



# **SOFTLOGIC HOLDINGS PLC**

INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED  
30 JUNE 2017

## Dear Shareholders,

Revenue growth of 6.2% to Rs. 15.2 Bn in 1QFY18 from Rs. 14.3Bn in 1QFY17 was resilient despite tightened monetary policy, contracting purchasing power, and inclement weather, all contributing to lackluster demand. The prime contributors to the Group topline were Retail (32.0%), ICT (25.6%), Healthcare Services (19.9%), Financial Services (16.7%) and Automobile (3.0%). Leisure sector is expected to improve its contribution and reduce its overall losses in the periods to come with Mövenpick Hotel's monthly trajectory of occupancy improving as anticipated while intermittent full occupancy in today's context in both hotels – Centara Ceysands Resort & Spa and Mövenpick Hotel Colombo– augurs positively for the sector.

Gross Profit improved strongly by 21.2% to Rs. 5.4 Bn reflecting a GP margin improvement from 31.5% in 1QFY17 to 35.9% in 1QFY18. Group synergies and economies of scale helped profitability. Healthcare sector was a key contributor to the Gross Profit growth during the period with increasing demand and bed occupancy in our four hospitals augmenting performance in an unprecedented manner.

Operating profit increased 34.5% to Rs. 1.8 Bn during the first three months of the financial year. An improvement in Operating profit margins from 9.6% in the comparative quarter to 12.2% was witnessed in 1QFY18. Group's continuous focus on cost discipline and efficiency measures led to the improvements in cost margins. Operational expenses increased 17.5% to Rs.4.0 Bn. Distribution costs declined 21.6% to Rs. 667.8 Mn whilst administrative costs registered an increase of 30.6% to Rs. 3.3 Bn during the quarter particularly due to the new city hotel.

EBITDA for the quarter improved a strong 37.2% to Rs.2.5 Bn from Rs. 1.8 Bn in 1QFY17.

Finance Expenses increased 39.6% to Rs. 1.3 Bn during quarter primarily owing to increasing interest rates.

Profit before tax improved 8.8% to Rs. 659.6 Mn pushing the profit after taxation for the first three-months of FY2017/18 to Rs. 429.6 Mn after a tax charge of Rs. 230.0 Mn (Rs. 99.1 Mn in 1QFY17).

### Retail

Retail sector's revenue was Rs. 4.8 Bn. Primary contributors to this sector continued to be Softlogic Retail and the Odel group. Branded apparel and accessories business performance continue to support Odel's growth momentum. A new Odel wing with store space of 10,000 sq. ft will be opened during August 2017 introducing several other leading international fashion brands. The Burger King operations reported good earnings during the quarter as we opened an outlet in Malabe in July taking the total reach to 16 locations. Strategy to rebuild the Baskin-Robbins brand is being executed with refurbishment of its four ice-cream parlours.

Consumer Electronics network stands with 219 stores around Sri Lanka with the latest store being opened in Ja-Ela. We now have a total retail space of 297,000 sq. ft in the Consumer Electronics business.

Operating profit increased 63.4% to Rs. 699.4 Mn during 1QFY18 reflecting an OP margin improvement from 9.0% in 1QFY17 to 14.4% in 1QFY18 owing to the Group's stringent cost controls while expanding. Sector PBT improved strongly to Rs. 290.7 Mn. Retail sector PAT reported a robust growth to Rs. 222.8 Mn during the quarter.

## Healthcare Services

Healthcare Services exceeded our expectations during the quarter. Sector revenue registered a sound 29.1% growth to Rs. 3.0 Bn during the quarter under discussion. The sector's revenue contribution emerged from Central Hospital Ltd., (37% contribution), Asiri Hospital Holdings PLC (32% contribution) and Asiri Surgical Hospital PLC (27% contribution). The operating profit of the Asiri Group reached Rs. 712.9 Mn which is a 66.5% growth from 1QFY17. Asiri's unique value proposition, in terms of its ability to provide the most technologically advanced treatment along with one of the best medical expertise, sums up its distinct competitor advantage. Asiri Group continued to mark its quality recognitions with the most recent identification being the Neurosurgery Centre at Central Hospital Ltd., as an examination centre for the Royal College of Surgeons, UK while the Bone Marrow transplant unit was also elected for postgraduate training.

Construction of 150-bed hospital in Kandy is well in line with targeted timelines to open next year.

## Information & Communication Technology

ICT sector revenue declined 14.1% to Rs. 3.9 Bn for the quarter with the interruption of the 'Nokia' business. However, the new range of Nokia handsets with Android Operating System has already been launched and is expected to add to topline and profitability during the year. 'Samsung' operations continued to dominate the telco sector's performance followed by 'HTC'. We launched 'Intex', a leading Indian mobile handset brand. We have strategically placed 'HTC' and 'Intex' to take advantage of the affordable handset market in Sri Lanka. The Group's hardware and software provider to the corporate world continued to grow with strong

revenue realization from its contractual businesses.

This segment's operating profit for the period of Rs. 212.2 Mn took its PBT to Rs.148.2 Mn. PAT of the sector for the quarter was Rs. 106.2 Mn.

## Financial Services

Financial Services recorded a growth of 19.0% in topline to Rs. 2.5 Bn during 1QFY18 while operating profit for the quarter was increased 4.6% to Rs. 330.9 Mn. Sector PBT for the quarter was Rs. 311.2 Mn while PAT reached Rs. 276.7 Mn during 1QFY18.

Softlogic Life Insurance PLC continued to perform strongly recording a GWP of Rs. 3.4 Bn, a growth of 23% which is twice the market pace which grew by 11% during the 1H2017. The Company is ranked 5th with a market share of 10%.

Softlogic Finance PLC's assets was Rs. 22.1 as at 30th June 2017 whilst Customer Deposits improved 6.8% to Rs. 16.2 Bn.

## Automobile

Automobile sector revenue improved 19.0% to Rs. 453.4 Mn during the first quarter of financial year end 2018. This sector progressed well as losses continued to shrink as management focuses on key activities which drive earnings.

Sales focus remained with the 'Ford Ranger Double Cab' and the 'Ford Eco Sport' range. Accident Repair business recently received focus during the quarter as our ties with insurance businesses was strengthened. Restructuring at Softlogic Automobiles is paying off well with elimination of the extra workshop space which was under-utilized.

Suzuki Motors Lanka (Pvt) Ltd., which holds the exclusive Agency Agreement with Suzuki Motor Corporation of Japan, to distribute motorcycles in Sri Lanka, was acquired recently. Group's synergies will elevate Suzuki's market position while efforts are underway to strengthen distribution channels to exploit market potential.

### **Leisure**

The financial performance of the leisure sector composing of Centara Ceysands Resorts & Spa and the 7-month old five star city hotel – Mövenpick Hotel Colombo, reported a revenue growth of 169.5% to Rs. 430.1 Mn during 1QFY18.

Operating profit was affected by the city hotel which commenced operations in January. Both the hotel properties won numerous accolades, recognitions and rating in the travel market in Sri Lanka including the Golden Globe Tiger Awards and World Travel Awards for Mövenpick Hotel Colombo while the resort won numerous awards at South Asia Travel Awards.

### **Future Outlook**

In a difficult operating environment, consolidation and cost discipline are key to progress and sustainable returns. What requires improvement is the leisure sector's macroeconomic fundamentals, but occupancy rates are moving in the right direction at our hotels which will ensure those startup costs are recovered much faster than projected. Furthermore, we expect interest rates to fall in line with fiscal discipline thereby this would further improve the Group's overall performance. With Softlogic's diversified portfolio, sustainable value creation hinges on sound macroeconomic fundamentals and policy consistency.

