decrease) in public deposits	934,681,953	369,275,699	2,749,310,843
Increase / (decrease) in insurance provision	459,156,384	402,527,379	944,348,982
<b>Cash generated from/ (used in) operations</b>	<b>(682,652,937)</b>	<b>(408,670,106)</b>	<b>2,758,574,324</b>
Finance income received	181,111,375	393,569,351	653,876,070
Finance expenses paid	(781,270,963)	(622,274,555)	(2,619,644,709)
Dividend received	-	-	1,000,000
Tax paid	(39,076,301)	(41,608,061)	(296,639,907)
Gratuity paid	(11,028,949)	(37,870,834)	(71,288,846)
<b>Net cash flow from/ (used in) operating activities</b>	<b>(1,332,917,775)</b>	<b>(716,854,205)</b>	<b>425,876,932</b>
<b>CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES</b>			
Purchase and construction of property, plant and equipment	(1,217,527,153)	(968,113,941)	(4,023,075,585)
Addition to prepaid lease rentals	-	(71,883,316)	(702,520,660)
Addition to intangible assets	(21,157,776)	(10,118,504)	(71,178,662)
(Increase)/ decrease in other non current assets	(1,735,556)	(51,873,843)	(114,585,768)
(Purchase) / disposal of short term investments (net)	(671,270,285)	454,182,131	3,007,229,282
Dividends Received	6,641,805	(195,281,281)	141,855,097
(Purchase) / disposal of other non current financial assets	99,301,948	(994,925,345)	(858,863,791)
Proceeds from disposal of controlling interest	-	-	347,856,250
Acquisition of business, net of cash acquired	-	-	(5,817,191,859)
Proceeds from sale of property, plant and equipment	43,338,797	20,937,632	124,167,193
<b>Net cash flow from/ (used in) investing activities</b>	<b>(1,762,408,220)</b>	<b>(1,817,076,467)</b>	<b>(7,966,308,503)</b>
<b>CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES</b>			
Dividend paid to non controlling interest	(52,719,669)	-	(514,879,693)
Proceeds from shareholders with non-controlling interest on issue of rights in subsidiaries	-	177,776,292	311,113,243
Proceeds from long term borrowings	2,029,058,921	1,229,909,049	18,538,930,076
(Increase) / decrease of controlling interest	(5,545,633)	(59,085)	(179,401,247)
(Increase) / decrease in other non-current financial liabilities	(7,500,000)	-	25,450,268
Repayment of long term borrowings	(2,255,257,112)	(1,397,002,541)	(8,799,899,215)
Proceeds from / (repayment of) short term borrowings (net)	619,222,220	837,795,345	2,140,258,979
Direct cost on issue of shares	(422,000)	(9,479,828)	(14,325,748)
Unamortisation of debenture issue expense/ loan processing fee	-	-	(17,878,920)
Dividend paid to equity holders of parent	(193,602,075)	-	-
<b>Net cash flow from financing activities</b>	<b>133,234,652</b>	<b>838,939,232</b>	<b>11,489,367,743</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(2,962,091,343)</b>	<b>(1,694,991,440)</b>	<b>3,948,936,172</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING</b>	<b>5,648,046,408</b>	<b>1,700,038,527</b>	<b>1,700,038,527</b>
Effect of exchange rate changes	162,658	19,043	(928,291)
<b>CASH AND CASH EQUIVALENTS AT THE END</b>	<b>2,686,117,723</b>	<b>5,066,130</b>	<b>5,648,046,408</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>			
<b>Favourable balances</b>			
Cash in hand and at Bank	3,523,392,229	1,652,619,786	1,926,725,822
Short term investments	1,066,813,415	1,168,764,293	5,379,322,222
<b>Unfavourable balances</b>			
Bank overdrafts	(1,904,087,921)	(2,816,317,949)	(1,658,001,636)
<b>Cash and cash equivalents</b>	<b>2,686,117,723</b>	<b>5,066,130</b>	<b>5,648,046,408</b>

Note : Figures in brackets indicate deductions.

The above figures are not audited unless otherwise stated.



# Softlogic Holdings PLC

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### GROUP

In Rs.	Attributable to equity holders of parent									Non-controlling interest	Total equity
	Stated capital	Treasury Shares	Revaluation reserve	Exchange translation reserve	Available for sale reserve	Statutory reserve fund	Other reserves	Revenue reserve	Total		
<b>As at 01 April 2015</b>	5,089,000,000	(55,921,185)	1,636,375,397	(26,775,781)	200,328,059	116,532,044	(502,197,708)	1,167,195,634	<b>7,624,536,460</b>	8,157,436,153	<b>15,781,972,613</b>
Profit for the period	-	-	-	-	-	-	-	83,667,663	<b>83,667,663</b>	220,544,372	<b>304,212,035</b>
Other Comprehensive income	-	-	-	(846,536)	103,101,205	-	-	-	<b>102,254,669</b>	128,984,878	<b>231,239,547</b>
<b>Total Comprehensive income</b>	-	-	-	(846,536)	103,101,205	-	-	83,667,663	<b>185,922,332</b>	349,529,250	<b>535,451,582</b>
Dividend paid	-	-	-	-	-	-	-	(193,602,075)	<b>(193,602,075)</b>	-	<b>(193,602,075)</b>
Direct cost on issue of shares	-	-	-	-	-	-	-	(421,270)	<b>(421,270)</b>	(730)	<b>(422,000)</b>
Transfer to reserve fund	-	-	-	-	-	11,003,750	-	(11,003,750)	-	-	-
Acquisitions, disposals and changes in holding	-	-	-	-	-	-	(3,953,575)	-	<b>(3,953,575)</b>	(1,592,058)	<b>(5,545,633)</b>
Subsidiary dividend to non-controlling interest	-	-	-	-	-	-	-	-	-	(26,792,074)	<b>(26,792,074)</b>
<b>As at 30 June 2015</b>	5,089,000,000	(55,921,185)	1,636,375,397	(27,622,317)	303,429,264	127,535,794	(506,151,283)	1,045,836,202	<b>7,612,481,872</b>	8,478,580,541	<b>16,091,062,413</b>
<b>As at 01 April 2014</b>	5,089,000,000	(55,921,185)	1,461,774,873	(75,358,862)	176,573,503	149,167,942	(572,303,697)	628,907,044	<b>6,801,839,618</b>	6,548,905,153	<b>13,350,744,771</b>
Profit for the period	-	-	-	-	-	-	-	40,689,597	<b>40,689,597</b>	184,616,623	<b>225,306,220</b>
Other Comprehensive income	-	-	-	1,604,543	71,584,842	-	-	(20,564,743)	<b>52,624,642</b>	36,683,155	<b>89,307,797</b>
<b>Total Comprehensive income</b>	-	-	-	1,604,543	71,584,842	-	-	20,124,854	<b>93,314,239</b>	221,299,778	<b>314,614,017</b>
Direct cost on issue of shares	-	-	-	-	-	-	-	(7,481,673)	<b>(7,481,673)</b>	(1,998,154)	<b>(9,479,827)</b>
Transfer to reserve fund	-	-	-	-	-	1,485,357	-	(1,485,357)	-	-	-
Acquisitions, disposals and changes in holding	-	-	-	-	-	-	97,510,925	-	<b>97,510,925</b>	80,351,559	<b>177,862,484</b>
<b>As at 30 June 2014</b>	5,089,000,000	(55,921,185)	1,461,774,873	(73,754,319)	248,158,345	150,653,299	(474,792,772)	640,064,868	<b>6,985,183,109</b>	6,848,558,336	<b>13,833,741,445</b>

