



# **SOFTLOGIC HOLDINGS PLC**

INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED  
30 SEPTEMBER 2015

Dear Shareholders,

It is pleasing to present to you the financial performance of your Company for the first half of FY2015/16. The Group exhibited strong performance recording revenue growth of 57.0% to Rs. 26.2 Bn with second quarter consolidated revenues increasing a 52.2% growth to Rs. 13.2 Bn. Retail sector led the consolidated revenue, post-acquisition of Odel, with a contribution of 33.3% for 1HFY16 followed by ICT, especially its mobile phone items, with 28.7%, Healthcare Services with a impressive 18.0% and Financial Services contributing 16.6%.

Consolidated Gross Profit increased 39.5% to reach Rs. 4.4 Bn during the second quarter of the financial year with cumulative first half Gross Profit increasing 43.4% to Rs. 8.7 Bn. Despite the Group's expansion, a significant improvement in operational cost margin was noted during the period with the quarterly cost margin improving to 23.6% from 30.2% and cumulative operating cost margin also improving from 28.5% to 23.6% following stringent cost discipline and synergies. Nonetheless, administration and distribution costs naturally increased to 32.7% and 21.7% to Rs. 4.9 Bn and Rs. 1.3 Bn respectively for the first half of the financial year. The quarter reported a marginal decline in distribution costs to Rs. 648.3 Mn while administrative costs increased 25.3% to Rs. 2.5 Bn.

Operating profit achieved a growth of 90.0% to Rs. 1.5 Bn during the quarter witnessing a strong margin growth to 11.4% from 9.1% in the corresponding quarter. Cumulative operation profit

increased 73.7% to Rs. 2.9 Bn with margin (OPM) improving from 10.1% last year to 11.2%.

The Healthcare and Leisure sectors were adversely affected by the Rupee depreciation due to the foreign currency denominated debt in the books. Nonetheless, the Leisure sector's foreign currency receipts constituting a natural hedge are also encouraging.

A decline of 55.2% in finance income to Rs. 547.7 Mn was registered during the cumulative period with quarterly finance income also reducing 66.3% to Rs. 264.1 Mn. This reduction was a reflection of falling market interest rates and volatile stock market performance on the investment portfolio of Asian Alliance Insurance PLC (unrealized fair value gains). As such, change in insurance contract liabilities declined marginally during the cumulative period to 860.5 Mn (quarterly decline of 16.9% to Rs. 401.3 Mn). Finance expenses increased 15.7% to Rs. 771.4 Mn during the quarter despite a significant increase Group activity levels while a 19.1% increase to Rs. 1.6 Bn was noted during the first half of the financial year. Growth of 13.9% in other operating income to Rs. 435.0 Mn during the first half of the financial year was primarily led by a new source of income at Softlogic Finance PLC as fees received for new loans.

For the first six months of FY15/16, Group EBITDA increased by 64.4% to Rs. 3.8 Bn against Rs. 2.31 Bn made in the corresponding period of FY 14/15. EBITDA margins improved to 14.52% against 13.89% during the comparative periods.

This amply demonstrates the Group's increasing efficiency in managing resources.

Group PBT stood at Rs. 1.1 Bn after witnessing a steady increase of 47.5% for the cumulative period. The quarter too registered a growth of 39.1% to Rs, 593.7 Mn in PBT.

Profit for the period during the six months of FY2015/16 improved 18.4% to Rs. 685.4 Mn while the 2HFY16 reported Rs.381.2 Mn (up 7.7%). A gradual improvement in the performance of the fully-owned subsidiaries of your Company has been evident in the recent months with equity-holders earnings moving upwards.

### **Information & Communication Technology**

Information & Communication Technology more than doubled its revenue to Rs. 7.5 Bn during the 1HFY16 with the quarter registering a strong 88.2% increase in turnover to Rs. 3.7 Bn. This sector's contribution to the Group topline for 1HFY16 continued to improve to 28.7% from 22.4% in the comparative period.

This segment's operating profit improved 16.6% during the first half of FY2015/16 to Rs. 487.6 Mn (16.6% Group contribution). The quarter reported a segmental operating profit of Rs. 231.5 Mn which is a 10.1% growth making 15.4% of the Group operating profit.

Sector PBT improved 30.2% to Rs. 344.5 Mn during the cumulative period (Rs.167.2 Mn during 2QFY16, up 31.8%). ICT sector PAT increased 16.4% to Rs. 253.8 Mn during the 1HFY16 with quarter marking a growth of 12.6% to Rs. 122.4 Mn.

This significant improvement in the ICT business was driven by Samsung mobile handsets, the flagship company, Softlogic Mobile Distribution (Pvt) Ltd. which commenced operations in November 2014. The success of the mobile segment will be further boosted with the launch of 'HTC' handset range in September 2015. Our islandwide distribution channel, and the unparalleled customer care and after-sales service are key strengths supporting the newly initiated brands. 'Nokia' and 'Microsoft Lumia' handset sales continued with its steady market inroads with Samsung leading during the period under review. Group's B2B IT segment also progressed well.

### **Retail**

Retail sector doubled its topline during the first half of the financial year to Rs. 8.7 Bn and contributed 33.3% to Group turnover (25.6% contribution in the corresponding period). The quarter registered a strong growth of 98.9% to Rs. 4.4 Bn consequently Odel PLC's acquisition in September 2014. Increasing footfalls at existing stores and incremental revenues from new stores/ brands demonstrates strong potential for this segment. Operating profit reached Rs. 784.7 Mn during 1HFY16 (Versus Rs. 335.3 Mn in 1HFY15) while the quarterly operating profit of the sector grew to Rs. 427.6 Mn (up 136.8%). Despite the sector's accelerated expansion, synergies and cost controls helped witness significant improvements in operating profit margins during the cumulative period to 26.8% from 19.9% in the comparative period.

Sector's PBT improved significantly to Rs. 210.0 Mn (up 274.5%) for the quarter

pushing up the cumulative PBT by 175.5% to Rs. 320.9 Mn. Sectoral PAT for the quarter reached Rs. 151.5 Mn (up 163.7%) while cumulative PAT increased 61.7% to Rs. 230.4 Mn.

The Consumer Electronics opened its 14th Max showroom at Rajagiriya taking its cumulative retail space to 281,818 sq.ft as of today with 218 total showrooms.

The Branded Apparel & Accessories division launched the latest eyewear collection of leading global brands at Odel recently. In this regard, Luxottica, a global leading brand in fashion eyewear and Bodyshop were set up. We also have signed distributorship agreements with 'Jack & Jones', 'Vero Moda' and 'Only'.

BURGER KING® recently opened its 8<sup>th</sup> restaurant at Liberty Plaza, Colombo 03.

The Furniture segment opened its first flagship store for 'Natuzzi', a leading global luxury furniture brand, in July 2015.

### **Healthcare Services**

Healthcare Services maintained impressive performance during the six-month period. The Sector added Rs. 4.7 Bn to Group topline (18.0% contribution), which is 12.5% growth during 1HFY16. The quarter reported 15.0% increase to Rs. 2.4 Bn (i.e 18.2% contribution to the Group topline). Central Hospital Ltd led the revenue contributory ranking with 35.1%, Asiri Surgical Hospital PLC (29.6% of Group revenue) and Asiri Hospital Holdings PLC (27.6% of Group revenue). Operating profit (OP) of the sector was Rs. 506.5 Mn during the quarter with the cumulative OP of Rs. 1.0 Bn. Sector PBT stood at Rs. 374.5 Mn

(up 12.6%) during the quarter with the 1HFY16 reporting Rs. 775.2 Mn. Sector PAT for the cumulative period was Rs. 659.0 Mn.

The Kidney Transplant Unit of the Central Hospital Limited commenced on 15th October 2015. This purpose built state-of-the-art offers services to both donor and recipient, and consist of a dedicated medical and nursing staff that are committed to deliver the highest safety and quality patient care.

151-bedroom, Kandy hospital has commenced construction of the building and the hospital is expected to be operational within a period of two-and-a-half years.

### **Financial Services**

Financial Services segment saw a 4.6% growth in topline to Rs. 2.2 Bn during 2QFY16 with its contribution to the Group revenue constituting 16.7% while cumulative sector revenue registered a 7.0% to Rs.4.4 Bn. The sector's PBT achieved Rs. 1.1 Bn for 1HFY16 while the quarter reported a PBT of Rs. 171.6 Mn.

Asian Alliance Insurance PLC saw its YTD total GWP at Rs. 3.1 Bn with Life premiums increasing by Rs. 582 Mn while General premiums increased by Rs. 174 Mn. This reflected an increase in GWP of 33% on a consolidated basis where Life and general operations grew by 40% and 21% respectively, versus industry growth rates of 20% for Life operations and 5% for GI operations.