*-sgd-*

**Ashok Pathirage**  
**Chairman**  
**15 August 2017**

# Softlogic Holdings PLC

## CONSOLIDATED INCOME STATEMENT

In Rs.	Unaudited 03 months to 30-06-2017	Unaudited 03 months to 30-06-2016	Change as a %	Audited 12 months to 31-03-2017
<b>Continuing operations</b>				
Revenue	15,163,089,102	14,272,419,391	6.24	59,087,730,604
Cost of sales	(9,722,760,035)	(9,782,905,437)	(0.61)	(39,377,706,757)
<b>Gross profit</b>	<b>5,440,329,067</b>	<b>4,489,513,954</b>	<b>21.18</b>	<b>19,710,023,847</b>
Other operating income	391,356,141	276,049,333	41.77	994,431,461
Distribution expenses	(667,770,866)	(851,424,317)	(21.57)	(3,039,151,173)
Administrative expenses	(3,319,909,146)	(2,542,876,490)	30.56	(12,350,088,217)
<b>Results from operating activities</b>	<b>1,844,005,196</b>	<b>1,371,262,480</b>	<b>34.47</b>	<b>5,315,215,918</b>
Finance income	311,545,444	159,579,280	95.23	897,391,473
Finance expenses	(1,259,478,698)	(901,971,070)	39.64	(4,809,538,225)
<b>Net finance cost</b>	<b>(947,933,254)</b>	<b>(742,391,790)</b>	<b>27.69</b>	<b>(3,912,146,752)</b>
Change in fair value of investment property	-	-	-	354,120,000
Change in insurance contract liabilities	(237,223,681)	(30,783,992)	670.61	(82,439,974)
Share of profit of equity accounted investees	798,228	7,994,111	(90.01)	9,997,782
<b>Profit before tax</b>	<b>659,646,489</b>	<b>606,080,809</b>	<b>8.84</b>	<b>1,684,746,974</b>
Tax expense	(230,016,963)	(99,147,476)	131.99	(863,567,306)
<b>Profit for the period from continuing operations</b>	<b>429,629,526</b>	<b>506,933,333</b>	<b>(15.25)</b>	<b>821,179,668</b>
Profit/ (loss) for the period from discontinued operation	-	(78,531,890)	(100.00)	145,317,367
<b>Profit for the period</b>	<b>429,629,526</b>	<b>428,401,443</b>	<b>0.29</b>	<b>966,497,035</b>
<b>Attributable to:</b>				
Equity holders of the parent	43,579,228	101,791,310	(57.19)	108,189,090
Non-controlling interest	386,050,298	326,610,133	18.20	858,307,945
	<b>429,629,526</b>	<b>428,401,443</b>	<b>0.29</b>	<b>966,497,035</b>
<b>Earnings per share - Basic (Rs.)</b>	<b>0.06</b>	<b>0.13</b>	<b>(57.19)</b>	<b>0.14</b>
<b>Dividend per share - Rs.</b>	<b>0.65</b>	<b>0.50</b>	<b>30.00</b>	<b>0.50</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 03 months to 30-06-2017	Unaudited 03 months to 30-06-2016	Change as a %	Audited 12 months to 31-03-2017
<b>Profit for the period</b>	<b>429,629,526</b>	<b>428,401,443</b>	<b>0.29</b>	<b>966,497,035</b>
<b>Other comprehensive income</b>				
<b>Continuing operations</b>				
<b>Other comprehensive income to be reclassified to income statement in subsequent periods</b>				
Currency translation of foreign operations	(2,475,057)	1,588,712	(255.79)	(4,948,205)
Net change in fair value on derivative financial instruments	(17,460,150)	(12,030,118)	45.14	(38,096,017)
Net (loss) / gain on available-for-sale financial assets	347,878,090	96,723,783	259.66	(371,744,345)
Available-for-sale financial assets reclassified to income statement	(40,075,756)	2,333,858	(1,817.15)	(20,364,400)
Net other comprehensive income to be reclassified to income statement in subsequent periods	<b>287,867,127</b>	<b>88,616,235</b>	<b>224.85</b>	<b>(435,152,967)</b>
<b>Other comprehensive income not to be reclassified to income statement in subsequent periods</b>				
Revaluation of land and buildings	-	-	-	1,322,816,775
Re-measurement gain/ (loss) on employee benefit liabilities	-	-	-	(50,033,638)
Share of other comprehensive income of equity accounted investments (net of tax)	-	-	-	289,308
Tax on other comprehensive income not to be reclassified to income statement in subsequent periods	-	(4,050,142)	(100.00)	(38,366,048)
Net other comprehensive income not to be reclassified to income statement in subsequent periods	-	<b>(4,050,142)</b>	<b>(100.00)</b>	<b>1,234,706,397</b>
<b>Other comprehensive income from continuing operations for the period, net of tax</b>	<b>287,867,127</b>	<b>84,566,093</b>	<b>240.40</b>	<b>799,553,430</b>
Other comprehensive income from discontinued operations for the period, net of tax	-	8,461,914	(100.00)	72,882,792
<b>Total comprehensive income for the period, net of tax</b>	<b>717,496,653</b>	<b>521,429,450</b>	<b>37.60</b>	<b>1,838,933,257</b>
<b>Attributable to:</b>				
Equity holders of the parent	159,605,120	130,212,147	22.57	772,007,862
Non-controlling interest	557,891,533	391,217,303	42.60	1,066,925,395
	<b>717,496,653</b>	<b>521,429,450</b>	<b>37.60</b>	<b>1,838,933,257</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 30-06-2017	Unaudited as at 30-06-2016	Audited as at 31-03-2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	36,479,893,591	31,507,843,176	36,350,857,044
Lease rentals paid in advance	852,462,806	853,499,739	852,722,039
Investment property	1,037,000,000	682,880,000	1,037,000,000
Intangible assets	8,507,655,066	8,655,031,826	8,569,237,398
Investments in equity accounted investments	69,326,640	68,235,448	68,528,412
Non-current financial assets	12,438,714,501	12,827,495,238	10,129,306,863
Rental receivable on lease assets and hire purchase	271,519,656	265,942,834	359,972,088
Other non-current assets	272,831,070	440,630,528	236,545,947
Deferred tax assets	508,357,860	349,929,886	508,967,693
	<b>60,437,761,190</b>	<b>55,651,488,675</b>	<b>58,113,137,484</b>
<b>Current assets</b>			
Inventories	8,901,179,225	8,333,242,894	8,979,963,034
Trade and other receivables	8,218,298,019	9,856,636,443	8,672,926,321
Loans and advances	13,451,523,952	11,366,959,896	15,290,820,755
Rental receivable on lease assets and hire purchase	500,447,197	686,506,971	589,344,587
Amounts due from related parties	378,977	799,007	333,424
Other current assets	4,422,917,674	3,232,325,079	3,393,857,381
Short term investments	3,896,389,789	5,413,824,233	3,796,255,673
Cash in hand and at bank	2,877,669,914	2,583,926,690	2,794,607,770
	<b>42,268,804,747</b>	<b>41,474,221,213</b>	<b>43,518,108,945</b>
<b>Total assets</b>	<b>102,706,565,937</b>	<b>97,125,709,888</b>	<b>101,631,246,429</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	157,400,461	730,765,106	637,393,527
Other components of equity	3,496,340,714	2,719,953,482	3,440,146,758
	<b>8,742,741,175</b>	<b>8,539,718,588</b>	<b>9,166,540,285</b>
Non-controlling interests	7,811,727,472	7,462,052,100	7,304,303,560
<b>Total equity</b>	<b>16,554,468,647</b>	<b>16,001,770,688</b>	<b>16,470,843,845</b>
<b>Non-current liabilities</b>			
Insurance contract liabilities	6,853,790,741	6,564,902,169	6,616,558,062
Interest bearing borrowings	27,937,611,240	23,643,472,570	29,655,413,767
Public deposits	4,043,395,039	1,597,001,705	1,986,055,112
Deferred tax liabilities	500,608,646	330,637,441	491,898,301
Employee benefit liabilities	828,909,715	720,689,448	801,930,111
Other deferred liabilities	143,681,573	3,240,643	153,158,615
Other non-current financial liabilities	25,905,840	47,667,888	28,848,995
	<b>40,333,902,794</b>	<b>32,907,611,864</b>	<b>39,733,862,963</b>
<b>Current liabilities</b>			
Trade and other payables	7,150,855,278	7,106,807,700	6,953,744,115
Amounts due to related parties	17,413,812	18,821,758	17,565,485
Income tax liabilities	379,484,905	456,702,781	371,320,990
Other current financial liabilities	13,960,788,076	13,739,017,031	12,056,238,155
Current portion of interest bearing borrowings	7,142,568,287	8,266,879,196	6,328,018,316
Other current liabilities	1,285,896,379	1,311,544,986	1,435,065,968
Public deposits	12,053,707,600	13,553,630,959	14,049,442,438
Bank overdrafts	3,827,480,159	3,762,922,925	4,215,144,154
	<b>45,818,194,496</b>	<b>48,216,327,336</b>	<b>45,426,539,621</b>
<b>Total equity and liabilities</b>	<b>102,706,565,937</b>	<b>97,125,709,888</b>	<b>101,631,246,429</b>