Note : Figures in brackets indicate deductions.  
The above figures are not audited unless otherwise stated.

# Softlogic Holdings PLC

## COMPANY INCOME STATEMENT

In Rs.	Unaudited 3 months to 30-06-2015	Unaudited 3 months to 30-06-2014	Change as a %	Audited 12 months to 31-03-2015
Revenue	147,684,400	101,722,010	45.18	416,018,805
Cost of sales	(42,555,252)	(20,613,770)	106.44	(80,991,653)
<b>Gross profit</b>	<b>105,129,148</b>	<b>81,108,240</b>	<b>29.62</b>	<b>335,027,152</b>
Dividend income	1,176,257	174,046	575.83	961,271,765
Other operating income	4,847,423	1,873,219	158.78	108,111,472
Administrative expenses	(79,595,157)	(63,394,560)	25.56	(347,890,153)
<b>Results from Operating Activities</b>	<b>31,557,671</b>	<b>19,760,945</b>	<b>59.70</b>	<b>1,056,520,236</b>
Finance income	74,836,596	45,782,394	63.46	201,540,615
Finance expenses	(272,238,580)	(241,863,032)	12.56	(1,006,903,157)
<b>Net Finance Cost</b>	<b>(197,401,984)</b>	<b>(196,080,638)</b>	<b>0.67</b>	<b>(805,362,542)</b>
Change in fair value of investment property	-	-	-	40,736,886
<b>Profit/ (loss) before tax</b>	<b>(165,844,313)</b>	<b>(176,319,693)</b>	<b>(5.94)</b>	<b>291,894,580</b>
Tax expense	(2,000,000)	-	-	28,417,501
<b>Profit/ (loss) for the period</b>	<b>(167,844,313)</b>	<b>(176,319,693)</b>	<b>(4.81)</b>	<b>320,312,081</b>

Note : Figures in brackets indicate deductions.  
The above figures are not audited unless otherwise stated.

# Softlogic Holdings PLC

## COMPANY INCOME STATEMENT

In Rs.	Unaudited 3 months to 30-06-2015	Unaudited 3 months to 30-06-2014	Change as a %	Audited 12 months to 31-03-2015
Profit/ (loss) for the period	(167,844,313)	(176,319,693)	(4.81)	320,312,081
<b>Other comprehensive income</b>				
<b>Other comprehensive income not to be reclassified to income statement in subsequent periods</b>				
Actuarial gains/ (loss) on retirement benefits	-	-	-	(2,634,546)
Tax on other comprehensive income	-	-	-	737,672
<b>Other comprehensive loss for the period, net of tax</b>	-	-	-	(1,896,874)
<b>Total comprehensive income/ (loss) for the period, net of tax</b>	<b>(167,844,313)</b>	<b>(176,319,693)</b>	<b>(4.81)</b>	<b>318,415,207</b>

Note : Figures in brackets indicate deductions.

The above figures are not audited unless otherwise stated.

# Softlogic Holdings PLC

## COMPANY STATEMENT OF FINANCIAL POSITION

In Rs.	Unaudited as at 30-06-2015	Unaudited as at 30-06-2014	Audited as at 31-03-2015
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	107,827,233	141,592,440	121,538,318
Investment property	442,641,386	394,000,000	442,641,386
Intangible assets	1,339,161	4,386,638	1,723,508
Investments in subsidiaries	10,598,445,805	10,552,537,451	10,592,900,172
Investments in associates	11,000,000	11,000,000	11,000,000
Other non-current financial assets	1,277,946,624	33,823,640	1,277,947,548
Deferred tax assets	68,817,557	-	68,817,557
	<b>12,508,017,766</b>	<b>11,137,340,169</b>	<b>12,516,568,489</b>
<b>Current assets</b>			
Trade and other receivables	248,593,852	180,486,655	241,724,591
Amounts due from related parties	3,321,587,150	2,262,950,231	2,290,507,881
Other current assets	30,638,105	33,383,517	21,724,101
Short term investments	1,471,024,916	130,845,815	3,670,748,138
Cash in hand and at bank	122,681,886	44,549,772	42,695,145
	<b>5,194,525,909</b>	<b>2,652,215,990</b>	<b>6,267,399,856</b>
<b>Total assets</b>	<b>17,702,543,675</b>	<b>13,789,556,159</b>	<b>18,783,968,345</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Stated capital	5,089,000,000	5,089,000,000	5,089,000,000
Revenue reserves	178,818,911	46,678,324	541,413,224
<b>Total equity</b>	<b>5,267,818,911</b>	<b>5,135,678,324</b>	<b>5,630,413,224</b>
<b>Non-current liabilities</b>			
Interest bearing borrowings	5,880,469,411	2,322,611,955	5,767,785,189
Employee benefit liabilities	32,316,032	31,883,785	30,669,730
Other non-current financial liabilities	165,000,000	-	509,915,332
	<b>6,077,785,443</b>	<b>2,354,495,740</b>	<b>6,308,370,251</b>
<b>Current liabilities</b>			
Trade and other payables	56,132,675	17,154,779	29,531,350
Amounts due to related parties	32,049,520	865,397,367	148,005,634
Short term borrowings	4,701,451,337	3,919,120,405	4,191,598,768
Current portion of interest bearing borrowings	1,536,325,082	1,423,504,123	2,368,998,067
Other current liabilities	16,072,891	20,179,577	24,009,337
Bank overdrafts	14,907,816	54,025,844	83,041,714
	<b>6,356,939,321</b>	<b>6,299,382,095</b>	<b>6,845,184,870</b>
<b>Total equity and liabilities</b>	<b>17,702,543,675</b>	<b>13,789,556,159</b>	<b>18,783,968,345</b>

Note : Figures in brackets indicate deductions.