Softlogic Finance PLC saw Loan Advances growing 4.6% compared to the previous year with SME loans contributing Rs. 6 Bn to the overall asset base, while Customer

Deposits increased 7.6% to Rs 12.9 Bn, with Total Assets of the Company recording Rs. 20.5 Bn.

Softlogic Stockbrokers contribution to the financial services profits were hampered due to unfavourable trading conditions witnessed in the Colombo Stock Exchange during the period under review.

### **Automobile**

A strong turnaround in revenues was noted in the automobile sector during the period under review. An improvement of 87.5% to Rs. 538.9 Mn was evident during 1HFY16 with quarterly revenue improving 58.2% to Rs. 242.0 Mn. The King Long bus sales contributed significantly to the sector revenue. Softlogic Automobiles (Pvt) Ltd. will be selling its 50<sup>th</sup> luxury coach for year 2015 in November. The Service and Accident Repair segment, which worked closely with Group's insurance subsidiary, performed well during the period.

The liberation of the currency market in September has led the Rupee to depreciate in recent times. Monthly average for August was Rs. 133.9/ USD whilst October monthly average was Rs. 140.9/ USD. This had an impact on the selling price of the vehicles during the quarter. The full deposit margin requirement against Letters of Credit opened for the importation of cars has had an impact on the industry as a whole. However, there was a minimal impact on new vehicle sales following the announcement of vehicle loan facility increment from 70% to 90% in October.

We expect the Company to return to profitability in the next few coming quarters.

### **Leisure**

Leisure sector registered a significant improvement in turnover with 144.1% increase in revenues to Rs. 341.5 Mn during the first half of the financial year while the quarter saw an improvement of 68.8% to Rs. 210.5 Mn. Ceysand Resorts was the prime driver of the sector performance. The resort performed well in line with expectations with the off-peak September quarter achieving an occupancy of 72%.

The fit-out of the guest rooms at Movenpick City Hotel is well underway while construction activity in September 2015 was elevated as the project is reaching completion targeted for 1Q16. The hotel's Swiss General Manager is now on board with the Operating Supplies and equipment procurement process commencing. We envisage the hotel to be fully operational by June 2016.

### **Future Outlook**

With a clear policy direction we believe that implementing an investor-friendly policy measure would not only galvanize the economy but also encourage a robust corporate sector.

*-Sgd-*

**Ashok Pathirage**

**Chairman**

**13 November 2015**

# Softlogic Holdings PLC

## CONSOLIDATED INCOME STATEMENT

In Rs.	Unaudited 6 months to 30-09-2015	Unaudited 6 months to 30-09-2014	Change as a %	Unaudited 3 months to 30-09-2015	Unaudited 3 months to 30-09-2014	Change as a %	Audited 12 months to 31-03-2015
Revenue	26,198,852,668	16,690,787,758	56.97	13,161,322,648	8,647,335,553	52.20	39,563,884,110
Cost of sales	(17,516,078,524)	(10,634,844,909)	64.70	(8,802,747,859)	(5,523,166,229)	59.38	(25,447,258,306)
<b>Gross profit</b>	<b>8,682,774,144</b>	<b>6,055,942,849</b>	<b>43.38</b>	<b>4,358,574,789</b>	<b>3,124,169,324</b>	<b>39.51</b>	<b>14,116,625,804</b>
Other operating income	434,960,659	382,001,879	13.86	241,032,073	274,152,539	(12.08)	1,162,561,036
Distribution expenses	(1,303,089,732)	(1,070,750,610)	21.70	(648,314,684)	(650,712,796)	(0.37)	(2,016,859,252)
Administrative expenses	(4,883,226,307)	(3,679,054,367)	32.73	(2,451,829,783)	(1,957,562,294)	25.25	(9,010,634,418)
<b>Results from operating activities</b>	<b>2,931,418,764</b>	<b>1,688,139,751</b>	<b>73.65</b>	<b>1,499,462,395</b>	<b>790,046,773</b>	<b>89.79</b>	<b>4,251,693,170</b>
Finance income	547,696,182	1,222,959,793	(55.22)	264,069,859	800,333,577	(67.01)	1,122,173,265
Finance expenses	(1,559,840,560)	(1,309,972,605)	19.07	(771,373,296)	(684,328,738)	12.72	(2,692,809,554)
<b>Net finance cost</b>	<b>(1,012,144,378)</b>	<b>(87,012,812)</b>	<b>1,063.21</b>	<b>(507,303,437)</b>	<b>116,004,839</b>	<b>(537.31)</b>	<b>(1,570,636,289)</b>
Change in fair value of investment property	-	-	-	-	-	-	526,702,000
Change in insurance contract liabilities	(860,450,133)	(885,451,468)	(2.82)	(401,293,748)	(482,924,148)	(16.90)	(944,348,980)
Share of profit of equity accounted investees	5,828,515	6,173,797	(5.59)	2,857,137	3,831,870	(25.44)	5,290,016
<b>Profit before tax</b>	<b>1,064,652,768</b>	<b>721,849,268</b>	<b>47.49</b>	<b>593,722,347</b>	<b>426,959,334</b>	<b>39.06</b>	<b>2,268,699,917</b>
Tax expense	(379,260,375)	(142,701,621)	165.77	(212,541,989)	(73,117,907)	190.68	(449,618,026)
<b>Profit for the period</b>	<b>685,392,393</b>	<b>579,147,647</b>	<b>18.35</b>	<b>381,180,358</b>	<b>353,841,427</b>	<b>7.73</b>	<b>1,819,081,891</b>
<b>Attributable to:</b>							
Equity holders of the parent	199,681,131	143,382,806	39.26	116,013,468	102,693,210	12.97	555,779,746
Non controlling interest	485,711,262	435,764,841	11.46	265,166,890	251,148,217	5.58	1,263,302,145
	<b>685,392,393</b>	<b>579,147,647</b>	<b>18.35</b>	<b>381,180,358</b>	<b>353,841,427</b>	<b>7.73</b>	<b>1,819,081,891</b>
<b>Earnings per share - Basic (Rs.)</b>	<b>0.26</b>	0.19	<b>39.32</b>	<b>0.15</b>	0.13	<b>13.02</b>	0.72
<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 6 months to 30-09-2015	Unaudited 6 months to 30-09-2014	Change as a %	Unaudited 3 months to 30-09-2015	Unaudited 3 months to 30-09-2014	Change as a %	Audited 12 months to 31-03-2015
<b>Profit for the period</b>	<b>685,392,393</b>	<b>579,147,647</b>	<b>18.35</b>	<b>381,180,358</b>	<b>353,841,427</b>	<b>7.73</b>	<b>1,819,081,891</b>
<b>Other comprehensive income</b>							
<b>Other comprehensive income to be reclassified to income statement in subsequent periods</b>							
Currency translation of foreign operations	6,982,575	20,203,053	(65.44)	7,829,111	(1,604,543)	(587.93)	48,583,081
Net (loss) / gain on available-for-sale financial assets	(567,391,674)	501,427,133	(213.16)	(799,477,759)	(119,286,813)	570.21	16,245,855
	<b>(560,409,099)</b>	<b>521,630,186</b>	<b>(207.43)</b>	<b>(791,648,648)</b>	<b>(120,891,356)</b>	<b>554.84</b>	<b>64,828,936</b>
<b>Other comprehensive income not to be reclassified to income statement in subsequent 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	-	(31,361,799)	(100.00)	-	31,583,559	(100.00)	(84,380,473)
Share of other comprehensive income of equity accounted investments	-	-	-	-	-	-	134,233
	-	<b>(31,361,799)</b>	<b>(100.00)</b>	-	<b>31,583,559</b>	<b>(100.00)</b>	<b>315,911,049</b>
Tax on other comprehensive income	-	-	-	-	-	-	(39,411,524)
<b>Other comprehensive income for the period, net of tax</b>	<b>(560,409,099)</b>	<b>490,268,387</b>	<b>214.31</b>	<b>(791,648,648)</b>	<b>(89,307,797)</b>	<b>(786.43)</b>	<b>341,328,461</b>
<b>Total comprehensive income for the period, net of tax</b>	<b>124,983,294</b>	<b>1,069,416,034</b>	<b>(88.31)</b>	<b>(410,468,290)</b>	<b>264,533,630</b>	<b>255.17</b>	<b>2,160,410,352</b>
<b>Attributable to:</b>							
Equity holders of the parent	(44,768,216)	391,207,296	111.44	(230,690,550)	(192,375,330)	(19.92)	760,741,038
Non-controlling interest	169,751,510	678,208,738	(74.97)	(179,777,740)	456,908,960	139.35	1,399,669,314
	<b>124,983,294</b>	<b>1,069,416,034</b>	<b>(88.31)</b>	<b>(410,468,290)</b>	<b>264,533,630</b>	<b>255.17</b>	<b>2,160,410,352</b>