Note : 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-  
Chairman

-sgd-  
Director

15 August 2017  
Colombo

# 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	Foreign currency translation reserve	Available-for-sale reserve	Statutory reserve fund	Other reserves	Cash flow hedge reserve	Revenue reserve	Total		
<b>As at 01 April 2017</b>	5,089,000,000	(55,921,185)	4,628,655,031	(43,262,584)	(718,502,230)	265,140,106	(491,235,138)	(144,727,242)	637,393,527	<b>9,166,540,285</b>	7,304,303,560	<b>16,470,843,845</b>
Profit for the period	-	-	-	-	-	-	-	-	43,579,228	<b>43,579,228</b>	386,050,298	<b>429,629,526</b>
Other comprehensive income	-	-	-	(2,475,057)	135,925,100	-	-	(17,424,151)	-	<b>116,025,892</b>	171,841,235	<b>287,867,127</b>
<b>Total Comprehensive income</b>	-	-	-	(2,475,057)	135,925,100	-	-	(17,424,151)	43,579,228	<b>159,605,120</b>	557,891,533	<b>717,496,653</b>
Transfer to reserve fund	-	-	-	-	-	20,206,900	-	-	(20,206,900)	-	-	-
Changes in ownership interest in subsidiaries	-	-	-	-	-	-	(80,038,836)	-	-	<b>(80,038,836)</b>	(50,467,621)	<b>(130,506,457)</b>
Dividend paid	-	-	-	-	-	-	-	-	(503,365,394)	<b>(503,365,394)</b>	-	<b>(503,365,394)</b>
<b>As at 30 June 2017</b>	<b>5,089,000,000</b>	<b>(55,921,185)</b>	<b>4,628,655,031</b>	<b>(45,737,641)</b>	<b>(582,577,130)</b>	<b>285,347,006</b>	<b>(571,273,974)</b>	<b>(162,151,393)</b>	<b>157,400,461</b>	<b>8,742,741,175</b>	<b>7,811,727,472</b>	<b>16,554,468,647</b>
<b>As at 01 April 2016</b>	5,089,000,000	(55,921,185)	3,754,705,394	(38,314,379)	(575,351,439)	190,324,200	(502,065,112)	(106,709,772)	1,034,232,119	<b>8,789,899,826</b>	7,543,661,483	<b>16,333,561,309</b>
Profit for the period	-	-	-	-	-	-	-	-	101,791,310	<b>101,791,310</b>	326,610,133	<b>428,401,443</b>
Other comprehensive income	-	-	-	1,588,712	38,837,440	-	-	(12,005,315)	-	<b>28,420,837</b>	64,607,170	<b>93,028,007</b>
<b>Total Comprehensive income</b>	-	-	-	1,588,712	38,837,440	-	-	(12,005,315)	101,791,310	<b>130,212,147</b>	391,217,303	<b>521,429,450</b>
Transfer to reserve fund	-	-	-	-	-	18,054,172	-	-	(18,054,172)	-	-	-
Acquisitions, disposals and changes in holding	-	-	-	-	-	-	6,810,766	-	-	<b>6,810,766</b>	(165,177,449)	<b>(158,366,683)</b>
Dividend paid	-	-	-	-	-	-	-	-	(387,204,151)	<b>(387,204,151)</b>	-	<b>(387,204,151)</b>
Subsidiary dividend to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(307,649,237)	<b>(307,649,237)</b>
<b>As at 30 June 2016</b>	<b>5,089,000,000</b>	<b>(55,921,185)</b>	<b>3,754,705,394</b>	<b>(36,725,667)</b>	<b>(536,513,999)</b>	<b>208,378,372</b>	<b>(495,254,346)</b>	<b>(118,715,087)</b>	<b>730,765,106</b>	<b>8,539,718,588</b>	<b>7,462,052,100</b>	<b>16,001,770,688</b>

