



# **SOFTLOGIC HOLDINGS PLC**

INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED  
30 SEPTEMBER 2017

## Dear Shareholders,

Group Revenue grew 6.4% to Rs. 31.1 Bn during the first half of the financial year with the quarter also registering a similar growth of 6.5% to Rs. 15.9 Bn. Group topline for the six months was led by Retail (30.8%), ICT (26.4%), Healthcare Services (19.1%), Financial Services (16.5%) and Automobile (3.8%). Sales contribution from the leisure activity has been trending up as both the hotels reported healthy occupancy levels during the quarter. However, the twin effect of adverse weather conditions affecting retail demand, the high interest rate regime, in the absence of the insurance transfer for the quarter, and the general depressed economic climate, when all combined together posed a challenge for the Group. Nonetheless, the future outlook will depend on several macroeconomic factors but the Group is positioned well enough to overcome such hurdles. As business is cyclical, 3<sup>rd</sup> quarter results are more robust than the 2<sup>nd</sup> quarter due to the optimism of Christmas sales, which the Group will undoubtedly benefit from during this period.

Gross Profit improved 21.2% to Rs. 11.2 Bn during the 1HFY18 indicating a healthy improvement in GP margin from 31.5% in 1HFY17 to 35.9% in 1HFY18. The quarter too registered similar GP margin improvements taking the quarterly gross profit to 5.7 Bn (up 21.1%). Cost control measures and economies of scale helped maintain profit margins amidst systemic challenges.

Distribution and administrative expenses increased 15% and 16.8% to Rs. 1.6 Bn and Rs. 6.4 Bn respectively during 1HFY18. Consequently, operational expenses for the cumulative period increased 16.4% to Rs. 8 Bn while a 16.7% growth was denoted during the quarter to Rs. 4 Bn. The increase in the operating cost margins from 23% to 26% during 1HFY18 is primarily due to the launch of our city hotel which is yet to contribute to Group bottom line.

Quarterly operating profit increased 44% to Rs. 2.2 Bn taking the cumulative operating earnings to Rs. 4.1 Bn (up 39.6%). A strong improvement in operating profit margins was seen during the first half of the financial year from 9.9% in the comparative period to 13% with the quarter too witnessing an improvement from 10.2% in 2QFY17 to 13.9% in 2QFY18.

Group EBITDA for the quarter improved 42.1% to Rs. 2.9 Bn while the cumulative EBITDA increased 40% to Rs. 5.4 Bn. Net finance expenses increased 28.2% to Rs. 2.2 Bn during 1HFY18 with the quarter increasing 28.6% to Rs. 1.2 Bn.

Profit before tax for the cumulative period was Rs. 1 Bn while the quarter reported a PBT of Rs. 358.1 Mn. Profit after taxation for the first half of FY2017/18 closed at Rs. 677.9 Mn with the quarter concluding with a PAT of Rs. 248.2 Mn.

## Retail

Retail sector's cumulative revenue was Rs. 9.6 Bn with the quarter reporting Rs. 4.7 Bn.

ODEL and Softlogic Retail continued to be dominant contributors to the sector performance. Performance of ODEL was disrupted during the quarter with the construction of the new wing at the flagship store, which makes up c.50% of ODEL's total company revenue. This new 10,000 sq.ft retail space, which opened in August 2017, introduced 'Aldo', one of the world's most sought after footwear and accessories' brand and 'Desigual'. The store also now houses an exclusive sportswear section with 'Nike', 'Adidas', 'Reebok' and 'Puma'. Highlights of the new shopping area extend to a Denim Lab, luggage, swimwear, lingerie and much more other exciting fashion articles.

Burger King opened in Peradeniya and Moratuwa taking its total penetration to 18 outlets. Baskin-Robbins is undergoing a full refurbishment as new ice cream flavours are being introduced with focus on quality and customer satisfaction. Baskin-Robbins and Burger King are now available for the first time together in one location at K-Zone, Moratuwa.

Sector operating profit increased 36.8% to Rs. 1.4 Bn during 1HFY18 with the quarter registering an increase of 17.3% to Rs. 682.7 Mn reflecting an OP margin improvement from 10.5% in 1HFY17 to 14.4% in 1HFY18. Synergy and cost control while expanding led to the improvement in profit margins. Cumulative sector PBT improved 13.6% to Rs. 420.1 Mn while making a PBT of Rs. 129.5 Mn for the quarter. Retail sector cumulative PAT reported a strong growth of 21.8% to Rs. 313.8 Mn despite the quarter being dragged down by lackluster retail demand to report a PAT of Rs. 91 Mn.

ODEL Mall, a mixed development project, is progressing with the initial piling work and is to be completed by 2020. Furthermore, initial bookings and interest shown in the luxury apartment complex by prospective buyers is very encouraging.