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 30-09-2015	Unaudited as at 30-09-2014	Audited as at 31-03-2015
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	26,433,884,945	19,023,979,258	24,909,536,887
Lease rentals paid in advance	854,277,438	855,314,383	854,795,905
Investment property	94,848,000	81,510,000	94,848,000
Intangible assets	8,748,201,860	7,654,599,389	8,857,003,875
Investments in associates	29,412,637	2,731,844,617	26,216,105
Other non-current financial assets	12,075,754,400	8,005,860,903	9,087,649,679
Rental receivable on lease assets and hire purchase	1,103,312,522	3,219,572,715	3,669,327,302
Other non current assets	257,254,662	283,221,237	292,792,966
Deferred tax assets	267,600,506	289,681,338	318,527,576
	<b>49,864,546,970</b>	<b>42,145,583,840</b>	<b>48,110,698,295</b>
<b>Current assets</b>			
Inventories	8,158,929,320	4,650,432,363	7,669,562,845
Investment property	-	2,184,636,000	2,698,000,000
Trade and other receivables	8,851,482,618	6,672,554,302	6,622,803,106
Loans and advances	10,194,790,017	4,246,055,362	5,524,162,085
Rental receivable on lease assets and hire purchase	533,730,547	4,642,803,659	2,881,969,879
Amounts due from related parties	2,924,782	1,694,686	572,053
Other current assets	4,490,865,763	3,065,600,232	3,760,097,208
Short term investments	6,160,299,043	6,957,175,256	8,392,441,152
Cash in hand and at bank	1,482,066,280	1,670,165,480	1,926,725,822
	<b>39,875,088,370</b>	<b>34,091,117,340</b>	<b>39,476,334,150</b>
<b>Total assets</b>	<b>89,739,635,340</b>	<b>76,236,701,180</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	1,147,718,328	721,786,076	1,167,195,634
Other components of equity	1,110,006,702	1,405,822,665	1,368,340,826
	<b>7,346,725,030</b>	<b>7,216,608,741</b>	<b>7,624,536,460</b>
Non controlling interests	8,272,774,375	7,249,262,033	8,157,436,153
<b>Total equity</b>	<b>15,619,499,405</b>	<b>14,465,870,774</b>	<b>15,781,972,613</b>
<b>Non-current liabilities</b>			
Insurance contract liabilities	5,989,722,472	5,070,374,825	5,129,272,339
Interest bearing borrowings	22,427,838,071	19,139,040,967	22,844,291,422
Public deposits	1,775,908,022	2,309,393,553	2,214,295,787
Deferred tax liabilities	298,111,430	343,040,344	314,257,283
Employee benefit liabilities	700,103,537	507,551,301	655,925,545
Other deferred liabilities	3,212,955	3,024,547	3,044,433
Other non current financial liabilities	22,403,078	6,260,352	31,710,620
	<b>31,217,299,565</b>	<b>27,378,685,889</b>	<b>31,192,797,429</b>
<b>Current liabilities</b>			
Trade and other payables	8,358,096,594	5,693,963,425	7,041,840,113
Amounts due to related parties	14,938,534	17,940,213	15,970,784
Income tax liabilities	347,783,067	133,546,541	322,656,391
Short term borrowings	13,368,468,087	13,314,024,987	14,787,184,778
Current portion of interest bearing borrowings	6,680,298,013	3,003,381,164	4,616,956,512
Other current liabilities	922,983,110	1,913,090,296	2,330,891,786
Public deposits	11,204,778,988	8,490,602,398	9,838,760,403
Bank overdrafts	2,005,489,977	1,825,595,493	1,658,001,636
	<b>42,902,836,370</b>	<b>34,392,144,517</b>	<b>40,612,262,403</b>
<b>Total equity and liabilities</b>	<b>89,739,635,340</b>	<b>76,236,701,180</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