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



# Softlogic Holdings PLC

## CONSOLIDATED CASH FLOW STATEMENT

In Rs.	Unaudited 03 months to 30-06-2017	Unaudited 03 months to 30-06-2016	Audited 12 months to 31-03-2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax from continuing operations	659,646,489	606,080,809	1,684,746,974
Loss before tax from discontinued operation	-	(72,966,779)	(109,594,288)
	<b>659,646,489</b>	<b>533,114,030</b>	<b>1,575,152,686</b>
<b>Adjustments for:</b>			
Finance income	(311,545,444)	(159,579,280)	(897,391,473)
Finance cost	1,259,478,698	901,971,070	4,809,538,225
Change in fair value of investment property	-	-	(354,120,000)
Share of results of equity accounted investees	(798,228)	(7,994,111)	(9,997,782)
Gratuity provision and related cost	49,106,607	39,494,587	170,672,527
Provisions for/ write-off of impaired receivables	46,266,879	41,344,160	343,541,577
Provision for write-off of inventories	25,220,573	14,178,325	293,705,033
Provisions for/ write-off of loans and advances	26,733,191	11,585,471	295,501,773
Provisions for/ write-off of investments in lease and hire purchase	(4,181,642)	63,965,946	119,817,749
Depreciation of property, plant and equipment	584,576,357	401,668,911	1,711,637,099
Profit/ (loss) on sale of property, plant and equipment	(3,341,844)	(5,680,128)	(19,155,280)
Profit on sale of investments	(621,672)	(21,238,279)	(40,016,280)
Unrealised (gain)/ loss on foreign exchange	6,493,881	13,210,895	25,237,048
Amortisation/ impairment of intangible assets	109,890,383	74,722,598	348,649,812
Amortisation of prepaid lease rentals	259,233	259,233	1,036,933
Increase in deferred income	1,961,787	3,689,551	210,857,225
Impairment & derecognition of property, plant & equipment	1,750,396	-	17,441,797
<b>Profit before working capital changes</b>	<b>2,450,895,644</b>	<b>1,904,712,979</b>	<b>8,602,108,669</b>
(Increase) / decrease in inventories	53,563,236	364,971,582	(558,242,986)
(Increase) / decrease in trade and other receivables	410,126,398	(1,453,455,535)	(1,047,862,418)
(Increase) / decrease in loans and advances	336,701,633	(802,122,566)	(3,049,035,458)
(Increase) / decrease in investments in lease and hire purchase	181,531,464	420,725,904	368,007,230
(Increase) / decrease in other current assets	(1,029,060,293)	262,808,336	137,717,128
(Increase) / decrease in amounts due from related parties	(45,553)	8,727	474,310
Increase / (decrease) in trade and other payables	(308,405,045)	(744,642,563)	482,958,568
Increase / (decrease) in amounts due to related parties	(151,673)	(28,518,201)	(29,774,474)
Increase / (decrease) in other current liabilities	(160,608,418)	154,343,626	416,807,717
Increase / (decrease) in public deposits	61,605,089	1,158,790,276	2,043,655,163
Increase / (decrease) in insurance contract liabilities	237,232,679	30,783,992	82,439,974
<b>Cash generated from operations</b>	<b>2,233,385,161</b>	<b>1,268,406,557</b>	<b>7,449,253,423</b>
Finance income received	219,647,051	148,572,420	809,710,656
Finance expenses paid	(1,252,050,881)	(877,026,332)	(4,752,244,036)
Dividend received	-	-	1,800,014
Tax paid	(178,362,791)	(103,451,725)	(1,088,653,474)
Gratuity paid	(22,127,003)	(6,910,223)	(88,753,665)
<b>Net cash flow from operating activities</b>	<b>1,000,491,537</b>	<b>429,590,697</b>	<b>2,331,112,918</b>
<b>CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES</b>			
Purchase and construction of property, plant and equipment	(738,635,369)	(1,253,421,796)	(6,010,132,128)
Addition to intangible assets	(48,308,051)	(28,675,827)	(221,672,346)
(Increase)/ decrease in other non-current assets	(36,285,123)	(55,004,072)	564,222
(Purchase) / disposal of short term investments (net)	207,330,723	(146,804,042)	(1,601,965,821)
Dividends received	8,981,229	1,913,745	99,942,789
(Purchase) / disposal of non-current financial assets	(525,743,326)	(665,569,292)	(387,387,490)
Disposal of business, net of cash disposed	-	-	1,313,733,268
Proceeds from sale of property, plant and equipment	26,791,355	13,835,670	154,864,022
<b>Net cash flow used in investing activities</b>	<b>(1,105,868,562)</b>	<b>(2,133,725,614)</b>	<b>(6,652,053,484)</b>
<b>CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES</b>			
Dividend paid to non-controlling interest	-	(307,649,237)	(959,115,494)
Proceeds from long term borrowings	680,772,848	4,220,574,738	15,661,103,460
(Increase) / decrease of controlling interest	(130,506,537)	(158,249,094)	(247,887,644)
(Increase) / decrease in other non-current financial liabilities	(2,943,155)	18,935,307	116,414
Repayment of long term borrowings	(1,651,798,242)	(818,552,743)	(8,551,815,195)
Proceeds from / (repayment of) other current financial liabilities (net)	1,904,549,921	(1,136,249,645)	(2,819,028,521)
Direct cost on issue of shares/ share repurchase	-	-	(40,718,147)
Dividend paid to equity holders of parent	-	(387,204,149)	(387,204,151)
<b>Net cash flow from financing activities</b>	<b>800,074,835</b>	<b>1,431,605,177</b>	<b>2,655,450,722</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>694,697,810</b>	<b>(272,529,740)</b>	<b>(1,665,489,844)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING</b>	<b>866,427,549</b>	<b>2,531,997,653</b>	<b>2,531,997,653</b>
Effect of exchange rate changes	(45,668)	27,100	(80,260)
<b>CASH AND CASH EQUIVALENTS AT THE END</b>	<b>1,561,079,691</b>	<b>2,259,495,013</b>	<b>866,427,549</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>			
<b>Favourable balances</b>			
Cash in hand and at Bank	2,877,669,914	2,583,926,690	2,794,607,770
Short term investments	2,510,889,936	3,438,491,248	2,286,963,933
<b>Unfavourable balances</b>			
Bank overdrafts	(3,827,480,159)	(3,762,922,925)	(4,215,144,154)
<b>Cash and cash equivalents</b>	<b>1,561,079,691</b>	<b>2,259,495,013</b>	<b>866,427,549</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 03 months to 30-06-2017	Unaudited 03 months to 30-06-2016	Change as a %	Audited 12 months to 31-03-2017
Revenue	161,318,517	156,236,893	3.25	628,427,166
Cost of sales	(52,653,590)	(48,763,760)	7.98	(200,180,876)
<b>Gross profit</b>	<b>108,664,927</b>	<b>107,473,133</b>	<b>1.11</b>	<b>428,246,290</b>
Dividend income	81	247,508,764	(100.00)	1,343,212,899
Other operating income	11,245,936	1,100,234,808	(98.98)	1,137,299,866
Administrative expenses	(89,511,282)	(173,961,935)	(48.55)	(898,733,172)
<b>Results from operating activities</b>	<b>30,399,662</b>	<b>1,281,254,770</b>	<b>(97.63)</b>	<b>2,010,025,883</b>
Finance income	312,748,152	182,458,210	71.41	1,045,636,385
Finance expenses	(566,588,682)	(411,785,555)	37.59	(2,039,862,417)
<b>Net finance cost</b>	<b>(253,840,530)</b>	<b>(229,327,345)</b>	<b>10.69</b>	<b>(994,226,032)</b>
Change in fair value of investment property	-	-	-	62,176,317
<b>Profit/ (loss) before tax</b>	<b>(223,440,868)</b>	<b>1,051,927,425</b>	<b>(121.24)</b>	<b>1,077,976,168</b>
Tax expense	(22,072,668)	(12,500,000)	76.58	(52,560,266)
<b>Profit/ (loss) for the period</b>	<b>(245,513,536)</b>	<b>1,039,427,425</b>	<b>(123.62)</b>	<b>1,025,415,902</b>

Note : Figures in brackets indicate deductions.

The above figures are not audited unless otherwise stated.

# Softlogic Holdings PLC

## STATEMENT OF COMPREHENSIVE INCOME

In Rs.	Unaudited 03 months to 30-06-2017	Unaudited 03 months to 30-06-2016	Change as a %	Audited 12 months to 31-03-2017
Profit/ (loss) for the period	(245,513,536)	1,039,427,425	(123.62)	1,025,415,902
Other comprehensive income				
<b>Other comprehensive income not to be reclassified to income statement in subsequent periods</b>				
Actuarial gains/ (loss) on retirement benefits	-	-	-	(1,337,860)
Net other comprehensive income not to be reclassified to income statement in subsequent periods	-	-	-	(1,337,860)
Tax on other comprehensive income	-	-	-	374,600
<b>Other comprehensive income for the period, net of tax</b>	-	-	-	(963,260)
<b>Total comprehensive income for the period, net of tax</b>	<b>(245,513,536)</b>	<b>1,039,427,425</b>	<b>(123.62)</b>	<b>1,024,452,642</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 30-06-2017	Unaudited as at 30-06-2016	Audited as at 31-03-2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	191,717,836	128,812,128	201,286,750
Investment property	609,385,000	547,154,629	609,385,000
Intangible assets	406,733	1,578,515	1,040,254
Investments in subsidiaries	13,723,576,693	13,118,799,948	13,598,298,652
Investments in associates	11,000,000	11,000,000	11,000,000
Other non current financial assets	1,490,000,000	1,858,399,766	1,490,000,000
	<b>16,026,086,262</b>	<b>15,665,744,986</b>	<b>15,911,010,656</b>
<b>Current assets</b>			
Trade and other receivables	213,602,617	238,423,027	453,324,075
Amounts due from related parties	6,420,346,071	4,872,381,942	5,675,892,404
Other current assets	19,547,779	52,669,422	16,829,848
Short term investments	1,726,853,820	1,472,694,112	1,665,030,219
Cash in hand and at bank	574,799,840	96,115,307	92,204,224
	<b>8,955,150,127</b>	<b>6,732,283,810</b>	<b>7,903,280,770</b>
<b>Total assets</b>	<b>24,981,236,389</b>	<b>22,398,028,796</b>	<b>23,814,291,426</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	1,256,311,478	2,023,149,797	2,008,175,014
<b>Total equity</b>	<b>6,345,311,478</b>	<b>7,112,149,797</b>	<b>7,097,175,014</b>
<b>Non-current liabilities</b>			
Interest bearing borrowings	7,934,273,821	5,754,019,480	8,509,979,172
Employee benefit liabilities	23,696,010	22,689,470	23,696,010
Other non current financial liabilities	50,987,860	45,543,062	49,130,021
Other deferred liabilities	138,738,739	-	147,747,752
Deferred tax liabilities	186,200,000	165,000,000	186,200,000
	<b>8,333,896,430</b>	<b>5,987,252,012</b>	<b>8,916,752,955</b>
<b>Current liabilities</b>			
Trade and other payables	536,856,862	65,851,834	24,132,882
Amounts due to related parties	19,860,633	264,982,951	68,063,660
Income tax liabilities	39,689,421	49,162,162	56,554,781
Other current financial liabilities	6,431,600,679	5,935,790,963	4,447,997,514
Current portion of interest bearing borrowings	2,691,549,645	2,744,663,069	2,580,018,501
Other current liabilities	80,191,842	35,291,532	73,349,280
Bank overdrafts	502,279,399	202,884,476	550,246,839
	<b>10,302,028,481</b>	<b>9,298,626,987</b>	<b>7,800,363,457</b>
<b>Total equity and liabilities</b>	<b>24,981,236,389</b>	<b>22,398,028,796</b>	<b>23,814,291,426</b>