The above figures are not audited unless otherwise stated.

I certify that the financial statements comply with the requirements of the Companies Act No. 7 of 2007.

-sgd-

Group Chief Financial Officer

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

-sgd-

Director

-sgd-

Director

14 August 2015  
Colombo

# Softlogic Holdings PLC

## COMPANY STATEMENT OF CASH FLOW

In Rs.	Unaudited 3 months to 30-06-2015	Unaudited 3 months to 30-06-2014	Audited 12 months to 31-03-2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/ (loss) before tax	(165,844,313)	(176,319,693)	291,894,580
<b>Adjustments for:</b>			
Finance income	(74,836,596)	(45,782,394)	(201,540,614)
Dividend income	(1,176,257)	(174,046)	(961,271,765)
Finance costs	272,238,580	241,863,032	1,006,903,157
Change in fair value of investment property	-	-	(40,736,886)
Gratuity provision and related costs	1,786,302	1,800,000	6,520,501
Provision for impairment of receivables	4,166,666	-	61,416,769
Provision for assets held for sale	-	-	8,250,980
Depreciation of property, plant and equipment	4,728,973	6,255,408	24,239,655
Profit on sale of property, plant and equipment	(1,230,740)	(1,543,310)	(6,368,059)
Profit on sale of term investments	-	-	(80,981,615)
Amortisation / impairment of intangible assets	384,347	-	2,624,845
Impairment & derecognition of property, plant & equipment	30,637	955,259	995,249
<b>Profit before working capital changes</b>	<b>40,247,599</b>	<b>27,054,256</b>	<b>111,946,797</b>
(Increase) / decrease in trade and other receivable	(11,035,927)	(13,316,815)	(74,554,750)
(Increase) / decrease in other current assets	(10,341,900)	(2,247,255)	1,999,042
(Increase) / decrease in amount due from related parties	(1,026,520,721)	190,146,834	(1,662,568,488)
Increase / (decrease) in trade and other payables	26,601,325	2,584,951	14,961,522
Increase / (decrease) in amount due to related parties	(460,871,446)	(641,071,201)	(294,537,636)
Increase / (decrease) in other current liabilities	(7,936,447)	2,150,805	5,980,569
<b>Cash generated from / (used in) operations</b>	<b>(1,449,857,517)</b>	<b>(434,698,425)</b>	<b>(1,896,772,944)</b>
Finance income received	75,020,057	45,556,194	199,719,323
Finance expenses paid	(261,098,912)	(238,231,143)	(994,129,825)
Dividend received	1,176,257	174,046	961,271,765
Tax paid	(572,104)	-	(32,249,264)
Gratuity paid/ transfers	(140,000)	-	(2,767,813)
<b>Net cash flow from / (used in) operating activities</b>	<b>(1,635,472,219)</b>	<b>(627,199,328)</b>	<b>(1,764,928,758)</b>
<b>CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES</b>			
Purchase and construction of property, plant and equipment	(1,355,442)	(874,934)	(5,539,092)
Addition to investment property	-	-	(7,904,500)
Addition to intangible assets	-	-	(1,861,900)
(Purchase) / disposal of other non current financial assets	-	23,973,925	-
Increase in interest in subsidiaries	(5,545,633)	(985,376,439)	(1,305,012,469)
Proceeds from disposal of controlling interest	-	-	1,787,901,615
Acquisition of business	-	-	(2,789,975,487)
Proceeds from sale of property, plant and equipment	6,979,111	4,895,907	17,405,813
<b>Net cash flow used in investing activities</b>	<b>78,036</b>	<b>(957,381,541)</b>	<b>(2,304,986,020)</b>
<b>CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES</b>			
Proceeds from long term borrowings	903,372,190	-	5,738,547,536
Repayment of long term borrowings	(1,634,500,620)	(160,960,101)	(1,517,981,903)
Proceeds from / (repayment of) short term borrowings (net)	509,852,569	(1,690,365)	270,787,996
Dividend paid to equity holders of parent	(194,750,000)	-	-
<b>Net cash flow from financing activities</b>	<b>(416,025,861)</b>	<b>(162,650,466)</b>	<b>4,491,353,629</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(2,051,420,044)</b>	<b>(1,747,231,335)</b>	<b>421,438,851</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING</b>	<b>2,159,194,114</b>	<b>1,737,755,263</b>	<b>1,737,755,263</b>
<b>CASH AND CASH EQUIVALENTS AT THE END</b>	<b>107,774,070</b>	<b>(9,476,072)</b>	<b>2,159,194,114</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>			
<b>Favourable balances</b>			
Cash in hand and at bank	122,681,886	44,549,772	42,695,145
Short term investments	-	-	2,199,540,683
<b>Unfavourable balances</b>			
Bank overdrafts	(14,907,816)	(54,025,844)	(83,041,714)
<b>Cash and cash equivalents</b>	<b>107,774,070</b>	<b>(9,476,072)</b>	<b>2,159,194,114</b>

Note : Figures in brackets indicate deductions.  
The above figures are not audited unless otherwise stated.

# Softlogic Holdings PLC

## COMPANY STATEMENT OF CHANGES IN EQUITY

### COMPANY

In Rs.	Stated capital	Revenue reserve	Total
<b>As at 01 April 2015</b>	5,089,000,000	541,413,224	5,630,413,224
Loss for the period	-	(167,844,313)	(167,844,313)
<b>Total comprehensive income</b>	-	(167,844,313)	(167,844,313)
Dividend paid	-	(194,750,000)	(194,750,000)
<b>As at 30 June 2015</b>	5,089,000,000	178,818,911	5,267,818,911
<b>As at 01 April 2014</b>	5,089,000,000	222,998,017	5,311,998,017
Loss for the period	-	(176,319,693)	(176,319,693)
<b>Total comprehensive income</b>	-	(176,319,693)	(176,319,693)
<b>As at 30 June 2015</b>	<b>5,089,000,000</b>	<b>46,678,324</b>	<b>5,135,678,324</b>

Note : Figures in brackets indicate deductions.

The above figures are not audited unless otherwise stated.