13 November 2015  
Colombo



# Softlogic Holdings PLC

## CONSOLIDATED CASH FLOW STATEMENT

In Rs.	Unaudited 6 months to 30-06-2015	Unaudited 6 months to 30-06-2014	Audited 12 months to 31-03-2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/ (loss) before tax	1,064,652,768	721,849,268	2,268,699,917
<b>Adjustments for:</b>			
Finance income	(547,696,182)	(1,222,959,793)	(1,122,173,265)
Finance cost	1,559,840,560	1,309,972,605	2,692,809,554
Change in fair value of investment property	-	-	(526,702,000)
Share of results of associates	5,828,515	(6,173,797)	(5,290,016)
Gratuity provision and related costs	73,243,300	56,348,605	140,196,129
Provisions for/ write off of impaired receivables	27,800,000	29,345,388	96,689,666
Provision for impairment of inventories	80,200,000	18,915,328	190,001,431
Depreciation of property, plant and equipment	731,885,205	512,782,462	1,189,997,919
Profit on sale of property, plant and equipment	(852,583)	(12,221,094)	(24,486,006)
Profit on sale of investment property	(2,000,000)	-	-
Profit on sale of investments	(73,910,483)	(131,571,179)	(644,439,532)
Unrealised (gain)/ loss on foreign exchange	115,392,442	31,278,719	(65,919,502)
Amortisation/ impairment of intangible assets	140,344,235	112,835,772	248,049,626
Amortisation of prepaid lease rentals	518,467	518,467	1,036,939
Increase / (decrease) in deferred income	30,580,549	(934,629)	64,246,524
Impairment & derecognition of property, plant & equipment and Intangible assets	18,622,081	5,589,573	29,141,735
<b>Profit before working capital changes</b>	<b>3,224,448,874</b>	<b>1,425,575,695</b>	<b>4,531,859,119</b>
(Increase) / decrease in inventories	(569,566,474)	440,006,159	(1,317,762,392)
(Increase) / decrease in trade and other receivables	(2,256,479,512)	(1,595,766,336)	(1,974,792,070)
(Increase) / decrease in loans and advances	(5,494,129,527)	(2,273,289,201)	(5,344,525,114)
(Increase) / decrease in investments in lease and hire purchase	4,914,254,111	492,989,602	1,828,266,427
(Increase) / decrease in other current assets	(730,768,555)	(291,699,782)	(1,083,438,824)
(Increase) / decrease in amounts due from related parties	(2,352,729)	(916,226)	206,407
Increase / (decrease) in trade and other payables	1,316,256,481	(83,808,884)	1,033,858,656
Increase / (decrease) in amounts due to related parties	(1,032,250)	(1,568,389)	(3,537,818)
Increase / (decrease) in other current liabilities	(238,320,704)	1,139,706,658	1,394,780,108
Increase / (decrease) in public deposits	927,630,820	1,496,250,604	2,749,310,843
Increase / (decrease) in insurance provision	860,450,133	885,451,468	944,348,982
<b>Cash generated from/ (used in) operations</b>	<b>1,950,390,668</b>	<b>1,632,931,368</b>	<b>2,758,574,324</b>
Finance income received	343,676,814	1,195,749,581	653,876,070
Finance expenses paid	(1,494,897,887)	(1,300,907,150)	(2,619,644,709)
Dividend received	1,000,000	1,000,000	1,000,000
Tax paid	(295,593,069)	(153,330,129)	(296,639,907)
Gratuity paid	(29,065,308)	(23,796,618)	(71,288,846)
<b>Net cash flow from/ (used in) operating activities</b>	<b>475,511,218</b>	<b>1,351,647,052</b>	<b>425,876,932</b>
<b>CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES</b>			
Purchase and construction of property, plant and equipment	(2,085,449,233)	(1,929,647,671)	(4,023,075,585)
Addition to prepaid lease rentals	-	(702,520,660)	(702,520,660)
Addition to intangible assets	(40,499,898)	(45,060,845)	(71,178,662)
(Increase)/ decrease in other non current assets	35,538,305	(140,254,696)	(114,585,768)
(Purchase) / disposal of short term investments (net)	(1,080,905,680)	40,100,727	3,007,229,282
Dividends Received	10,752,856	27,210,212	141,855,097
(Purchase) / disposal of other non current financial assets	(694,497,166)	(1,233,878,896)	(858,863,791)
Proceeds from disposal of controlling interest	-	-	347,856,250
Acquisition of business, net of cash acquired	-	-	(5,817,191,859)
Investment in associate	-	(2,703,653,078)	-
Proceeds from sale of investment property	1,500,000,000	-	-
Proceeds from sale of property, plant and equipment	66,333,860	27,119,399	124,167,193
<b>Net cash flow from/ (used in) investing activities</b>	<b>(2,288,726,956)</b>	<b>(6,660,585,508)</b>	<b>(7,966,308,503)</b>
<b>CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES</b>			
Dividend paid to non controlling interest	(27,349,156)	-	(514,879,693)
Dividend paid to equity holders of parent	(193,602,075)	-	-
Proceeds from shareholders with non-controlling interest on issue of rights in subsidiaries	-	177,776,292	311,113,243
Proceeds from long term borrowings	6,651,688,464	8,057,685,372	18,538,930,076
(Increase) / decrease of controlling interest	(65,981,381)	(118,471,800)	(179,401,247)
(Increase) / decrease in other non current financial liabilities	(9,307,542)	-	25,450,268
Repayment of long term borrowings	(5,071,195,509)	(3,145,716,498)	(8,799,899,215)
Proceeds from / (repayment of) short term borrowings (net)	(1,418,716,691)	1,491,909,010	2,140,258,979
Direct cost on issue of shares	(523,890)	(12,343,758)	(14,325,748)
Unamortisation of debenture issue expense/ loan processing fee	-	-	(17,878,920)
<b>Net cash flow from financing activities</b>	<b>(134,987,780)</b>	<b>6,450,838,618</b>	<b>11,489,367,743</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(1,948,203,518)</b>	<b>1,141,900,162</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	(138,492)	(183,460)	(928,291)
<b>CASH AND CASH EQUIVALENTS AT THE END</b>	<b>3,699,704,398</b>	<b>2,841,755,229</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	1,482,066,280	1,670,165,480	1,926,725,822
Short term investments	4,223,128,095	2,997,185,242	5,379,322,222
<b>Unfavourable balances</b>			
Bank overdrafts	(2,005,489,977)	(1,825,595,493)	(1,658,001,636)
<b>Cash and cash equivalents</b>	<b>3,699,704,398</b>	<b>2,841,755,229</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	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		
In Rs.											
<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	-	-	-	-	-	-	-	199,681,131	<b>199,681,131</b>	485,711,262	<b>685,392,393</b>
Other Comprehensive income	-	-	-	6,982,575	(251,431,922)	-	-	-	<b>(244,449,347)</b>	(315,959,752)	<b>(560,409,099)</b>
<b>Total Comprehensive income</b>	-	-	-	6,982,575	(251,431,922)	-	-	199,681,131	<b>(44,768,216)</b>	169,751,510	<b>124,983,294</b>
Direct cost on issue of shares	-	-	-	-	-	-	-	(522,993)	<b>(522,993)</b>	(898)	<b>(523,891)</b>
Transfer to reserve fund	-	-	-	-	-	25,033,369	-	(25,033,369)	-	-	-
Acquisitions, disposals and changes in holding	-	-	-	-	-	-	(38,918,146)	-	<b>(38,918,146)</b>	(27,063,235)	<b>(65,981,381)</b>
Dividend paid	-	-	-	-	-	-	-	(193,602,075)	<b>(193,602,075)</b>	-	<b>(193,602,075)</b>
Subsidiary dividend to non controlling interest	-	-	-	-	-	-	-	-	-	(27,349,155)	<b>(27,349,155)</b>
<b>As at 30 September 2015</b>	5,089,000,000	(55,921,185)	1,636,375,397	(19,793,206)	(51,103,863)	141,565,413	(541,115,854)	1,147,718,328	<b>7,346,725,030</b>	8,272,774,375	<b>15,619,499,405</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)	628,907,045	<b>6,801,839,619</b>	6,548,905,153	<b>13,350,744,772</b>
Profit for the period	-	-	-	-	-	-	-	143,382,806	<b>143,382,806</b>	435,764,841	<b>579,147,647</b>
Other Comprehensive income	-	-	-	20,203,053	247,970,998	-	-	(20,349,561)	<b>247,824,490</b>	242,443,897	<b>490,268,387</b>
<b>Total Comprehensive income</b>	-	-	-	20,203,053	247,970,998	-	-	123,033,245	<b>391,207,296</b>	678,208,738	<b>1,069,416,034</b>
Direct cost on share issue	-	-	-	-	-	-	-	(10,285,508)	<b>(10,285,508)</b>	(2,058,250)	<b>(12,343,758)</b>
Transfer to reserve fund	-	-	-	-	-	19,868,706	-	(19,868,706)	-	-	-
Acquisitions, disposals and changes in holding	-	-	-	-	-	-	33,847,334	-	<b>33,847,334</b>	24,206,392	<b>58,053,726</b>
<b>As at 30 September 2014</b>	5,089,000,000	(55,921,185)	1,461,774,873	(55,155,809)	424,544,501	169,036,648	(538,456,363)	721,786,076	<b>7,216,608,741</b>	7,249,262,033	<b>14,465,870,774</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 6 months to 30-09-2015	Unaudited 6 months to 30-09-2014	Change as a %	Unaudited 3 months to 30-09-2015	Unaudited 3 months to 30-09-2014	Change as a %	Audited 12 months to 31-03-2015
Revenue	295,469,716	204,253,820	44.66	147,785,316	102,531,810	44.14	416,018,805
Cost of sales	(87,050,622)	(42,188,370)	106.34	(44,495,370)	(21,574,600)	106.24	(80,991,653)
<b>Gross profit</b>	<b>208,419,094</b>	<b>162,065,450</b>	<b>28.60</b>	<b>103,289,946</b>	<b>80,957,210</b>	<b>27.59</b>	<b>335,027,152</b>
Dividend income	146,473,425	114,900,000	27.48	145,297,168	114,725,954	26.65	961,271,765
Other operating income	12,498,918	1,977,819	531.95	7,651,495	104,600	7,215.00	108,111,472
Administrative expenses	(157,523,262)	(130,960,382)	20.28	(77,928,106)	(67,565,822)	15.34	(347,890,153)
<b>Results from operating activities</b>	<b>209,868,175</b>	<b>147,982,887</b>	<b>41.82</b>	<b>178,310,503</b>	<b>128,221,942</b>	<b>39.06</b>	<b>1,056,520,236</b>
Finance income	152,644,076	112,460,085	35.73	77,807,480	66,677,692	16.69	201,540,615
Finance expenses	(553,102,403)	(473,562,440)	16.80	(280,863,824)	(231,699,408)	21.22	(1,006,903,157)
<b>Net finance cost</b>	<b>(400,458,327)</b>	<b>(361,102,355)</b>	<b>10.90</b>	<b>(203,056,344)</b>	<b>(165,021,716)</b>	<b>23.05</b>	<b>(805,362,542)</b>
Change in fair value of investment property	-	-	-	-	-	-	40,736,886
<b>Profit/ (loss) before tax</b>	<b>(190,590,152)</b>	<b>(213,119,468)</b>	<b>(10.57)</b>	<b>(24,745,841)</b>	<b>(36,799,774)</b>	<b>(32.76)</b>	<b>291,894,580</b>
Tax expense	(4,000,000)	-	-	(2,000,000)	-	-	28,417,501
<b>Profit/ (loss) for the period</b>	<b>(194,590,152)</b>	<b>(213,119,468)</b>	<b>(8.69)</b>	<b>(26,745,841)</b>	<b>(36,799,774)</b>	<b>(27.32)</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 6 months to 30-09-2015	Unaudited 6 months to 30-09-2014	Change as a %	Unaudited 3 months to 30-09-2015	Unaudited 3 months to 30-09-2014	Change as a %	Audited 12 months to 31-03-2015
Profit/ (loss) for the period	(194,590,152)	(213,119,468)	(8.69)	(26,745,841)	(36,799,774)	(27.32)	320,312,081
Other comprehensive income							
<b>Other comprehensive income not to be reclassified to income statement in subsequent periods</b>							
Actuarial gains/ (loss) on retirement benefits	-	-	-	-	-	-	(2,634,546)
	-	-	-	-	-	-	(2,634,546)
Tax on other comprehensive income	-	-	-	-	-	-	737,672
Other comprehensive income for the period, net of tax	-	-	-	-	-	-	(1,896,874)
<b>Total comprehensive income for the period, net of tax</b>	<b>(194,590,152)</b>	<b>(213,119,468)</b>	<b>(8.69)</b>	<b>(26,745,841)</b>	<b>(36,799,774)</b>	<b>(27.32)</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 30-09-2015	Unaudited as at 30-09-2014	Audited as at 31-03-2015
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	138,978,320	139,806,535	121,538,318
Investment property	442,641,386	394,000,000	442,641,386
Intangible assets	4,295,754	4,353,240	1,723,508
Investments in subsidiaries	10,640,054,939	10,647,537,451	10,592,900,172
Investments in associates	11,000,000	1,362,827,589	11,000,000
Other non current financial assets	1,277,946,624	1,867,064,164	1,277,947,548
Deferred tax assets	68,817,557	-	68,817,557
	<b>12,583,734,580</b>	<b>14,415,588,979</b>	<b>12,516,568,489</b>
<b>Current assets</b>			
Trade and other receivables	271,114,127	252,451,140	241,724,591
Amounts due from related parties	4,034,588,191	949,791,021	2,290,507,881
Other current assets	41,657,906	38,499,226	21,724,101
Short term investments	1,473,911,726	392,187,480	3,670,748,138
Cash in hand and at bank	26,956,402	28,348,502	42,695,145
	<b>5,848,228,352</b>	<b>1,661,277,369</b>	<b>6,267,399,856</b>
<b>Total assets</b>	<b>18,431,962,932</b>	<b>16,076,866,348</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	152,073,072	9,878,549	541,413,224
<b>Total equity</b>	<b>5,241,073,072</b>	<b>5,098,878,549</b>	<b>5,630,413,224</b>
<b>Non-current liabilities</b>			
Interest bearing borrowings	5,794,329,128	3,445,869,667	5,767,785,189
Employee benefit liabilities	33,968,070	33,683,785	30,669,730
Other non current financial liabilities	165,000,000	-	509,915,332
	<b>5,993,297,198</b>	<b>3,479,553,452</b>	<b>6,308,370,251</b>
<b>Current liabilities</b>			
Trade and other payables	49,125,712	32,952,520	29,531,350
Amounts due to related parties	33,589,627	1,178,812,853	148,005,634
Income tax liabilities	4,000,000	-	-
Short term borrowings	4,193,666,435	5,480,540,069	4,191,598,768
Current portion of interest bearing borrowings	2,785,074,981	743,419,205	2,368,998,067
Other current liabilities	13,927,456	22,753,196	24,009,338
Bank overdrafts	118,208,451	39,956,504	83,041,713
	<b>7,197,592,662</b>	<b>7,498,434,347</b>	<b>6,845,184,870</b>
<b>Total equity and liabilities</b>	<b>18,431,962,932</b>	<b>16,076,866,348</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