Note : 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-**  
Chairman

**-sgd-**  
Director

15 August 2017  
Colombo

# Softlogic Holdings PLC

## COMPANY STATEMENT OF CHANGES IN EQUITY

### COMPANY

In Rs.	Stated capital	Revenue reserve	Total
<b>As at 01 April 2017</b>	5,089,000,000	2,008,175,014	7,097,175,014
Loss for the period	-	(245,513,536)	(245,513,536)
<b>Total comprehensive income</b>	-	(245,513,536)	(245,513,536)
Dividend paid	-	(506,350,000)	(506,350,000)
<b>As at 30 June 2017</b>	5,089,000,000	1,256,311,478	6,345,311,478
<b>As at 01 April 2016</b>	5,089,000,000	1,373,222,372	6,462,222,372
Profit for the period	-	1,039,427,425	1,039,427,425
<b>Total comprehensive income</b>	-	1,039,427,425	1,039,427,425
Dividend paid	-	(389,500,000)	(389,500,000)
<b>As at 30 June 2016</b>	5,089,000,000	2,023,149,797	7,112,149,797

Note : Figures in brackets indicate deductions.

The above figures are not audited unless otherwise stated.

# Softlogic Holdings PLC

## COMPANY STATEMENT OF CASH FLOW

In Rs.	Unaudited 03 months to 30-06-2017	Unaudited 03 months to 30-06-2016	Audited 12 months to 31-03-2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/ (loss) before tax	(223,440,868)	1,051,927,425	1,077,976,168
<b>Adjustments for:</b>			
Finance income	(312,748,152)	(182,458,210)	(1,045,636,385)
Dividend income	(81)	(247,508,764)	(1,343,212,899)
Finance cost	566,588,682	411,785,555	2,039,862,417
Change in fair value of investment property	-	-	(62,176,317)
Gratuity provision and related costs	2,410,835	2,215,881	10,075,034
Provisions for impairment	-	70,674,996	506,296,744
Provision for assets held-for-sale	-	(12,330,864)	-
Depreciation of property, plant and equipment	8,522,543	6,493,391	28,898,601
Profit on sale of property, plant and equipment	(2,086,927)	(2,832,440)	(4,577,585)
Profit on sale of investments	-	(1,097,248,468)	(1,112,455,617)
Amortisation/ impairment of intangible assets	633,521	932,307	3,716,100
Deferred revenue	(9,009,013)	-	(18,018,014)
<b>Profit before working capital changes</b>	<b>30,870,540</b>	<b>1,650,809</b>	<b>80,748,247</b>
(Increase) / decrease in trade and other receivable	239,721,458	(3,165,638)	(279,253,210)
(Increase) / decrease in other current assets	(2,717,931)	(7,381,080)	13,305,725
(Increase) / decrease in amount due from related parties	(744,453,667)	(760,821,001)	(866,777,748)
Increase / (decrease) in trade and other payables	6,373,984	34,490,059	(7,228,890)
Increase / (decrease) in amount due to related parties	(48,203,027)	(5,700,884)	(202,742,045)
Increase / (decrease) in other current liabilities	6,842,562	4,957,942	194,166,463
<b>Cash generated used in operations</b>	<b>(511,566,081)</b>	<b>(735,969,793)</b>	<b>(1,067,781,458)</b>
Finance income received	250,924,552	182,458,210	843,469,413
Finance expenses paid	(563,638,195)	(410,090,039)	(1,992,112,198)
Dividend received	81	247,508,764	1,343,212,899
Tax paid	(38,938,028)	-	(16,133,737)
Gratuity paid	(553,003)	(62,370)	(5,550,554)
<b>Net cash flow used in operating activities</b>	<b>(863,770,674)</b>	<b>(716,155,228)</b>	<b>(894,895,635)</b>
<b>CASH FLOWS FROM /(USED IN) INVESTING ACTIVITIES</b>			
Purchase and construction of property, plant and equipment	(749,105)	(551,669)	(51,195,814)
Addition to investment property	-	(654,629)	(708,683)
Addition to intangible assets	-	-	(2,245,531)
(Purchase) / disposal of short term investments (net)	-	-	(2,500,000)
(Purchase) / disposal of other non current financial assets	-	(317,453,797)	(1,021,042,975)
Proceeds from disposal of controlling interest	-	1,153,205,820	1,173,296,412
Increase in interest in subsidiaries	(125,278,041)	(1,161,810,112)	(1,650,322,600)
Proceeds from sale of property, plant and equipment	3,882,403	7,279,769	17,308,425
<b>Net cash flow used in investing activities</b>	<b>(122,144,743)</b>	<b>(319,984,618)</b>	<b>(1,537,410,766)</b>
<b>CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES</b>			
Proceeds from long term borrowings	66,929,898	1,933,060,000	6,932,770,102
Repayment of long term borrowings	(534,054,590)	(337,077,077)	(2,825,300,622)
Proceeds from / (repayment of) short term borrowings (net)	1,983,603,165	(791,402,741)	(2,279,196,189)
Increase/ (decrease) in other non current financial liabilities	-	-	21,200,000
Dividend paid to equity holders of parent	-	(389,500,000)	(389,500,000)
<b>Net cash flow from financing activities</b>	<b>1,516,478,473</b>	<b>415,080,182</b>	<b>1,459,973,291</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>530,563,056</b>	<b>(621,059,664)</b>	<b>(972,333,110)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING</b>	<b>(458,042,615)</b>	<b>514,290,495</b>	<b>514,290,495</b>
<b>CASH AND CASH EQUIVALENTS AT THE END</b>	<b>72,520,441</b>	<b>(106,769,169)</b>	<b>(458,042,615)</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>			
<b>Favourable balances</b>			
Cash in hand and at bank	574,799,840	96,115,307	92,204,224
<b>Unfavourable balances</b>			
Bank overdrafts	(502,279,399)	(202,884,476)	(550,246,839)
<b>Cash and cash equivalents</b>	<b>72,520,441</b>	<b>(106,769,169)</b>	<b>(458,042,615)</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 For the three months period ended 30 June	Information Technology		Leisure & Property		Retail		Automobiles		Financial Services		Healthcare Services		Others		Group	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<b>Continuing operations</b>																
Revenue																
Total revenue	4,173,572,752	4,726,527,899	450,091,321	199,103,547	5,089,281,199	4,925,972,091	469,976,271	467,490,176	2,534,179,308	2,131,278,597	3,103,267,801	2,420,897,782	167,477,192	163,145,181	15,987,845,844	15,034,415,273
Inter group	(290,604,744)	(206,710,043)	(19,953,815)	(39,503,658)	(239,429,579)	(180,105,664)	(16,526,452)	(86,455,170)	(2,904,005)	(4,852,632)	(89,580,599)	(85,696,398)	(165,757,548)	(158,672,317)	(824,756,742)	(761,995,882)
<b>Total external revenue</b>	<b>3,882,968,008</b>	<b>4,519,817,856</b>	<b>430,137,506</b>	<b>159,599,889</b>	<b>4,849,851,620</b>	<b>4,745,866,427</b>	<b>453,449,819</b>	<b>381,035,006</b>	<b>2,531,275,303</b>	<b>2,126,425,965</b>	<b>3,013,687,202</b>	<b>2,335,201,384</b>	<b>1,719,644</b>	<b>4,472,864</b>	<b>15,163,089,102</b>	<b>14,272,419,391</b>
Operating profit/ (loss)	212,165,001	260,908,828	(92,417,522)	(26,846,209)	699,412,733	427,974,227	5,329,470	9,591,889	330,893,802	316,322,151	712,925,381	428,308,623	(24,303,669)	(44,997,029)	1,844,005,196	1,371,262,480
Finance income	6,356,180	4,024,900	832,705	1,812,177	23,591,576	14,244,590	38,281	25,521	275,902,505	129,006,666	3,963,672	6,302,869	860,525	4,162,557	311,545,444	159,579,280
Finance cost	(70,302,874)	(87,806,878)	(135,891,944)	(33,885,822)	(432,351,537)	(293,745,012)	(24,197,542)	(29,640,403)	(58,352,423)	(25,352,344)	(221,520,532)	(185,804,105)	(316,861,848)	(245,736,506)	(1,259,478,698)	(901,971,070)
Share of results of associates	-	-	-	-	-	-	-	-	-	-	(5,350,414)	-	6,148,642	7,994,111	798,238	7,994,111
Change in insurance contract liabilities	-	-	-	-	-	-	-	-	(237,223,681)	(30,783,992)	-	-	-	-	(237,223,681)	(30,783,992)
<b>Profit/ (loss) before taxation</b>	<b>148,218,307</b>	<b>177,126,850</b>	<b>(227,476,761)</b>	<b>(58,919,854)</b>	<b>290,652,772</b>	<b>148,473,805</b>	<b>(18,829,791)</b>	<b>(20,022,993)</b>	<b>311,220,203</b>	<b>389,192,481</b>	<b>490,018,107</b>	<b>248,807,387</b>	<b>(334,156,348)</b>	<b>(278,576,867)</b>	<b>659,646,489</b>	<b>606,080,809</b>
Tax expense	(42,027,651)	(49,535,373)	16,483	(759,669)	(67,852,105)	(55,007,448)	21,643	-	(34,560,798)	(30,047,157)	(62,900,574)	47,206,571	(22,713,961)	(11,004,400)	(230,016,963)	(99,147,476)
<b>Profit/ (loss) from continuing operations</b>	<b>106,190,656</b>	<b>127,591,477</b>	<b>(227,460,278)</b>	<b>(59,679,523)</b>	<b>222,800,667</b>	<b>93,466,357</b>	<b>(18,808,148)</b>	<b>(20,022,993)</b>	<b>276,659,405</b>	<b>359,145,324</b>	<b>427,117,533</b>	<b>296,013,958</b>	<b>(356,870,309)</b>	<b>(289,581,267)</b>	<b>429,629,526</b>	<b>506,933,333</b>
Loss for the period from discontinued operation	-	-	-	-	-	-	-	-	-	(78,531,890)	-	-	-	-	-	(78,531,890)
<b>Profit/ (loss) after taxation</b>	<b>106,190,656</b>	<b>127,591,477</b>	<b>(227,460,278)</b>	<b>(59,679,523)</b>	<b>222,800,667</b>	<b>93,466,357</b>	<b>(18,808,148)</b>	<b>(20,022,993)</b>	<b>276,659,405</b>	<b>280,613,434</b>	<b>427,117,533</b>	<b>296,013,958</b>	<b>(356,870,309)</b>	<b>(289,581,267)</b>	<b>429,629,526</b>	<b>428,401,443</b>
Depreciation of property, plant & equipment (PPE)	18,900,905	17,903,091	155,700,046	44,710,571	105,540,437	90,487,076	9,103,457	20,481,558	41,489,264	35,933,975	245,251,943	185,597,440	8,590,305	6,555,200	584,576,357	401,668,911
Amortisation of lease rentals paid in advance	-	-	-	-	-	-	-	-	-	-	259,233	259,233	-	-	259,233	259,233
Amortisation of intangible assets	9,036,138	15,763,994	4,762,690	3,775,058	16,256,590	15,020,917	-	-	74,452,308	37,099,854	2,130,469	2,130,469	633,521	932,306	107,271,716	74,722,598
Retirement benefit obligations and related cost	5,219,436	5,393,422	4,692,529	1,510,590	8,290,898	8,730,962	528,139	559,703	7,213,498	6,169,760	20,755,955	14,888,483	2,486,152	2,241,647	49,106,607	39,494,587
Purchases and construction of PPE	5,886,396	5,151,882	116,250,063	675,905,163	242,442,733	122,976,844	993,642	13,087,067	37,873,691	72,997,103	334,439,746	399,202,902	749,108	8,416,169	738,635,369	1,297,737,130
Additions to intangible assets	23,291,883	10,811,268	9,363,540	-	15,335,484	16,758,269	-	-	317,144	1,106,290	-	-	-	-	48,308,051	28,675,827