# Softlogic Holdings PLC

## NOTES TO THE FINANCIAL STATEMENTS

### OPERATING SEGMENT INFORMATION

REVENUE AND PROFIT	Information Technology		Leisure		Retail		Auto Mobiles		Financial Services		Healthcare Services		Others		Group	
	For the three months ended 30 June															
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenue																
Total revenue	4,018,204,670	1,879,720,007	168,014,418	24,850,868	4,508,941,659	2,208,811,126	308,017,782	141,510,994	2,214,253,448	1,982,008,808	2,313,788,051	2,102,026,368	152,090,200	103,564,010	13,683,310,228	8,442,492,181
Inter group	(240,326,724)	(128,433,182)	(37,014,656)	(9,690,748)	(154,437,304)	(143,137,239)	(11,191,579)	(7,122,876)	(54,209,263)	(10,043,920)	-	-	(148,600,661)	(100,612,010)	(645,780,207)	(399,039,975)
<b>Total external revenue</b>	<b>3,777,877,946</b>	<b>1,751,286,825</b>	<b>130,999,762</b>	<b>15,160,120</b>	<b>4,354,504,355</b>	<b>2,065,673,887</b>	<b>296,826,203</b>	<b>134,388,118</b>	<b>2,160,044,165</b>	<b>1,971,964,888</b>	<b>2,313,788,051</b>	<b>2,102,026,368</b>	<b>3,489,539</b>	<b>2,952,000</b>	<b>13,037,530,021</b>	<b>8,043,452,206</b>
Operating profit/ (loss)	256,067,515	186,138,144	(47,235,163)	(52,913,179)	357,076,831	118,158,709	1,778,838	3,875,769	330,699,743	105,242,436	521,689,039	553,939,945	11,879,566	(14,863,789)	1,431,956,369	899,578,035
Finance income	3,886,907	740,673	1,006,807	1,632,140	25,826,123	31,202,996	62,692	-	252,875,954	368,798,656	16,232,832	19,056,212	1,166,685	1,195,539	301,058,000	422,626,216
Finance cost	(82,682,412)	(70,727,878)	(37,945,663)	(4,552,176)	(272,044,413)	(125,483,321)	(19,725,366)	(11,491,730)	(34,846,467)	(57,069,493)	(137,261,462)	(163,268,627)	(221,593,159)	(193,050,642)	(805,898,942)	(625,643,867)
Change in insurance contract liabilities	-	-	-	-	-	-	-	-	(459,156,384)	(402,527,379)	-	-	-	-	(459,156,384)	(402,527,379)
Share of results of associates	-	-	-	-	-	-	-	-	-	-	-	-	2,971,378	2,341,927	2,971,378	2,341,927
<b>Profit/ (loss) before taxation</b>	<b>177,272,010</b>	<b>116,150,939</b>	<b>(84,174,019)</b>	<b>(55,833,215)</b>	<b>110,858,541</b>	<b>23,878,384</b>	<b>(17,883,836)</b>	<b>(7,615,961)</b>	<b>89,772,846</b>	<b>14,444,220</b>	<b>400,660,409</b>	<b>409,727,530</b>	<b>(205,575,530)</b>	<b>(204,376,965)</b>	<b>470,930,421</b>	<b>296,374,932</b>
Taxation	(45,916,098)	(28,298,565)	(2,033,963)	4,524,770	(32,029,971)	24,562,250	(4,297,297)	(233,172)	(23,918,337)	(5,950,005)	(55,573,740)	(62,337,363)	(2,948,981)	(1,851,629)	(166,718,387)	(69,583,714)
<b>Profit/ (loss) after taxation</b>	<b>131,355,912</b>	<b>87,852,374</b>	<b>(86,207,982)</b>	<b>(51,308,445)</b>	<b>78,828,570</b>	<b>48,440,634</b>	<b>(22,181,133)</b>	<b>(7,849,133)</b>	<b>65,854,509</b>	<b>8,494,215</b>	<b>345,086,669</b>	<b>347,390,167</b>	<b>(208,524,511)</b>	<b>(206,228,594)</b>	<b>304,212,034</b>	<b>226,791,218</b>
Depreciation of property, plant & equipment (PPE)	16,353,691	9,633,180	42,974,267	13,397,959	74,406,372	34,443,932	9,008,816	2,341,703	35,897,445	24,950,976	172,062,807	162,201,961	4,786,830	6,284,452	355,490,228	253,254,163
Amortisation of lease rentals paid in advance	-	-	-	-	-	-	-	-	-	-	259,233	259,233	-	-	259,233	259,233
Amortisation of intangible assets	4,690,493	194,263	11,927,317	11,897,029	14,555,810	2,102,418	-	-	34,972,034	34,829,842	2,130,469	2,130,469	384,347	955,259	68,660,470	52,109,280
Retirement benefit obligations and related cost	4,827,268	3,731,245	1,852,000	660,000	4,472,605	2,624,625	502,794	545,629	5,583,634	5,091,643	16,167,272	15,554,999	1,786,302	1,813,324	35,191,875	30,021,465
Purchase and construction of PPE	1,536,420	7,512,398	375,966,860	642,050,780	587,968,126	105,139,276	9,691,237	85,220,520	60,417,750	32,843,469	180,548,970	93,902,809	1,397,790	1,444,689	1,217,527,153	968,113,941
Additions to intangible assets	1,877,667	1,550,860	129,312	83,587	9,431,561	-	-	-	5,319,236	8,484,057	-	-	-	-	16,757,776	10,118,504
Additions to lease rentals paid in advance	-	-	-	-	-	-	-	-	-	-	-	71,883,316	-	-	-	71,883,316

Note : Figures in brackets indicate deductions.  
The above figures are not audited unless otherwise stated.