### **Healthcare Services**

Asiri chain continued its solid performance with sector revenue for the quarter growing 13.1% to Rs. 2.9 Bn while the cumulative topline registered a 20.7% increase to Rs. 5.9 Bn. Hospital group's topline was led by Central Hospital Ltd., (36% contribution), followed by Asiri Hospital Holdings PLC (31% contribution) and Asiri Surgical Hospital PLC (26% contribution).

Sector operating profit rose 53.3% to Rs. 1.5 Bn during the first half of the financial year while the quarter also witnessed a growth of

43.2% to Rs. 795.6 Mn. Sector revenue growth will improve much further after the opening of Asiri Hospital Kandy next year.

### **Information & Communication Technology**

ICT sector revenue was disturbed with the slowdown of the Microsoft handset business and with the fierce competition faced by Samsung. Hence, the sector reported a decline of 10.9% to Rs. 8.2 Bn during the six months period while the quarter made a turnover of Rs. 4.3 Bn (down 7.7%). However, the launch of 'Intex', an affordable handset range, coupled with Nokia's new range, a promising outlook for the telco business is envisaged. We will also be relaunching Blackberry in the coming weeks. IT business continued smoothly as it worked on contracts from both the state and the private sector.

Sector operating profit for the quarter improved 15.7% to Rs. 199.7 Mn taking the cumulative period to report Rs. 411.9 Mn. Sector PBT was Rs. 286.4 Mn (up 8.8%) for 1HFY18 while the quarter witnessed a 60.6% to Rs. 138.2 Mn as saving in finance cost was witnessed during the quarter. Subsequently, sector PAT for the period concluded at Rs. 228.8 Mn (up 14.3%) with the quarterly PAT closing at Rs. 122.6 Mn (up 69%)

### **Financial Services**

Financial Services recorded a growth of 18.6% in turnover to Rs. 5.1 Bn during 1HFY18 as the quarterly revenue also improved 18% to Rs. 489 Mn. Sector operating profit for the quarter increased by 95.2% to Rs. 487 Mn leading the cumulative operating earnings to Rs. 819.9 Mn (up 45%). Sector PBT for the quarter was Rs. 6.5 Mn while cumulative PBT reached Rs. 317.8 Mn. Sector PAT reached Rs. 281 Mn during 1HFY18.

Softlogic Life Insurance PLC continued to perform strongly recording a GWP of Rs. 1.9 Bn, a growth of 39% compared to the previous year. The Company, whose financial year ends in December, recorded a GWP of Rs. 5.3 Bn for 1-3Q2017. Once again Softlogic Life demonstrated a growth which is double to that of the industry with market share of 10%. With several other benefits accruing along with innovative products in the pipeline, we believe that the upcoming periods will deliver strong results.

Softlogic Finance PLC's assets were Rs. 22.5 Bn as at 30th September 2017 whilst Customer Deposits was Rs. 16.4 Bn. Branch expansion continued with two additions during the quarter bringing the overall branch strength to 34. The 35<sup>th</sup> branch will be opened in Gampaha soon. With the expanding branch network combined with crossing selling opportunities arising for leasing operations from Group automobile sales and Suzuki motorcycles, Softlogic Finance has strong potential for further growth.

### **Automobile**

Automobile sector revenue improved 51.5% to Rs.1.2 Bn during the first half of financial year end 2018. This sector continued to reduce losses as focus was in value-adding activities.

Ford Ranger Double Cab which continued to be our main sales contributor did not see any significant duty changes after the budget proposals. Accident Repair business continued on its smooth pace along with the spare part and service arm of Daihatsu.

Suzuki Motors will be harnessing group synergies to strengthen its distribution channels to better exploit the motor cycle market in Sri Lanka. The potential of this business is very promising given the growing demand for affordable transport.

### **Leisure & Real Estates**

Leisure reported strong revenues following healthy occupancy levels at Centara Ceysands Resorts & Spa along with Mövenpick Hotel Colombo occupancy level improving during the latter period. Sector registered a topline of Rs. 1.1 Bn (up 165.7%) while the quarter made a turnover of Rs. 627.8 Mn (up 163.1%). However, the new city hotel is yet to contribute to Group profitability.

Softlogic Properties' most recent project, Everest Apartments, is the 18-unit apartment on De Fonseka Place, Colombo 5. This project is expected to be completed by end-2017 and pre-sale bookings have been satisfactory. 2018 National Budget holds mixed sentiments on the Group activities. With foreigners allowed to buy condominiums below fourth floor holds potential for our apartments while the application of VAT of 15% on condominium sales would dampen interest.

### **Future Outlook**

Investments in group activities continue especially in the retail arena, with planned expansion of Odel in Colombo City Centre by March 2018 and Shangri-La by June 2019. We expect to benefit from economies of scale and synergies so as to become the only fashion retailer with a portfolio of international and local brands in a captive market.