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 & Property		Retail		Automobiles		Financial Services		Healthcare Services		Others		Group	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Property, plant and equipment	180,377,938	203,572,467	11,112,905,051	9,048,442,153	7,090,685,577	6,299,628,146	306,814,374	348,509,532	876,338,300	901,073,405	14,453,503,900	12,451,710,113	192,241,778	129,485,551	34,212,866,918	29,382,421,367
Lease rentals paid in advance	-	-	-	-	-	-	-	-	-	-	852,462,806	853,499,739	-	-	852,462,806	853,499,739
Investment property	205,530,000	217,620,000	1,100,000,000	1,075,000,000	1,442,000,000	999,880,000	-	-	-	-	-	-	609,385,000	547,154,629	3,356,915,000	2,839,654,629
Intangible assets	270,478,211	206,541,139	27,752,948	5,383,255	346,670,181	371,064,567	-	-	125,790,200	81,167,875	-	-	406,733	1,578,515	771,098,093	665,735,351
Non-current financial assets	16,787	5,035,420	-	-	731,171,136	378,997,746	-	-	11,346,525,051	12,032,371,990	361,001,527	408,590,082	-	2,500,000	12,438,714,501	12,827,495,238
Rental receivable on lease assets and hire purchase	-	-	-	-	-	-	-	-	271,519,656	265,942,834	-	-	-	-	271,519,656	265,942,834
Other non-current assets	9,319,141	22,211,043	10,964,512	16,966,193	238,286,913	192,326,631	6,677,169	3,827,169	3,500,000	150,793,107	4,083,335	6,083,335	-	48,423,050	272,831,070	440,630,528
<b>Segment non-current assets</b>	<b>665,722,077</b>	<b>654,980,069</b>	<b>12,251,622,511</b>	<b>10,145,791,601</b>	<b>9,848,813,807</b>	<b>8,241,897,090</b>	<b>313,491,543</b>	<b>352,336,701</b>	<b>12,623,673,027</b>	<b>13,431,349,211</b>	<b>15,671,051,568</b>	<b>13,719,883,269</b>	<b>802,033,511</b>	<b>729,141,745</b>	<b>52,176,408,044</b>	<b>47,275,379,686</b>
Investments in equity accounted investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	69,326,640	68,235,448
Goodwill	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,115,823,525	4,115,823,525
Intangible assets through business combinations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,620,733,448	3,873,472,950
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	508,357,860	349,929,886
Eliminations/ adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(52,888,327)	(31,352,820)
<b>Total non-current assets</b>	<b>665,722,077</b>	<b>654,980,069</b>	<b>12,251,622,511</b>	<b>10,145,791,601</b>	<b>9,848,813,807</b>	<b>8,241,897,090</b>	<b>313,491,543</b>	<b>352,336,701</b>	<b>12,623,673,027</b>	<b>13,431,349,211</b>	<b>15,671,051,568</b>	<b>13,719,883,269</b>	<b>802,033,511</b>	<b>729,141,745</b>	<b>60,437,761,190</b>	<b>55,651,488,675</b>
Inventories	1,458,265,379	1,468,235,478	738,433,468	38,597,662	5,672,090,646	5,117,519,387	343,666,083	785,165,923	144,332,155	449,688,083	544,391,494	474,036,361	-	-	8,901,179,225	8,333,242,894
Trade and other receivables	1,999,613,832	3,090,926,173	142,625,123	60,366,972	4,428,196,720	4,619,080,746	220,872,145	154,837,063	929,299,127	1,356,807,629	487,991,566	564,690,516	9,699,506	9,927,344	8,218,298,019	9,856,636,443
Loans and advances	-	-	-	-	-	-	-	-	13,451,523,952	11,366,959,896	-	-	-	-	13,451,523,952	11,366,959,896
Rental receivable on lease assets and hire purchase	-	-	-	-	-	-	-	-	500,447,197	686,506,971	-	-	-	-	500,447,197	686,506,971
Other current assets	501,040,369	389,270,954	274,781,132	273,176,069	2,201,563,936	913,655,337	68,666,483	92,088,693	807,216,200	868,195,910	550,005,770	643,232,556	19,643,784	52,705,560	4,422,917,674	3,232,325,079
Short term investments	5,110,767	13,276,661	323,070	315,221	30,766,467	24,829,109	1,500,000	-	3,693,609,915	5,015,462,112	30,000,000	228,000,000	135,079,570	131,941,130	3,896,389,789	5,413,824,233
Cash in hand and at bank	344,819,388	396,708,742	140,499,458	353,265,922	563,296,364	295,834,026	4,043,352	10,024,364	789,691,553	1,185,494,138	451,999,652	241,913,312	583,320,147	100,686,186	2,877,669,914	2,583,926,690
<b>Segment current assets</b>	<b>4,308,849,735</b>	<b>5,358,418,008</b>	<b>1,296,662,251</b>	<b>725,721,846</b>	<b>12,895,914,133</b>	<b>10,970,918,605</b>	<b>638,748,063</b>	<b>1,042,116,043</b>	<b>20,316,120,099</b>	<b>20,929,114,739</b>	<b>2,064,388,482</b>	<b>2,151,872,745</b>	<b>747,743,007</b>	<b>295,260,220</b>	<b>42,268,425,770</b>	<b>41,473,422,206</b>
Amounts due from related parties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	378,977	799,007
<b>Total current assets</b>	<b>4,308,849,735</b>	<b>5,358,418,008</b>	<b>1,296,662,251</b>	<b>725,721,846</b>	<b>12,895,914,133</b>	<b>10,970,918,605</b>	<b>638,748,063</b>	<b>1,042,116,043</b>	<b>20,316,120,099</b>	<b>20,929,114,739</b>	<b>2,064,388,482</b>	<b>2,151,872,745</b>	<b>747,743,007</b>	<b>295,260,220</b>	<b>42,268,804,747</b>	<b>41,474,221,213</b>