13 November 2015  
Colombo

# Softlogic Holdings PLC

## COMPANY STATEMENT OF CASH FLOW

In Rs.	Unaudited 6 months to 30-09-2015	Unaudited 6 months to 30-09-2014	Audited 12 months to 31-03-2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/ (loss) before tax	(190,590,152)	(213,119,468)	291,894,580
<b>Adjustments for:</b>			
Finance income	(152,644,076)	(112,460,085)	(201,540,615)
Dividend income	(146,473,425)	(114,900,000)	(961,271,765)
Finance costs	553,102,403	473,562,440	1,006,903,157
Change in fair value of investment property	-	-	(40,736,886)
Gratuity provision and related costs	3,572,604	3,600,000	6,520,501
Provision for impairment of receivables	16,666,668	3,250,000	61,416,769
Fair value adjustment for asset held for sale	-	-	8,250,980
Depreciation of property, plant and equipment	9,981,433	12,672,665	24,239,655
Profit on sale of property, plant and equipment	(900,627)	(1,720,066)	(6,368,059)
Profit on sale of investments	-	-	(80,981,615)
Amortisation / impairment of intangible assets	561,711	-	2,624,845
Impairment & derecognition of property, plant & equipment	30,638	1,608,656	995,249
<b>Profit before working capital changes</b>	<b>93,307,177</b>	<b>52,494,142</b>	<b>111,946,796</b>
(Increase) / decrease in trade and other receivable	(46,056,203)	(87,875,739)	(74,554,750)
(Increase) / decrease in other current assets	(18,978,687)	(7,362,962)	1,999,042
(Increase) / decrease in amount due from related parties	(1,739,442,986)	(739,515,447)	(1,662,568,488)
Increase / (decrease) in trade and other payables	19,594,362	18,382,692	14,961,522
Increase / (decrease) in amount due to related parties	(459,331,339)	232,155,539	(294,537,636)
Increase / (decrease) in other current liabilities	(10,081,882)	4,724,424	5,980,569
<b>Cash generated from / (used in) operations</b>	<b>(2,160,989,558)</b>	<b>(526,997,351)</b>	<b>(1,896,772,945)</b>
Finance income received	149,940,730	112,460,085	199,719,324
Finance expenses paid	(547,031,149)	(466,705,611)	(994,129,825)
Dividend received	146,473,425	114,900,000	961,271,765
Tax paid	(955,118)	(655,561)	(32,249,264)
Gratuity paid/ transfers	(274,264)	-	(2,767,813)
<b>Net cash flow from / (used in) operating activities</b>	<b>(2,412,835,934)</b>	<b>(766,998,438)</b>	<b>(1,764,928,758)</b>
<b>CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES</b>			
Purchase and construction of property, plant and equipment	(2,148,603)	(5,584,685)	(5,539,092)
Addition to investment property	-	-	(7,904,500)
Addition to intangible assets	(3,133,957)	(620,000)	(1,861,900)
(Purchase) / disposal of short term investments (net)	-	(261,567,863)	-
(Purchase) / disposal of other non current financial assets	-	33,054,925	-
Increase in interest in subsidiaries	(47,154,767)	(1,239,687,727)	(1,305,012,469)
Proceeds from disposal of controlling interest	-	-	1,787,901,615
Acquisition of business	-	(1,351,827,589)	(2,789,975,487)
Proceeds from sale of property, plant and equipment	14,712,664	5,151,063	17,405,813
<b>Net cash flow used in investing activities</b>	<b>(37,724,663)</b>	<b>(2,821,081,876)</b>	<b>(2,304,986,020)</b>
<b>CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES</b>			
Proceeds from long term borrowings	2,215,080,660	1,350,000,000	5,738,547,536
Repayment of long term borrowings	(1,822,283,893)	(1,071,012,249)	(1,517,981,903)
Proceeds from / (repayment of) short term borrowings (net)	2,067,667	1,559,729,298	270,787,996
Dividend paid to equity holders of parent	(194,750,000)	-	-
<b>Net cash flow from financing activities</b>	<b>200,114,434</b>	<b>1,838,717,049</b>	<b>4,491,353,629</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(2,250,446,163)</b>	<b>(1,749,363,265)</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>(91,252,049)</b>	<b>(11,608,002)</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	26,956,402	28,348,502	42,695,145
Short term investments	-	-	2,199,540,683
<b>Unfavourable balances</b>			
Bank overdrafts	(118,208,451)	(39,956,504)	(83,041,714)
<b>Cash and cash equivalents</b>	<b>(91,252,049)</b>	<b>(11,608,002)</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	-	(194,590,152)	(194,590,152)
Other comprehensive income	-	-	-
<b>Total comprehensive income</b>	-	(194,590,152)	(194,590,152)
Dividend paid	-	(194,750,000)	(194,750,000)
<b>As at 30 September 2015</b>	5,089,000,000	152,073,072	5,241,073,072
<b>As at 01 April 2014</b>	5,089,000,000	222,998,017	5,311,998,017
Loss for the period	-	(213,119,468)	(213,119,468)
Other comprehensive income	-	-	-
<b>Total comprehensive income</b>	-	(213,119,468)	(213,119,468)
<b>As at 30 September 2014</b>	5,089,000,000	9,878,549	5,098,878,549