The current macroeconomic conditions, although are challenging, should tourism grow at the expected pace, the leisure and retail sectors would be beneficiaries. The upcoming Asiri Hospital Kandy would undoubtedly be a preferred hospital in the Central Province further boosting this sector thus unlocking cash flows from such new investments.

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**Ashok Pathirage**

**Chairman**

**15<sup>th</sup> November 2017**

# Softlogic Holdings PLC

## CONSOLIDATED INCOME STATEMENT

In Rs.	Unaudited 06 months to 30-09-2017	Unaudited 06 months to 30-09-2016	Change as a %	Unaudited 03 months to 30-09-2017	Unaudited 03 months to 30-09-2016	Change as a %	Audited 12 months to 31-03-2017
<b>Continuing operations</b>							
Revenue	31,086,017,054	29,225,853,050	6.36	15,922,927,952	14,954,204,456	6.48	59,087,730,604
Cost of sales	(19,934,324,924)	(20,023,279,015)	(0.44)	(10,211,564,889)	(10,276,515,660)	(0.63)	(39,377,706,757)
<b>Gross profit</b>	<b>11,151,692,130</b>	<b>9,202,574,035</b>	<b>21.18</b>	<b>5,711,363,063</b>	<b>4,677,688,796</b>	<b>22.10</b>	<b>19,710,023,847</b>
Other operating income	860,137,852	537,272,727	60.09	468,781,711	261,223,394	79.46	994,431,461
Distribution expenses	(1,588,868,288)	(1,381,761,157)	14.99	(921,097,421)	(530,336,840)	73.68	(3,039,151,173)
Administrative expenses	(6,370,648,006)	(5,454,328,299)	16.80	(3,053,069,860)	(2,876,080,525)	6.15	(12,350,088,217)
<b>Results from operating activities</b>	<b>4,052,313,688</b>	<b>2,903,757,306</b>	<b>39.55</b>	<b>2,205,977,493</b>	<b>1,532,494,825</b>	<b>43.95</b>	<b>5,315,215,918</b>
Finance income	571,288,929	412,231,431	38.58	259,743,485	254,671,429	1.99	897,391,473
Finance expenses	(2,741,305,350)	(2,104,686,911)	30.25	(1,481,826,653)	(1,204,735,118)	23.00	(4,809,538,225)
<b>Net finance cost</b>	<b>(2,170,016,421)</b>	<b>(1,692,455,480)</b>	<b>28.22</b>	<b>(1,222,083,168)</b>	<b>(950,063,689)</b>	<b>28.63</b>	<b>(3,912,146,752)</b>
Change in fair value of investment property	-	-	-	-	-	-	354,120,000
Change in insurance contract liabilities	(873,308,405)	(12,559,204)	6,853.53	(633,753,724)	18,224,788	(3,577.43)	(82,439,974)
Share of profit of equity accounted investees	8,780,685	15,487,981	(43.31)	7,982,457	7,493,871	6.52	9,997,782
<b>Profit before tax</b>	<b>1,017,769,547</b>	<b>1,214,230,603</b>	<b>(16.18)</b>	<b>358,123,058</b>	<b>608,149,795</b>	<b>(41.11)</b>	<b>1,684,746,974</b>
Tax expense	(339,903,022)	(313,612,892)	8.38	(109,886,059)	(214,465,416)	(48.76)	(863,567,306)
<b>Profit for the period from continuing operations</b>	<b>677,866,525</b>	<b>900,617,711</b>	<b>(24.73)</b>	<b>248,236,999</b>	<b>393,684,379</b>	<b>(36.95)</b>	<b>821,179,668</b>
Profit/ (loss) for the period from discontinued operation	-	(111,005,996)	(100.00)	-	(32,474,105)	(100.00)	145,317,367
<b>Profit for the period</b>	<b>677,866,525</b>	<b>789,611,715</b>	<b>(14.15)</b>	<b>248,236,999</b>	<b>361,210,274</b>	<b>(31.28)</b>	<b>966,497,035</b>
<b>Attributable to:</b>							
Equity holders of the parent	2,463,125	195,585,418	(98.74)	(41,116,103)	93,794,108	(143.84)	108,189,090
Non-controlling interest	675,403,400	594,026,297	13.70	289,353,102	267,416,166	8.20	858,307,945
	<b>677,866,525</b>	<b>789,611,715</b>	<b>(14.15)</b>	<b>248,236,999</b>	<b>361,210,274</b>	<b>(31.28)</b>	<b>966,497,035</b>
<b>Earnings per share - Basic (Rs.)</b>	<b>-</b>	<b>0.25</b>	<b>(100.00)</b>	<b>(0.05)</b>	<b>0.12</b>	<b>(143.84)</b>	<b>0.14</b>
<b>Dividend per share - Rs.</b>	<b>0.65</b>	<b>0.50</b>	<b>30.00</b>	<b>-</b>	<b>-</b>	<b>-</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 06 months to 30-09-2017	Unaudited 06 months to 30-09-2016	Change as a %	Unaudited 03 months to 30-09-2017	Unaudited 03 months to 30-09-2016	Change as a %	Audited 12 months to 31-03-2017
<b>Profit for the period</b>	677,866,525	789,611,715	(14.15)	248,236,999	361,210,274	(31.28)	966,497,035
<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	(4,693,721)	(1,149,369)	308.37	(2,218,663)	(2,738,081)	(18.97)	(4,948,205)
Net change in fair value on derivative financial instruments	4,654,443	(12,371,882)	(137.62)	22,114,592	(341,764)	(6,570.72)	(38,096,017)
Net (loss) / gain on available-for-sale financial assets	371,116,147	105,063,402	253.23	23,238,057	851,250	2,629.87	(371,744,345)
Available-for-sale financial assets reclassified to income statement	5,537,302	(9,143,113)	(160.56)	45,613,058	(5,092,970)	(995.61)	(20,364,400)
<b>Net other comprehensive income to be reclassified to income statement in subsequent periods</b>	<b>376,614,171</b>	<b>82,399,038</b>	<b>357.06</b>	<b>88,747,044</b>	<b>(7,321,565)</b>	<b>(1,312.13)</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	-	-	-	-	-	-	(38,366,048)
<b>Net other comprehensive income not to be reclassified to income statement in subsequent periods</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,234,706,397</b>
<b>Other comprehensive income from continuing operations for the period, net of tax</b>	<b>376,614,171</b>	<b>82,399,038</b>	<b>357.06</b>	<b>88,747,044</b>	<b>(7,321,565)</b>	<b>(1,312.13)</b>	<b>799,553,430</b>
Other comprehensive income from discontinued operations for the period, net of tax	-	72,882,792	(100.00)	-	69,575,389	(100.00)	72,882,792
<b>Total comprehensive income for the period, net of tax</b>	<b>1,054,480,696</b>	<b>944,893,545</b>	<b>11.60</b>	<b>336,984,043</b>	<b>423,464,098</b>	<b>(20.42)</b>	<b>1,838,933,257</b>
<b>Attributable to:</b>							
Equity holders of the parent	171,437,825	174,569,619	(1.79)	11,832,706	42,803,882	(72.36)	772,007,862
Non-controlling interest	883,042,871	770,323,926	14.63	325,151,337	380,660,216	(14.58)	1,066,925,395
	<b>1,054,480,696</b>	<b>944,893,545</b>	<b>11.60</b>	<b>336,984,043</b>	<b>423,464,098</b>	<b>(20.42)</b>	<b>1,838,933,257</b>