<b>Total assets</b>															<b>102,706,565,937</b>	<b>97,125,709,888</b>
Insurance contract liabilities	-	-	-	-	-	-	-	-	6,853,790,741	6,564,902,169	-	-	-	-	6,853,790,741	6,564,902,169
Interest bearing borrowings	90,421,021	20,000,000	6,505,690,119	5,454,137,278	3,737,236,094	2,602,733,359	61,090,644	100,794,900	2,777,374,940	3,275,401,213	6,831,524,587	6,436,386,340	7,934,273,835	5,754,019,480	27,937,611,240	23,643,472,570
Public deposits	-	-	-	-	-	-	-	-	4,043,395,039	1,597,001,705	-	-	-	-	4,043,395,039	1,597,001,705
Employee benefit liabilities	128,211,907	102,079,989	15,675,043	11,270,323	108,748,329	103,424,521	4,979,879	4,647,323	105,971,369	69,625,427	413,782,659	363,595,040	15,540,529	46,046,825	828,909,715	720,689,448
Other deferred liabilities	4,942,834	2,745,851	-	-	-	494,792	-	-	-	-	-	-	138,738,739	-	143,681,573	3,240,643
Other non-current financial liabilities	63,058	47,667,888	25,842,782	-	-	-	-	-	-	-	-	-	-	-	25,905,840	47,667,888
<b>Segment non-current liabilities</b>	<b>223,638,820</b>	<b>172,493,728</b>	<b>6,547,207,944</b>	<b>5,465,407,601</b>	<b>3,845,984,423</b>	<b>2,706,652,672</b>	<b>66,070,523</b>	<b>105,442,223</b>	<b>13,780,532,089</b>	<b>11,526,930,514</b>	<b>7,245,307,246</b>	<b>6,799,981,380</b>	<b>8,124,553,103</b>	<b>5,800,066,305</b>	<b>39,833,294,148</b>	<b>32,576,974,423</b>
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	500,608,646	330,637,441
<b>Total non-current liabilities</b>	<b>223,638,820</b>	<b>172,493,728</b>	<b>6,547,207,944</b>	<b>5,465,407,601</b>	<b>3,845,984,423</b>	<b>2,706,652,672</b>	<b>66,070,523</b>	<b>105,442,223</b>	<b>13,780,532,089</b>	<b>11,526,930,514</b>	<b>7,245,307,246</b>	<b>6,799,981,380</b>	<b>8,124,553,103</b>	<b>5,800,066,305</b>	<b>40,333,902,794</b>	<b>32,907,611,864</b>
Trade and other payables	2,460,395,536	2,549,161,400	219,604,608	236,431,856	1,615,411,678	1,108,545,551	12,376,183	6,532,647	1,419,959,280	2,374,074,591	895,763,068	767,949,273	527,344,924	64,112,380	7,150,855,277	7,106,807,698
Other current financial liabilities	1,382,213,693	2,251,462,984	165,448,825	32,002,481	9,016,849,247	7,263,693,674	216,610,019	573,752,611	663,053,817	1,382,057,790	-	202,701,000	6,431,600,679	5,935,790,963	17,875,776,280	17,641,461,503
Current portion of interest bearing borrowings	44,000,000	68,102,893	557,996,180	521,898,182	1,595,170,970	2,921,708,171	27,854,265	28,285,845	1,081,399,766	1,246,290,942	1,144,597,461	945,930,094	2,691,549,645	2,744,663,069	7,142,568,287	8,476,879,196
Other current liabilities	264,371,489	516,980,205	389,935,483	71,192,168	237,939,386	182,902,879	2,770,917	7,601,722	295,627,864	392,195,679	15,059,398	105,190,645	80,191,842	35,481,689	1,285,896,379	1,311,544,987
Public deposits	-	-	-	-	-	-	-	-	12,053,707,600	13,553,630,959	-	-	-	-	12,053,707,600	13,553,630,959
Bank overdrafts	47,927,609	83,893,235	604,176,260	82,074,138	1,056,203,492	650,030,331	54,898,582	32,882,173	382,894,554	1,681,691,740	1,179,100,262	1,029,466,831	502,279,400	202,884,476	3,827,480,159	3,762,922,924
<b>Segment current liabilities</b>	<b>4,198,908,327</b>	<b>5,469,600,717</b>	<b>1,937,161,356</b>	<b>943,598,825</b>	<b>13,521,574,773</b>	<b>12,126,880,606</b>	<b>314,509,966</b>	<b>649,054,998</b>	<b>15,896,642,881</b>	<b>20,629,941,701</b>	<b>3,234,520,189</b>	<b>3,051,237,843</b>	<b>10,232,966,490</b>	<b>8,982,932,577</b>	<b>49,336,283,982</b>	<b>51,853,247,267</b>
Income tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	379,484,905	456,702,781
Amounts due to related parties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,413,812	18,821,758
Eliminations/ adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,914,988,203)	(4,112,444,470)
<b>Total current liabilities</b>	<b>4,198,908,327</b>	<b>5,469,600,717</b>	<b>1,937,161,356</b>	<b>943,598,825</b>	<b>13,521,574,773</b>	<b>12,126,880,606</b>	<b>314,509,966</b>	<b>649,054,998</b>	<b>15,896,642,881</b>	<b>20,629,941,701</b>	<b>3,234,520,189</b>	<b>3,051,237,843</b>	<b>10,232,966,490</b>	<b>8,982,932,577</b>	<b>45,818,194,496</b>	<b>48,216,327,336</b>
<b>Total liabilities</b>															<b>86,152,097,290</b>	<b>81,123,939,200</b>
Total segment assets	4,974,571,812	6,013,398,077	13,548,284,762	10,871,513,447	22,744,727,940	19,212,815,695	952,239,606	1,394,452,744	32,939,793,126	34,360,463,950	17,735,440,050	15,871,756,014	1,549,776,518	1,024,401,965	94,444,833,814	88,748,801,892
Total segment liabilities	4,422,547,147	5,642,094,445	8,484,369,300	6,409,006,426	17,367,559,196	14,833,533,278	380,580,489	754,497,221	29,677,174,970	32,156,872,215	10,479,827,435	9,851,219,223	18,357,519,593	14,782,998,882	89,169,578,130	84,430,221,690