# Softlogic Holdings PLC

## NOTES TO THE FINANCIAL STATEMENTS

### OPERATING SEGMENT INFORMATION

As at 30 June	Information Technology		Leisure		Retail		Auto Mobiles		Financial Services		Healthcare Services		Others		Group	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Property, plant and equipment	212,239,315	152,946,234	6,612,175,536	4,371,130,282	5,138,429,393	1,235,465,683	379,953,844	242,527,572	822,042,332	646,977,468	10,788,280,355	10,188,345,424	108,532,527	142,535,639	24,061,653,301	16,979,928,302
Lease rentals paid in advance	-	-	-	-	-	-	-	-	-	-	854,536,668	224,936,273	-	-	854,536,668	224,936,273
Investment property	233,000,000	225,300,000	1,045,292,349	757,492,349	94,848,000	81,510,000	-	-	-	-	-	-	442,641,387	2,578,636,000	1,815,781,736	3,642,938,349
Intangible assets	169,674,683	126,684,903	455,784	83,587	383,446,510	150,678,683	-	-	72,370,494	63,466,417	-	-	1,339,161	4,386,638	627,286,631	345,300,228
Other non current financial assets	5,578,028	10,773,983	-	-	2,934,859	45,603,084	1,500,000	-	11,739,338,525	6,673,833,397	628,544,889	493,391,268	2,527,740	2,859,607	12,380,424,041	7,226,461,339
Rental receivable on lease assets and hire purchase	-	-	-	-	-	-	-	-	1,571,696,204	3,592,602,722	-	-	-	-	1,571,696,204	3,592,602,722
Other non current assets	13,476,241	8,861,879	10,483,973	4,800,420	150,434,859	75,900,082	2,327,169	1,500,000	110,722,945	95,694,670	7,083,335	8,083,333	-	-	294,528,522	194,840,384
<b>Segment non current assets</b>	<b>633,968,267</b>	<b>524,566,999</b>	<b>7,668,407,642</b>	<b>5,133,506,638</b>	<b>5,770,093,621</b>	<b>1,589,157,532</b>	<b>383,781,012</b>	<b>244,027,572</b>	<b>14,316,170,500</b>	<b>11,072,574,674</b>	<b>12,278,445,247</b>	<b>10,914,756,298</b>	<b>555,040,814</b>	<b>2,728,417,884</b>	<b>41,605,907,102</b>	<b>32,207,007,597</b>
Investments in associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	28,355,498	26,432,592
Goodwill	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,115,823,525	4,115,823,525
Intangible assets through business combinations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,061,991,022	3,228,298,044
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	294,316,155	301,555,545
Eliminations/ adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(67,941,089)	(49,760,250)
<b>Total non current assets</b>	<b>633,968,267</b>	<b>524,566,999</b>	<b>7,668,407,642</b>	<b>5,133,506,638</b>	<b>5,770,093,621</b>	<b>1,589,157,532</b>	<b>383,781,012</b>	<b>244,027,572</b>	<b>14,316,170,500</b>	<b>11,072,574,674</b>	<b>12,278,445,247</b>	<b>10,914,756,298</b>	<b>555,040,814</b>	<b>2,728,417,884</b>	<b>50,038,452,214</b>	<b>39,829,357,053</b>
Inventories	1,006,703,667	723,006,101	17,914,947	6,317,095	4,838,911,053	3,012,395,928	334,725,683	212,268,133	597,224,749	602,041,519	395,671,319	376,243,789	-	283,486	7,191,151,418	4,932,556,051
Investment property	-	-	-	-	-	-	-	-	-	-	2,698,000,000	-	-	-	2,698,000,000	-
Trade and other receivables	2,490,302,237	1,232,855,585	51,409,893	33,181,049	3,807,734,596	2,892,744,729	135,871,317	92,187,708	1,092,063,044	1,029,753,685	798,340,895	760,800,871	9,331,192	74,578,575	8,385,053,174	6,116,102,202
Loans and advances	-	-	-	-	-	-	-	-	8,630,491,928	2,071,182,549	-	-	-	-	8,630,491,928	2,071,182,549
Rental receivable on lease assets and hire purchase	-	-	-	-	-	-	-	-	668,525,590	5,300,326,632	-	-	-	-	668,525,590	5,300,326,632
Other current assets	521,199,326	207,455,717	226,910,956	357,206,492	1,199,354,482	575,767,811	438,393,222	175,962,231	1,478,011,376	1,332,906,365	116,425,306	132,664,956	30,667,055	44,487,960	4,010,961,724	2,826,451,532
Short term investments	12,674,760	11,764,164	332,460	306,499	22,381,738	21,813,520	-	-	4,720,483,065	4,337,443,150	-	300,500,000	132,427,345	131,062,934	4,888,299,368	4,802,890,267
Cash in hand and at bank	154,596,983	91,610,931	276,037,005	127,180,288	701,522,848	412,409,820	45,656,562	37,334,692	804,484,511	700,163,704	1,417,349,343	237,668,812	123,744,978	46,251,539	3,523,392,229	1,652,619,786
<b>Segment current assets</b>	<b>4,185,476,973</b>	<b>2,266,692,498</b>	<b>572,605,260</b>	<b>524,191,423</b>	<b>10,569,904,716</b>	<b>6,915,131,808</b>	<b>954,646,785</b>	<b>517,752,764</b>	<b>17,991,284,263</b>	<b>15,373,817,604</b>	<b>5,425,786,863</b>	<b>1,807,878,428</b>	<b>296,170,570</b>	<b>296,664,494</b>	<b>39,995,875,431</b>	<b>27,702,129,019</b>
Amounts due from related parties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	696,945	660,233
<b>Total current assets</b>	<b>4,185,476,973</b>	<b>2,266,692,498</b>	<b>572,605,260</b>	<b>524,191,423</b>	<b>10,569,904,716</b>	<b>6,915,131,808</b>	<b>954,646,785</b>	<b>517,752,764</b>	<b>17,991,284,263</b>	<b>15,373,817,604</b>	<b>5,425,786,863</b>	<b>1,807,878,428</b>	<b>296,170,570</b>	<b>296,664,494</b>	<b>39,996,572,376</b>	<b>27,702,789,252</b>