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 For the six months ended 30 September	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
Revenue																
Total revenue	8,242,440,084	4,029,064,794	408,183,199	176,372,528	8,985,616,217	4,646,388,361	570,690,429	301,016,496	4,462,447,905	4,121,795,965	4,709,484,984	4,185,718,347	304,099,116	207,946,820	27,682,961,934	17,668,303,311
Inter group	(724,084,676)	(289,912,970)	(66,683,518)	(36,479,424)	(253,647,953)	(380,265,845)	(31,827,559)	(13,586,566)	(110,630,219)	(55,356,928)	-	-	(297,235,341)	(201,913,820)	(1,484,109,266)	(977,515,553)
<b>Total external revenue</b>	<b>7,518,355,408</b>	<b>3,739,151,824</b>	<b>341,499,681</b>	<b>139,893,104</b>	<b>8,731,968,264</b>	<b>4,266,122,516</b>	<b>538,862,870</b>	<b>287,429,930</b>	<b>4,351,817,686</b>	<b>4,066,439,037</b>	<b>4,709,484,984</b>	<b>4,185,718,347</b>	<b>6,863,775</b>	<b>6,033,000</b>	<b>26,198,852,668</b>	<b>16,690,787,758</b>
Operating profit/ (loss)	487,551,578	417,815,033	(46,378,386)	(101,561,328)	784,708,921	335,281,980	(3,221,090)	7,026,290	695,367,803	142,117,949	1,028,162,055	1,016,437,414	(14,772,117)	(128,977,587)	2,931,418,764	1,688,139,751
Finance income	3,431,981	1,340,505	5,431,187	3,125,490	12,059,460	43,721,783	110,425	-	489,659,071	1,136,054,659	34,790,695	35,375,777	2,213,363	3,341,579	547,696,182	1,222,959,793
Finance cost	(146,527,753)	(154,657,803)	(87,947,413)	(18,879,052)	(475,908,702)	(262,526,060)	(40,512,987)	(22,701,643)	(63,181,586)	(92,992,746)	(287,765,654)	(328,972,099)	(457,996,465)	(429,243,202)	(1,559,840,560)	(1,309,972,605)
Share of results of associates	-	-	-	-	-	-	-	-	-	-	-	-	5,828,515	6,173,797	5,828,515	6,173,797
Change in insurance contract liabilities	-	-	-	-	-	-	-	-	(860,450,133)	(885,451,468)	-	-	-	-	(860,450,133)	(885,451,468)
<b>Profit/ (loss) before taxation</b>	<b>344,455,806</b>	<b>264,497,735</b>	<b>(128,894,612)</b>	<b>(117,314,890)</b>	<b>320,859,679</b>	<b>116,477,703</b>	<b>(43,623,652)</b>	<b>(15,675,353)</b>	<b>261,395,155</b>	<b>299,728,394</b>	<b>775,187,096</b>	<b>722,841,092</b>	<b>(464,726,704)</b>	<b>(548,705,413)</b>	<b>1,064,652,768</b>	<b>721,849,268</b>
Taxation	(90,653,744)	(46,449,847)	(4,065,407)	8,081,106	(90,486,359)	25,955,200	(6,492,313)	-	(45,314,105)	(32,821,740)	(116,211,646)	(94,441,787)	(26,036,801)	(3,024,553)	(379,260,375)	(142,701,621)
<b>Profit/ (loss) after taxation</b>	<b>253,802,062</b>	<b>218,047,888</b>	<b>(132,960,019)</b>	<b>(109,233,784)</b>	<b>230,373,320</b>	<b>142,432,903</b>	<b>(50,115,965)</b>	<b>(15,675,353)</b>	<b>216,081,050</b>	<b>266,906,654</b>	<b>658,975,450</b>	<b>628,399,305</b>	<b>(490,763,505)</b>	<b>(551,729,966)</b>	<b>685,392,393</b>	<b>579,147,647</b>
Depreciation of property, plant & equipment (PPE)	31,961,695	13,653,603	85,666,556	28,916,977	170,828,640	73,274,094	17,977,617	7,492,977	71,945,524	52,901,794	343,406,078	323,809,752	10,099,095	12,733,265	731,885,205	512,782,462
Amortisation of lease rentals paid in advance	-	-	-	-	-	-	-	-	-	-	518,467	518,467	-	-	518,467	518,467
Amortisation of intangible assets	8,194,538	9,062,859	23,880,427	23,794,057	29,186,620	4,335,901	-	-	74,260,000	69,773,361	4,260,940	4,260,939	561,710	1,608,655	140,344,235	112,835,772
Retirement benefit obligations and related cost	9,870,290	7,064,928	3,744,000	1,666,000	10,906,273	5,295,655	955,588	936,252	11,079,873	8,431,049	32,971,284	29,274,771	3,715,992	3,679,950	73,243,300	56,348,605
Purchase and construction of PPE	13,559,123	22,681,673	1,022,997,230	1,170,749,437	715,190,879	189,194,683	14,858,116	168,580,503	127,740,752	126,009,122	391,055,787	246,365,250	2,224,223	6,067,003	2,287,626,110	1,929,647,671
Additions to intangible assets	5,797,378	2,401,398	6,405,486	83,587	13,918,097	14,814,940	-	-	11,244,980	27,140,920	-	-	3,133,957	620,000	40,499,898	45,060,845
Additions to lease rentals paid in advance	-	-	-	-	-	-	-	-	-	-	-	702,520,660	-	-	-	702,520,660

  

REVENUE AND PROFIT For the three months ended 30 September	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
Revenue																
Total revenue	4,224,235,414	2,149,344,787	240,168,781	151,521,660	4,476,674,558	2,437,577,236	262,672,647	159,505,503	2,248,194,457	2,139,787,158	2,395,696,934	2,083,691,977	152,008,916	104,382,810	13,999,651,707	9,225,811,131
Inter group	(483,757,952)	(161,479,788)	(29,668,862)	(26,788,676)	(99,210,649)	(237,128,606)	(20,635,980)	(6,463,690)	(56,420,936)	(45,313,008)	-	-	(148,634,680)	(101,301,810)	(838,329,059)	(578,475,578)
<b>Total external revenue</b>	<b>3,740,477,462</b>	<b>1,987,864,999</b>	<b>210,499,919</b>	<b>124,732,984</b>	<b>4,377,463,909</b>	<b>2,200,448,630</b>	<b>242,036,667</b>	<b>153,041,813</b>	<b>2,191,773,521</b>	<b>2,094,474,150</b>	<b>2,395,696,934</b>	<b>2,083,691,977</b>	<b>3,374,236</b>	<b>3,081,000</b>	<b>13,161,322,648</b>	<b>8,647,335,553</b>
Operating profit/ (loss)	231,484,063	210,224,461	856,777	(49,517,148)	427,632,090	180,596,259	(4,999,928)	(891,886)	364,668,060	36,875,572	506,473,016	461,205,893	(26,651,683)	(48,446,378)	1,499,462,395	790,046,773
Finance income	(454,926)	599,832	4,424,380	1,493,349	3,665,014	12,518,787	47,733	-	236,783,117	767,256,002	18,557,863	16,319,566	1,046,678	2,146,041	264,069,859	800,333,577
Finance cost	(63,845,341)	(83,929,924)	(50,001,750)	(14,326,875)	(221,295,966)	(137,042,739)	(20,787,621)	(11,209,913)	(28,535,119)	(35,923,253)	(150,504,192)	(144,860,965)	(236,403,307)	(257,035,069)	(771,373,296)	(684,328,738)
Share of results of associates	-	-	-	-	-	-	-	-	-	-	-	-	2,857,137	3,831,870	2,857,137	3,831,870
Change in insurance contract liabilities	-	-	-	-	-	-	-	-	(401,293,748)	(482,924,148)	-	-	-	-	(401,293,748)	(482,924,148)
<b>Profit/ (loss) before taxation</b>	<b>167,183,796</b>	<b>126,894,369</b>	<b>(44,720,593)</b>	<b>(62,350,674)</b>	<b>210,001,138</b>	<b>56,072,307</b>	<b>(25,739,816)</b>	<b>(12,101,799)</b>	<b>171,622,310</b>	<b>285,284,173</b>	<b>374,526,687</b>	<b>332,664,494</b>	<b>(259,151,175)</b>	<b>(299,503,536)</b>	<b>593,722,347</b>	<b>426,959,334</b>
Taxation	(44,737,646)	(18,151,282)	(2,031,444)	3,556,336	(58,456,388)	1,392,950	(2,195,016)	233,172	(21,395,769)	(26,871,735)	(60,637,906)	(32,104,425)	(23,087,820)	(1,172,923)	(212,541,989)	(73,117,907)
<b>Profit/ (loss) after taxation</b>	<b>122,446,150</b>	<b>108,743,087</b>	<b>(46,752,037)</b>	<b>(58,794,338)</b>	<b>151,544,750</b>	<b>57,465,257</b>	<b>(27,934,832)</b>	<b>(11,868,627)</b>	<b>150,226,541</b>	<b>258,412,438</b>	<b>313,888,781</b>	<b>300,560,069</b>	<b>(282,238,995)</b>	<b>(300,676,459)</b>	<b>381,180,358</b>	<b>353,841,427</b>
Depreciation of property, plant & equipment (PPE)	15,608,004	4,020,423	42,692,289	15,519,018	96,422,268	38,830,161	8,968,801	5,151,274	36,048,079	27,950,818	171,343,271	161,607,791	5,312,265	6,448,814	376,394,977	259,528,299
Amortisation of lease rentals paid in advance	-	-	-	-	-	-	-	-	-	-	259,234	259,233	-	-	259,234	259,233
Amortisation of intangible assets	3,504,045	3,188,608	11,953,110	11,897,029	14,630,810	2,233,482	-	-	39,287,966	34,943,518	2,130,471	2,130,469	177,363	653,397	71,683,765	55,046,503
Retirement benefit obligations and related cost	5,043,022	3,333,683	1,892,000	1,006,000	6,433,668	2,671,030	452,794	390,623	5,496,239	3,339,406	16,804,012	13,719,772	1,929,690	1,866,625	38,051,425	26,327,139
Purchase and construction of PPE	12,022,703	15,169,275	647,030,370	528,698,657	127,222,753	84,055,406	5,166,879	83,359,983	67,323,002	93,165,653	210,506,817	152,462,442	826,433	4,622,314	1,070,098,957	961,533,730
Additions to intangible assets	3,919,711	850,539	6,276,174	-	4,486,536	14,814,940	-	-	5,925,744	18,656,862	-	-	3,133,957	620,000	23,742,122	34,942,341
Additions to lease rentals paid in advance	-	-	-	-	-	-	-	-	-	-	-	630,637,344	-	-	-	630,637,344