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 2017 were authorised for issue by the Board of Directors on 15 August 2017.

### 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 2017.

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 Softlogic Life Insurance PLC's (previously known as Asian Alliance Insurance PLC) 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.

#### Valuation of Life Insurance Fund

A valuation of the long term life insurance fund as at 30 June 2017 was conducted by Messers Towers Watson India Private Limited (known as 'Willis Towers Watson'), on behalf of Softlogic Life Insurance PLC.

#### Recommended transfer of surplus

Willis Towers Watson recommended a transfer of Rs. 237.33 mn from "Life Insurance Fund" to "Shareholder's Fund" of Softlogic Life Insurance PLC for the three months ended 30 June 2017 and this transfer is accounted in the Group Interim Financial Statements after surplus transfer being permitted by Insurance Board of Sri Lanka (IBSL).

### 4. SHARE INFORMATION

#### 4.1 Public share holdings

The percentage of shares held by the public as at 30 June 2017 was 27.83% (number of public shareholders - 12,780)

#### 4.2 Directors' share holdings

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

As at	30-06-2017
A K Pathirage - Chairman/ Managing Director	368,126,223
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 Sellaih	2,000,000
W M P L De Alwis, PC	Nil
G L H Premaratne	Nil
R A Ebell	Nil
Prof. A S Dharmasiri	Nil
A Russell-Davison	Nil
	<u>553,361,023</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 30-06-2017	%
1 Mr. A K Pathirage	329,176,223	42.26
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 Rubber Investment Trust Ltd - AC 01	18,444,139	2.37
8 Employees Provident Fund	7,230,500	0.93
9 Softlogic Life Insurance PLC - AC 02 (Life Fund)	4,591,702	0.59
10 Mrs. A Selliah	4,236,000	0.54
11 Arunodhaya Investments (Private) Limited	3,950,000	0.51
12 Arunodhaya Industries (Private) Limited	3,950,000	0.51
13 Arunodhaya (Private) Limited	3,950,000	0.51
14 Miss. S Subramaniam	3,800,000	0.49
15 Mr. V Kailasapillai	3,800,000	0.49
16 Mrs. A Kailasapillai	3,800,000	0.49
17 Ceylon Investment PLC - AC 01	3,671,578	0.47
18 Mr. K Aravinthan	3,500,000	0.45
19 Deutsche Bank AG as Trustee for Namal Acuity Value	3,396,497	0.44
20 The Ceylon Chamber of Commerce - AC 02	3,208,552	0.41

### 5. STATED CAPITAL MOVEMENTS

#### 5.1 No of shares

	No of shares
As at 01 April 2017	779,000,000
<b>As at 30 June 2017</b>	<b>779,000,000</b>

#### 5.2 Value of shares

	Rs
As at 01 April 2017	5,089,000,000
<b>As at 30 June 2017</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.

	30-06-2017
Closing price on (Rs.)	12.70
Highest price recorded for the three months ending (Rs.)	14.00
Lowest price recorded for the three months ending (Rs.)	12.00
Market Capitalisation (Rs. mn)	9,893.30

#### 6.2 Ratios

Net assets per share at the period end (Rs.)	11.29
--	-------

#### 6.3 Share trading information from 01 April 2017 to 30 June 2017

Number of shares traded	5,669,913
Value of shares traded (Rs.)	75,099,997

# Softlogic Holdings PLC

## NOTES TO THE FINANCIAL STATEMENTS

### 7. CONTINGENCIES

#### CONTINGENT LIABILITIES

There has been no significant change in the nature of the contingencies and other commitments, which were disclosed in the annual report for the year ended 31 March 2017.

### 8. CAPITAL COMMITMENTS

As at 30 June 2017, the group had capital commitments contracted but not provided in the financial statements amounting to Rs. 1,758 mn (30 June 2016 - 5,490 mn).

### 9. 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.

# Softlogic Holdings PLC

## NOTES TO THE FINANCIAL STATEMENTS

### 10. RELATED PARTY TRANSACTIONS

#### 10.1 Transactions with related parties

In Rs.	Group		Company	
	03 months to 30-06-2017	03 months to 30-06-2016	03 months to 30-06-2017	03 months to 30-06-2016
<b>Subsidiaries</b>				
(Purchases) / sales of goods	-	-	(2,115,290)	(13,720,891)
(Receiving) / rendering of services	-	-	155,129,057	136,744,910
(Purchases) / sale of property plant & equipment	-	-	(749,105)	(360,000)
Loans given / (obtained)	-	-	218,999,289	442,307,238
Interest received / (paid)	-	-	197,771,837	123,007,091
Rent received / (paid)	-	-	14,678,169	12,515,406
Dividend received	-	-	81	247,508,764
Profit on disposal of shares	-	-	-	1,097,248,468
Guarantee charges received	-	-	46,873,165	35,079,386
Guarantees given / (obtained)	-	-	21,144,490,000	20,166,600,000
<b>Associates</b>				
(Purchases) / sale of property plant & equipment	1,879,250	116,584	-	-
(Receiving) / rendering of services	(1,226,343)	(729,225)	1,659,185	1,787,754
<b>Key management personnel</b>				
Loans given/ (received)	(12,191,084)	(14,024,362)	(1,992,157)	(1,992,157)
Guarantees given/ (received)	(510,000,000)	(940,000,000)	(100,000,000)	(100,000,000)
Loans given/ (customer deposits received)	(83,092,641)	(78,203,320)	-	-
Advances given/ (received)	(78,421,474)	-	-	-
<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 under relevant commercial terms and conditions.

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

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

G W D H U Gunawardena

H K Kaimal

R J Perera

M P R Rasool

Dr S Selliah

W M P L De Alwis, PC

G L H Premaratne

R A Ebell

Prof. A S Dharmasiri

A Russell-Davison

### Audit Committee

R A Ebell - Chairman

Dr S Selliah

Prof. A S Dharmasiri

A Russell-Davison

### HR and Remuneration Committee

Prof. A S Dharmasiri - Chairman

W M P L De Alwis, PC

G L H Premaratne

R A Ebell

A Russell-Davison

### Related Party Transaction Committee

Dr S Selliah - Chairman

H K Kaimal

W M P L De Alwis, PC

### Secretaries

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

### 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

Hatton National Bank PLC

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