<b>Total assets</b>															<b>90,035,024,590</b>	<b>67,532,146,305</b>
Insurance contract liabilities	-	-	-	-	-	-	-	-	5,588,428,723	4,587,450,736	-	-	-	-	5,588,428,723	4,587,450,736
Interest bearing borrowings	96,163,063	173,563,283	3,599,280,601	2,834,281,831	4,245,260,178	345,650,475	137,434,974	27,589,938	3,182,103,429	2,002,928,989	6,728,870,964	6,242,370,487	5,859,385,470	2,327,626,997	23,848,498,679	13,954,012,000
Public deposits	-	-	-	-	-	-	-	-	2,261,214,069	2,015,167,589	-	-	-	-	2,261,214,069	2,015,167,589
Employee benefit liabilities	100,347,242	69,878,947	10,469,424	2,655,316	101,891,094	41,356,764	4,648,383	2,718,187	75,035,411	69,924,516	354,844,832	249,480,129	32,855,111	32,149,410	680,088,466	468,163,269
Other deferred liabilities	902,116	6,488,902	-	-	-	55,247,484	-	-	-	-	-	-	-	-	902,116	61,736,386
Other non current financial liabilities	17,950,268	-	-	-	-	-	-	-	6,260,352	6,260,352	-	-	-	-	24,210,620	6,260,352
<b>Segment non current liabilities</b>	<b>215,362,689</b>	<b>249,931,132</b>	<b>3,609,750,025</b>	<b>2,836,937,147</b>	<b>4,347,151,272</b>	<b>442,254,723</b>	<b>142,080,326</b>	<b>30,308,125</b>	<b>11,133,041,983</b>	<b>8,681,732,182</b>	<b>7,083,715,796</b>	<b>6,491,850,616</b>	<b>5,892,240,581</b>	<b>2,359,776,407</b>	<b>32,423,342,673</b>	<b>21,092,790,332</b>
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	325,155,160	326,920,971
Eliminations/ adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(208,317,714)	(512,214,902)
<b>Total non current liabilities</b>	<b>215,362,689</b>	<b>249,931,132</b>	<b>3,609,750,025</b>	<b>2,836,937,147</b>	<b>4,347,151,272</b>	<b>442,254,723</b>	<b>142,080,326</b>	<b>30,308,125</b>	<b>11,133,041,983</b>	<b>8,681,732,182</b>	<b>7,083,715,796</b>	<b>6,491,850,616</b>	<b>5,892,240,581</b>	<b>2,359,776,407</b>	<b>32,540,180,119</b>	<b>20,907,496,401</b>
Trade and other payables	1,691,719,367	661,951,799	249,499,994	40,266,284	1,674,486,127	1,327,404,987	28,515,361	4,873,544	2,807,525,636	2,471,326,460	697,983,562	562,502,871	55,435,865	17,223,983	7,205,165,913	5,085,549,928
Short term borrowings	2,444,150,200	2,310,151,696	30,425,953	19,573,303	6,493,746,547	3,611,152,936	423,032,695	96,722,970	3,172,304,094	3,397,821,565	-	-	4,701,451,337	5,113,144,619	17,265,110,826	14,548,567,089
Current portion of interest bearing borrowings	83,657,939	103,953,192	81,930,140	1,838,244	390,964,496	78,032,517	29,198,967	6,053,572	454,296,167	898,464,744	1,048,842,413	1,133,383,141	1,557,409,024	1,425,911,323	3,646,299,146	3,647,636,733
Other current liabilities	281,456,697	93,600,346	9,764,238	166,359,790	235,819,146	48,728,462	58,390,117	73,134,410	340,180,057	306,531,554	1,235,521,784	40,191,975	16,072,891	20,359,247	2,177,204,928	748,905,784
Public deposits	-	-	-	-	-	-	-	-	10,706,524,074	7,657,853,457	-	-	-	-	10,706,524,074	7,657,853,457
Bank overdrafts	31,372,988	95,600,106	29,422,845	45,856,031	521,267,735	711,964,997	58,920,403	26,417,166	653,560,011	751,606,308	594,636,122	1,129,189,726	14,907,816	55,683,615	1,904,087,921	2,816,317,949
<b>Segment current liabilities</b>	<b>4,532,357,191</b>	<b>3,265,257,139</b>	<b>401,043,171</b>	<b>273,893,652</b>	<b>9,316,284,052</b>	<b>5,777,283,899</b>	<b>598,057,543</b>	<b>207,201,662</b>	<b>18,134,390,039</b>	<b>15,483,604,088</b>	<b>3,576,983,881</b>	<b>2,865,267,713</b>	<b>6,345,276,932</b>	<b>6,632,322,787</b>	<b>42,904,392,809</b>	<b>34,504,830,940</b>
Income tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	397,594,970	200,244,281
Amounts due to related parties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,124,463	19,894,006
Eliminations/ adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,914,330,184)	(1,934,060,768)
<b>Total current liabilities</b>	<b>4,532,357,191</b>	<b>3,265,257,139</b>	<b>401,043,171</b>	<b>273,893,652</b>	<b>9,316,284,052</b>	<b>5,777,283,899</b>	<b>598,057,543</b>	<b>207,201,662</b>	<b>18,134,390,039</b>	<b>15,483,604,088</b>	<b>3,576,983,881</b>	<b>2,865,267,713</b>	<b>6,345,276,932</b>	<b>6,632,322,787</b>	<b>41,403,782,058</b>	<b>32,790,908,459</b>
<b>Total liabilities</b>															<b>73,943,962,177</b>	<b>53,698,404,860</b>
Total segment assets	4,819,445,240	2,791,259,497	8,241,012,902	5,657,698,061	16,339,998,338	8,504,289,340	1,338,427,797	761,780,336	32,307,454,763	26,446,392,278	17,704,232,110	12,722,634,726	851,211,384	3,025,082,378	81,601,782,533	59,909,136,616
Total segment liabilities	4,747,719,880	3,515,188,271	4,010,793,196	3,110,830,799	13,663,435,324	6,219,538,622	740,137,869	237,509,787	29,267,432,023	24,165,336,270	10,660,699,677	9,357,118,329	12,237,517,513	8,992,099,194	75,327,735,482	55,597,621,272