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 September	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	207,855,493	164,681,465	7,216,513,617	4,871,035,059	5,134,118,592	1,278,779,675	369,517,648	338,683,702	835,817,668	712,011,796	10,849,179,370	10,203,094,893	139,657,082	140,630,739	24,752,659,470	17,708,917,329
Lease rentals paid in advance	-	-	-	-	-	-	-	-	-	-	854,277,438	855,314,383	-	-	854,277,438	855,314,383
Investment property	233,000,000	225,300,000	1,045,292,349	757,492,349	94,848,000	81,510,000	-	-	-	-	-	-	442,641,387	394,000,000	1,815,781,736	1,458,302,349
Intangible assets	165,532,676	109,628,589	6,675,877	83,587	368,005,592	163,260,140	-	-	87,491,094	78,587,256	-	-	4,325,754	4,353,240	633,000,993	355,912,812
Other non current financial assets	5,033,387	10,896,101	-	-	59,020,286	5,405,803	1,500,000	-	11,470,800,357	7,364,442,764	536,872,630	622,169,800	2,527,740	2,946,435	12,075,754,400	8,005,860,903
Rental receivable on lease assets and hire purchase	-	-	-	-	-	-	-	-	-	-	3,219,572,512	-	-	-	1,103,312,522	3,219,572,512
Other non current assets	13,143,751	11,428,544	10,174,978	4,844,854	107,168,760	157,184,240	2,327,169	1,500,000	117,606,670	100,430,264	6,833,334	7,833,335	-	-	257,254,662	283,221,237
<b>Segment non current assets</b>	<b>624,565,307</b>	<b>521,934,699</b>	<b>8,278,656,821</b>	<b>5,633,455,849</b>	<b>5,763,161,230</b>	<b>1,686,139,858</b>	<b>373,344,817</b>	<b>340,183,702</b>	<b>13,615,028,311</b>	<b>11,475,044,795</b>	<b>12,247,162,772</b>	<b>11,688,412,411</b>	<b>589,121,963</b>	<b>541,930,414</b>	<b>41,491,041,221</b>	<b>31,887,101,728</b>
Investments in associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	29,412,637	2,731,844,617
Goodwill	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,115,823,525	4,115,823,525
Intangible assets through business combinations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,000,377,342	3,182,863,052
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	267,600,506	289,681,338
Eliminations/ adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(39,708,261)	(61,730,420)
<b>Total non current assets</b>	<b>624,565,307</b>	<b>521,934,699</b>	<b>8,278,656,821</b>	<b>5,633,455,849</b>	<b>5,763,161,230</b>	<b>1,686,139,858</b>	<b>373,344,817</b>	<b>340,183,702</b>	<b>13,615,028,311</b>	<b>11,475,044,795</b>	<b>12,247,162,772</b>	<b>11,688,412,411</b>	<b>589,121,963</b>	<b>541,930,414</b>	<b>41,491,041,221</b>	<b>31,887,101,728</b>
Inventories	1,728,474,764	607,064,485	20,517,414	13,297,015	4,782,659,587	2,840,745,014	669,466,518	164,889,861	557,808,739	641,419,779	400,002,298	382,732,723	-	283,486	8,158,929,320	4,650,432,363
Investment property	-	-	-	-	-	-	-	-	-	-	-	2,184,636,000	-	-	-	2,184,636,000
Trade and other receivables	2,517,308,787	1,088,980,881	66,418,676	51,207,845	3,823,878,044	2,890,417,654	147,701,185	169,076,832	1,876,728,456	1,740,081,507	408,855,275	651,065,878	10,592,195	81,723,705	8,851,482,618	6,672,554,302
Loans and advances	-	-	-	-	-	-	-	-	10,194,790,017	4,246,055,362	-	-	-	-	10,194,790,017	4,246,055,362
Rental receivable on lease assets and hire purchase	-	-	-	-	-	-	-	-	533,730,547	4,642,803,659	-	-	-	-	533,730,547	4,642,803,659
Other current assets	601,982,282	220,779,521	336,778,133	230,990,337	1,267,926,480	694,238,598	175,854,518	293,558,572	1,506,584,810	1,413,397,359	559,942,387	147,066,250	41,797,153	65,569,595	4,490,865,763	3,065,600,232
Short term investments	12,694,224	310,432,619	332,460	306,499	22,753,719	21,848,682	-	-	3,235,412,487	5,232,182,859	2,755,918,803	1,000,000,000	133,186,350	392,404,597	6,160,299,043	6,957,175,256
Cash in hand and at bank	305,200,777	96,738,554	183,137,754	139,343,004	302,730,576	400,757,800	18,836,926	23,589,457	465,834,256	784,675,063	237,536,057	182,613,752	28,789,934	42,547,850	1,482,066,280	1,670,165,480
<b>Segment current assets</b>	<b>5,165,660,834</b>	<b>2,323,996,060</b>	<b>607,184,437</b>	<b>435,144,700</b>	<b>10,199,948,406</b>	<b>6,848,007,748</b>	<b>1,011,859,147</b>	<b>651,114,722</b>	<b>18,310,889,312</b>	<b>18,700,515,588</b>	<b>4,362,255,820</b>	<b>4,548,114,603</b>	<b>214,365,632</b>	<b>582,529,233</b>	<b>39,872,163,588</b>	<b>34,089,422,654</b>
Amounts due from related parties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,924,782	1,694,686
<b>Total current assets</b>	<b>5,165,660,834</b>	<b>2,323,996,060</b>	<b>607,184,437</b>	<b>435,144,700</b>	<b>10,199,948,406</b>	<b>6,848,007,748</b>	<b>1,011,859,147</b>	<b>651,114,722</b>	<b>18,310,889,312</b>	<b>18,700,515,588</b>	<b>4,362,255,820</b>	<b>4,548,114,603</b>	<b>214,365,632</b>	<b>582,529,233</b>	<b>39,875,088,370</b>	<b>34,091,117,340</b>
<b>Total assets</b>															<b>89,739,635,340</b>	<b>76,236,701,180</b>
Insurance contract liabilities	-	-	-	-	-	-	-	-	5,989,722,472	5,070,374,825	-	-	-	-	5,989,722,472	5,070,374,825
Interest bearing borrowings	73,000,000	153,850,630	4,106,890,012	2,974,933,592	2,946,669,761	3,011,336,743	123,389,281	150,537,991	2,815,641,341	3,320,990,355	6,567,918,551	6,507,682,888	5,794,329,125	3,445,869,667	22,427,838,071	19,565,201,866
Public deposits	-	-	-	-	-	-	-	-	1,775,908,022	2,309,393,553	-	-	-	-	1,775,908,022	2,309,393,553
Employee benefit liabilities	102,763,395	71,005,460	12,181,425	3,516,958	104,599,947	43,601,257	5,655,555	2,708,810	76,065,200	72,464,422	364,187,475	280,238,359	34,650,540	34,016,035	700,103,537	507,551,301
Other deferred liabilities	1,827,542	1,672,724	-	-	1,385,413	1,351,823	-	-	-	-	-	-	-	-	3,212,955	3,024,547
Other non current financial liabilities	16,142,726	-	-	-	-	-	-	-	6,260,352	6,260,352	-	-	-	-	22,403,078	6,260,352
<b>Segment non current liabilities</b>	<b>193,733,663</b>	<b>226,528,814</b>	<b>4,119,071,437</b>	<b>2,978,450,550</b>	<b>3,052,655,121</b>	<b>3,056,289,823</b>	<b>129,044,836</b>	<b>153,246,801</b>	<b>10,663,597,387</b>	<b>10,779,483,507</b>	<b>6,932,106,026</b>	<b>6,787,921,247</b>	<b>5,828,979,665</b>	<b>3,479,885,702</b>	<b>30,919,188,135</b>	<b>27,461,806,444</b>
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	298,111,430	343,040,344
Eliminations/ adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(428,160,899)	(428,160,899)
<b>Total non current liabilities</b>	<b>193,733,663</b>	<b>226,528,814</b>	<b>4,119,071,437</b>	<b>2,978,450,550</b>	<b>3,052,655,121</b>	<b>3,056,289,823</b>	<b>129,044,836</b>	<b>153,246,801</b>	<b>10,663,597,387</b>	<b>10,779,483,507</b>	<b>6,932,106,026</b>	<b>6,787,921,247</b>	<b>5,828,979,665</b>	<b>3,479,885,702</b>	<b>31,217,299,565</b>	<b>27,378,685,889</b>
Trade and other payables	2,095,725,582	490,485,763	290,713,315	215,777,765	1,619,095,827	917,257,693	18,717,550	22,710,597	3,604,904,482	3,494,501,393	680,194,184	539,668,683	48,745,734	13,561,532	8,358,096,674	5,693,963,426
Short term borrowings	2,676,153,263	2,380,458,419	30,655,012	27,273,303	6,181,012,998	2,816,787,076	441,039,896	350,991,256	2,792,458,553	70,000,000	1,128,298,060	830,186,330	4,193,666,434	6,062,217,236	15,652,529,177	15,260,372,173
Current portion of interest bearing borrowings	78,692,391	105,247,451	169,645,679	1,838,244	2,070,014,897	280,965,925	29,198,967	26,765,468	645,533,938	702,533,933	1,128,298,060	1,184,988,938	2,785,074,981	743,419,205	6,906,458,913	3,045,759,164
Other current liabilities	279,026,049	99,092,323	24,842,499	(92,589,800)	177,714,626	196,602,916	5,038,600	108,434,573	384,867,860	346,390,209	37,255,826	32,175,516	14,236,650	1,222,984,559	922,983,110	1,913,090,296
Public deposits	-	-	-	-	-	-	-	-	11,204,778,988	8,490,602,398	-	-	-	-	11,204,778,988	8,490,602,398
Bank overdrafts	51,197,630	68,072,055	27,898,870	41,056,575	455,167,329	210,964,759	29,877,778	57,665,571	768,727,706	838,913,130	554,412,211	568,776,513	118,208,453	40,146,890	2,005,489,977	1,825,595,493
<b>Segment current liabilities</b>	<b>5,180,794,915</b>	<b>3,143,356,011</b>	<b>543,755,375</b>	<b>193,356,087</b>	<b>10,503,005,677</b>	<b>4,422,578,369</b>	<b>523,872,791</b>	<b>566,567,465</b>	<b>18,668,814,548</b>	<b>16,665,399,616</b>	<b>2,470,161,281</b>	<b>3,155,795,980</b>	<b>7,159,932,252</b>	<b>8,082,329,422</b>	<b>45,050,336,839</b>	<b>36,229,382,950</b>
Income tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	347,783,067	133,546,541
Amounts due to related parties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,938,534	17,940,213
Eliminations/ adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,510,222,070)	(1,988,725,186)
<b>Total current liabilities</b>	<b>5,180,794,915</b>	<b>3,143,356,011</b>	<b>543,755,375</b>	<b>193,356,087</b>	<b>10,503,005,677</b>	<b>4,422,578,369</b>	<b>523,872,791</b>	<b>566,567,465</b>	<b>18,668,814,548</b>	<b>16,665,399,616</b>	<b>2,470,161,281</b>	<b>3,155,795,980</b>	<b>7,159,932,252</b>	<b>8,082,329,422</b>	<b>42,902,836,370</b>	<b>34,392,144,518</b>
<b>Total liabilities</b>															<b>74,120,135,935</b>	<b>61,770,830,407</b>
Total segment assets	5,790,226,141	2,845,930,759	8,885,841,258	6,068,600,549	15,963,109,636	8,534,147,606	1,385,203,964	991,298,424	31,925,917,623	30,175,560,383	16,609,418,592	16,236,527,014	803,487,595	1,124,459,647	81,363,204,809	65,976,524,382
Total segment liabilities	5,374,528,578	3,369,884,825	4,662,826,812	3,171,806,637	13,555,660,798	7,478,868,192	652,917,627	719,814,266	29,332,411,935	27,444,883,123	9,402,267,307	9,943,717,227	12,988,911,917	11,562,215,124	75,969,524,974	63,691,189,394