Note : Figures in brackets indicate deductions.

The above figures are not audited unless otherwise stated.



# Softlogic Holdings PLC

## NOTES TO THE FINANCIAL STATEMENTS

### 1. CORPORATE INFORMATION

Softlogic Holdings PLC, is a public limited company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange.

The interim financial statements of the Group and the Company for the three months ended 30 June 2015 were authorised for issue by the Board of directors on 14 August 2015.

### 2. BASIS OF PREPARATION

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 31 March 2015.

The presentation and classification of the financial statements of the previous period have been amended, where relevant, for better presentation and to be comparable with those of the current period.

The interim financial statements are presented in Sri Lankan Rupees.

### 3. CHANGE IN LIFE INSURANCE CONTRACT LIABILITIES

The results of Asian Alliance Insurance PLC's life business segment is consolidated line by line into the Group's consolidated income statement. The change in life insurance contract liabilities represents the difference between all income and expenditure attributable to life policy holders during the period.

### 4. SHARE INFORMATION

#### 4.1 Public Share Holdings

The percentage of shares held by the public as at 30 June 2015 was 28.50% (number of public shareholders - 14,050)

#### 4.2 Directors' Share Holdings

The number of shares held by the Board of directors are as follows:

As at	30-06-2015
A K Pathirage - Chairman/ Managing Director	362,933,569
G W D H U Gunawardena	57,527,300
R J Perera	60,836,700
H K Kaimal	64,870,800
M P R Rasool	Nil
Dr S Selliah	2,000,000
W M P L De Alwis, PC	Nil
G L H Premaratne	Nil
R A Ebell	Nil
	<u>548,168,369</u>

# Softlogic Holdings PLC

## NOTES TO THE FINANCIAL STATEMENTS

### 4.3 Twenty Largest Shareholders of the Company are as follows:

As at	Number of shares 30-06-2015	%
1 Mr. A K Pthirage	323,983,569	41.59
2 Mr. H K Kaimal	64,870,800	8.33
3 Mr. R J Perera	60,836,700	7.81
4 Mr. G W D H U Gunawardena	57,527,300	7.38
5 Pemberton Asian Opportunities Fund	46,000,000	5.91
6 Commercial Bank of Ceylon PLC/ A K Pathirage	38,950,000	5.00
7 Employees Provident Fund	7,230,500	0.93
8 Bank of Ceylon A/C Ceybank Unit Trust	5,570,685	0.72
9 Asian Alliance Insurance PLC - A/C 02 (Life Fund)	4,591,702	0.59
10 Mrs. A Selliah	4,236,000	0.54
11 Seylan Bank PLC/ W D N H Perera	4,000,000	0.51
12 Arunodhaya Investments (Private) Limited	3,950,000	0.51
13 Arunodhaya Industries (Private) Limited	3,950,000	0.51
14 Arunodhaya (Private) Limited	3,950,000	0.51
15 HSBC INTL NOM LTD - UBS AG ZURICH	3,864,794	0.50
16 Miss. S Subramaniam	3,800,000	0.49
17 Mr. V Kailasapillai	3,800,000	0.49
18 Mrs. A Kailasapillai	3,800,000	0.49
19 Mr. K Aravinthan	3,500,000	0.45
20 Waldock Mackenzie Ltd/ Hi-Line Trading (Pvt) Ltd	3,365,646	0.43

### 5. STATED CAPITAL MOVEMENTS

#### 5.1 No of shares

	No of shares
As at 01 April 2015	779,000,000
<b>As at 31 June 2015</b>	<b>779,000,000</b>

#### 5.2 Value of shares

	Rs
As at 01 April 2015	5,089,000,000
<b>As at 31 June 2015</b>	<b>5,089,000,000</b>

### 6. INVESTOR INFORMATION

#### 6.1 Market Value of Shares

The market value of an ordinary share of Softlogic Holdings PLC was as follows.

	30-06-2015
Closing price on (Rs.)	15.50
Highest price recorded for the three months ending (Rs.)	16.50
Lowest price recorded for the three months ending (Rs.)	13.30
Market Capitalisation (Rs. mn)	12,074.50

#### 6.2 Ratios

Net assets per share at the period end (Rs.)	9.83
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#### 6.3 Share Trading information from 01 April 2015 to 30 June 2015

Number of shares traded	19,209,480
Value of shares traded (Rs.)	290,373,060

# Softlogic Holdings PLC

## NOTES TO THE FINANCIAL STATEMENTS

### 7. LISTED DEBENTURES

#### 7.1 Details regarding the listed debentures are as follows;

10,000,000 rated unsecured redeemable debentures at the face value of Rs. 100.00 each with an annual effective interest rate of 16.70% were issued on 09 September 2013 which will be matured on 09 September 2016.

Interest rate of comparable Government Securities as at 30 June, 2015 - 7.18% (net of tax)

#### 7.2 Ratios

30-06-2015

Debt/ equity ratio	2.80
Quick asset ratio	0.80
Interest cover	2.30

#### 7.3 Debenture Trading information from 01 April 2015 to 30 June 2015

30-06-2015

Closing price on	N/A
Highest price recorded for the three months ending	N/A
Lowest price recorded for the three months ending	N/A
Interest Yield	N/A
Year to maturity of trade	N/A

Debentures were not traded during the period from 01 April 2015 to 30 June 2015

### 8. CONTINGENCIES

#### CONTINGENT LIABILITIES

There were no significant contingent liabilities as at the date of the statement of financial position other than those disclosed below, which require adjustments to or disclosures in the financial statements.

#### 8.1 Softlogic Holdings PLC

Softlogic Holdings PLC received an income tax assessments from The Department of Inland Revenue for the years of assessment 2009/10 and 2010/11. The company has lodged an appeal against the said assessment and The Department of Inland Revenue has issued their determination. The Management and the tax consultants has submitted an appeal to the Tax Appeal Commission on that determination.

Based on the information available and the advice of the tax consultants, the Directors are confident that the ultimate resolution of the above contingency is unlikely to have a material adverse effect on the company or on the group.

#### 8.2 Asiri Hospital Holdings PLC, Asiri Surgical Hospital PLC and Asiri Hospital Matara (Pvt) Ltd

Pending litigations against Asiri Hospital Holdings PLC, Asiri Surgical Hospital PLC and Asiri Hospital Matara (Pvt) Ltd with a maximum liability of Rs. 43 mn, Rs. 50 mn and Rs. 51 mn respectively exist as at 31 March 2014 (2014 - Asiri Hospital Holdings PLC : Rs. 43 mn, Asiri Surgical Hospital PLC : Rs. Nil and Asiri Hospital Matara (Pvt) Ltd - Rs. 51 mn).

Although there can be no assurance, the directors believe, based on the information currently available, that the ultimate resolution of such legal procedures would not likely to have a material adverse effect on the company or on the group. Accordingly, no provision for any liability has been made in these financial statements.

#### 8.3 Asian Alliance Insurance PLC

VAT Assessments were received by Asian Alliance Insurance PLC in October 2011 and April 2013 in relation to taxable periods ended 31 December 2009 and 31 December 2010 amounting to Rs. 4.50 mn and Rs. 26.90 mn respectively.

The Company has filed an appeal in November 2011 on the basis that the underlying computation includes items which are exempt /out of scope of the Value Added Tax Act. The Commissioner General of Inland Revenue has determined the assessment and the Company is in the process of appealing to the Tax Appeals Commission and awaiting the final decision.

Based on the information available and the advice of the tax consultants, the Directors are confident that the ultimate resolution of the above contingency is unlikely to have a material adverse effect on the company or on the group.

#### 8.4 Odel PLC, Odel Information Technology Services (Pvt) Ltd, Odel Properties (Pvt) Ltd

Odel PLC, Odel Information Technology Services (Pvt) Ltd, Odel Properties (Pvt) Ltd received an income tax assessments from The Department of Inland Revenue for the years of assessment 2009/10 & 2010/11, 2007/08, 2008/09, 2009/10, 2010/11 & 2011/12 and 2011/12 & 2012/13 respectively.

The group has lodged appeals against the said assessments and The Department of Inland Revenue has issued their determinations. The Management and the tax consultants have submitted appeals to the Tax Appeal Commission on that determinations.

Based on the information available and the advice of the tax consultants, the Directors are confident that the ultimate resolution of the above contingencies is unlikely to have a material adverse effect on the respective companies or on the group.

# Softlogic Holdings PLC

## NOTES TO THE FINANCIAL STATEMENTS

### 9. CAPITAL COMMITMENTS

As at 30 June 2015, the group had capital commitments contracted but not provided in the financial statements amounting to Rs. 4,259 mn (30 June 2014 - 1,668 mn).

### 10. EVENTS AFTER THE REPORTING PERIOD

There were no significant events subsequent to the date of the statement of financial position, which require disclosure in the financial statements other than the followings.

#### 10.1 Sub-division of ordinary shares – Asian Alliance Insurance PLC

The directors of Asian Alliance Insurance PLC, a subsidiary of Softlogic Holdings PLC resolved subject to the approval at a general meeting and any other regulatory approvals (if any) to sub-divide its ordinary shares in the ratio of One (01) existing ordinary share in to Ten (10) sub-divided ordinary shares.

So that the existing Thirty Seven Million Five Hundred Thousand (37,500,000) shares will be sub-divided in to Three Hundred and Seventy Five Million (375,000,000) new shares, there being no change to the Stated Capital of the Company.

#### 10.2 Sale of Land – Asiri Central Hospitals Ltd

On 09 July, 2015, the directors of Asiri Central Hospitals Ltd, a subsidiary of Softlogic Holdings PLC approved and authorized the complete sale of the land and premises located at No. 37, Horton Place, Colombo 07 for a total consideration of Rs. 2,700,000,000/-.

# Softlogic Holdings PLC

## NOTES TO THE FINANCIAL STATEMENTS

### 10. RELATED PARTY TRANSACTIONS

#### 10.1 Transactions with related parties

In Rs.	Group		Company	
	3 months to 30-06-2015	3 months to 30-06-2014	3 months to 30-06-2015	3 months to 30-06-2014
<b>Subsidiaries</b>				
(Purchases) / sales of goods	-	-	(8,903,205)	(4,946,203)
(Receiving) / rendering of services	-	-	144,232,360	98,770,010
(Purchases) / sale of property plant & equipment	-	-	(803,271)	(773,519)
Loans given / (obtained)	-	-	634,364,180	(450,040,446)
Interest received / (paid)	-	-	31,898,038	31,741,944
Rent received / (paid)	-	-	10,645,496	5,716,002
Guarantee charges received	-	-	28,072,323	-
Guarantees given / (obtained)	-	-	17,718,700,000	8,774,478,000
<b>Associates</b>				
(Purchases) / sale of property plant & equipment	694,371	772,880	-	-
(Receiving) / rendering of services	1,377,032	2,237,929	3,202,040	2,952,000
<b>Key management personnel</b>				
(Receiving) / rendering of services	-	-	-	-
<b>Close family members of KMP</b>				
(Receiving) / rendering of services	-	-	-	-

#### 10.2 Terms and conditions of transactions with related parties

Transactions with related parties are carried out in the ordinary course of the business. Outstanding current account balances at year end are unsecured, interest free and settlement occurs in cash. Interest bearing borrowings are at pre-determined interest rates and terms.

# Softlogic Holdings PLC

## CORPORATE INFORMATION

### Name of Company

Softlogic Holdings PLC

### Legal Form

Public Limited Liability Company.

Incorporated in Sri Lanka on 25 February 1998 as a Private Limited Liability Company under the Companies Act No. 17 of 1982.

Re-registered on 17 December 2007 as a Public Limited Liability Company under the Companies Act No. 07 of 2007.

The status of the Company was changed to a Public Limited Company on 10 December 2008. Subsequent to the listing of shares on the Main Board of Colombo Stock Exchange, the name of the Company was changed to Softlogic Holdings PLC on 25 August 2011.

### Company Registration No

PV 1536 PB/PQ

### Registered Office of the Company

14, De Fonseka Place,  
Colombo 05  
Sri Lanka

### Contact Details

14, De Fonseka Place,  
Colombo 05  
Sri Lanka

Tel : +94 11 5575 000  
Fax : +94 11 2595 441  
E-mail : [info@softlogic.lk](mailto:info@softlogic.lk)  
Web : [www.softlogic.lk](http://www.softlogic.lk)

### Directors

A K Pathirage - Chairman/ Managing Director  
Dr S Selliah  
G L H Premaratne  
G W D H U Gunawardena  
H K Kaimal  
M P R Rasool  
R A Ebell  
R J Perera  
W M P L De Alwis, PC

### Audit Committee

R A Ebell - Chairman  
Dr S Selliah  
G L H Premaratne  
W M P L De Alwis, PC

### Remuneration Committee

W M P L De Alwis - Chairman  
G L H Premaratne

### Secretaries and Registrars

Softlogic Corporate Services (Pvt) Ltd  
14, De Fonseka Place,  
Colombo 05  
Sri Lanka  
Tel : +94 11 5575 000  
Fax : +94 11 2595 441

### Investor Relations

Softlogic Holdings PLC  
14, De Fonseka Place,  
Colombo 05  
Sri Lanka  
Tel : +94 11 5575 176  
E-mail : [investorrelations@softlogic.lk](mailto:investorrelations@softlogic.lk)

### Contact for Media

Softlogic Holdings PLC  
14, De Fonseka Place,  
Colombo 05  
Sri Lanka  
Tel : +94 11 5575 000  
Fax : +94 11 2595 441

### Bankers

Bank of Ceylon  
Cargills Bank Ltd  
Commercial Bank of Ceylon PLC  
Deutsche Bank AG, Colombo  
DFCC Bank PLC  
DFCC Vardhana Bank PLC  
Hatton National Bank PLC  
Hongkong & Shanghai Banking Corporation  
Muslim Commercial Bank  
National Development Bank PLC  
Nations Trust Bank PLC  
Pan Asia Banking Corporation PLC  
People's Bank  
Sampath Bank PLC  
Seylan Bank PLC  
Union Bank of Colombo PLC

### Auditors

Ernst & Young  
Chartered Accountants  
201, De Saram Place,  
Colombo 10