Note : Figures in brackets indicate deductions.

# 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 September, 2015 - 8.75% (net of tax)

#### 7.2 Ratios

30-09-2015

Debt/ equity ratio	2.80
Quick asset ratio	0.70
Interest cover	2.40

#### 7.3 Debenture Trading information from 01 July 2015 to 30 September 2015

30-09-2015

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 July 2015 to 30 September 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 appealed 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 2015 (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.

# 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 six months ended 30 September 2015 were authorised for issue by the Board of directors on 13 November 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 September 2015 was 28.50% (number of public shareholders - 13,946)

#### 4.2 Directors' Share Holdings

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

As at	30-09-2015
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 30-09-2015	%
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 Asian Alliance Insurance PLC - A/C 02 (Life Fund)	4,591,702	0.59
9 Bank of Ceylon A/C Ceybank Unit Trust	4,272,785	0.55
10 Mrs. A Selliah	4,236,000	0.54
11 Deutsche Bank AG As Trustee for NAMAL Acuity Value Fund	3,996,497	0.51
12 Arunodhaya Investments (Pvt) Ltd	3,950,000	0.51
13 Arunodhaya Industries (Pvt) Ltd	3,950,000	0.51
14 Arunodhaya (Pvt) Ltd	3,950,000	0.51
15 Miss. S Subramaniam	3,800,000	0.49
16 Mr. V Kailasapillai	3,800,000	0.49
17 Mrs. A Kailasapillai	3,800,000	0.49
18 Ceylon Investment PLC - A/C 01	3,671,578	0.47
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 30 September 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 30 September 2015</b>	<b>5,089,000,000</b>

## 6. INVESTOR INFORMATION

### 6.1 Market Value of Shares

30-09-2015

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

Closing price on (Rs.)	15.10
Highest price recorded for the three months ending (Rs.)	18.10
Lowest price recorded for the three months ending (Rs.)	15.00
Market Capitalisation (Rs. mn)	11,762.90

### 6.2 Ratios

Net assets per share at the period end (Rs.)	9.49
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### 6.3 Share Trading information from 01 July 2015 to 30 September 2015

Number of shares traded	27,545,173
Value of shares traded (Rs.)	457,129,898.30

# Softlogic Holdings PLC

## NOTES TO THE FINANCIAL STATEMENTS

### 8. CONTINGENCIES (cont.....)

#### CONTINGENT LIABILITIES

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

Odel PLC, Odel Information Technology Services (Pvt) Ltd and 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.

### 9. CAPITAL COMMITMENTS

As at 30 September 2015, the group had capital commitments contracted but not provided in the financial statements amounting to Rs. 1,592 mn (30 September 2014 - 2,480 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 following.

#### 10.1 Asiri Hospital Holdings PLC - Private placement of ordinary shares

The directors of Asiri Hospital Holdings PLC, a subsidiary of Softlogic Holdings PLC has resolved on 18 September 2015 that the company will issue Thirty Eight Million Four Hundred and Forty one Thousand Two Hundred and Eighty Eight (38,441,288) ordinary shares of the company by way of a private placement to Actis Investment Holdings SL Ltd ("Actis") at a price of Sri Lanka Rupees Twenty Two (Rs. 22.00) per ordinary share amounting to a total consideration of Sri Lanka Rupees Eight Hundred and Forty Five Million Seven Hundred and Eight Thousand Three Hundred and Thirty Six (Rs. 845,708,336.00) Such shares, when issued, shall constitute 3.38% of the issued ordinary shares of the company.

# Softlogic Holdings PLC

## NOTES TO THE FINANCIAL STATEMENTS

### 11. RELATED PARTY TRANSACTIONS

#### 11.1 Transactions with related parties

In Rs.	Group		Company	
	Unaudited 6 months to 30-09-2015	Unaudited 6 months to 30-09-2014	Unaudited 6 months to 30-09-2015	Unaudited 6 months to 30-09-2014
<b>Subsidiaries</b>				
(Purchases) / sales of goods	-	-	(22,289,540)	(18,261,891)
(Receiving) / rendering of services	-	-	260,622,855	185,677,820
(Purchases) / sale of property plant & equipment	-	-	(1,361,145)	(1,633,406)
Loans given / (obtained)	-	-	1,165,703,150	(364,284,969)
Interest received / (paid)	-	-	67,403,932	50,226,524
Rent received / (paid)	-	-	22,570,090	11,432,004
Dividend received	-	-	146,350,126	114,900,000
Guarantee charges received	-	-	57,716,173	39,599,000
Guarantees given / (obtained)	-	-	18,379,200,000	9,719,800,000
<b>Associates</b>				
(Purchases) / sale of property plant & equipment	2,322,596	1,352,880	-	-
(Receiving) / rendering of services	2,561,260	4,034,747	6,538,775	6,024,000
Dividend received	-	-	1,000,000	1,000,000
<b>Key management personnel</b>				
(Receiving) / rendering of services	-	-	-	-
<b>Close family members of KMP</b>				
(Receiving) / rendering of services	-	-	-	-

#### 11.2 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  
Web : 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  
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**

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14, De Fonseka Place,  
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Sri Lanka  
Tel : +94 11 5575 176  
E-mail : investorrelations@softlogic.lk

### **Contact for Media**

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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  
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