Note : Figures in brackets indicate deductions.  
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# Softlogic Holdings PLC

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In Rs.	Unaudited as at 30-09-2017	Unaudited as at 30-09-2016	Audited as at 31-03-2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	37,505,737,810	32,941,749,379	36,350,857,044
Lease rentals paid in advance	856,067,460	853,240,505	852,722,039
Investment property	1,037,000,000	682,880,000	1,037,000,000
Intangible assets	8,604,157,591	8,605,487,266	8,569,237,398
Investments in equity accounted investments	100,959,086	73,729,303	68,528,412
Non-current financial assets	12,259,970,214	10,670,463,197	10,129,306,863
Rental receivable on lease assets and hire purchase	438,200,438	240,929,804	359,972,088
Other non-current assets	316,002,521	310,413,315	236,545,947
Deferred tax assets	551,636,228	298,675,292	508,967,693
	<b>61,669,731,348</b>	<b>54,677,568,061</b>	<b>58,113,137,484</b>
<b>Current assets</b>			
Inventories	9,318,290,039	8,167,030,220	8,979,963,034
Trade and other receivables	9,295,419,717	9,005,439,116	8,672,926,321
Loans and advances	12,202,345,712	14,266,103,302	15,290,820,755
Rental receivable on lease assets and hire purchase	436,391,183	521,399,563	589,344,587
Amounts due from related parties	501,743	316,693	333,424
Other current assets	5,022,170,817	4,081,383,033	3,393,857,381
Short term investments	5,455,211,949	4,127,412,034	3,796,255,673
Cash in hand and at bank	3,096,132,202	2,538,036,606	2,794,607,770
	<b>44,826,463,362</b>	<b>42,707,120,567</b>	<b>43,518,108,945</b>
Subsidiary assets held-for-sale	-	2,901,135,429	-
	<b>44,826,463,362</b>	<b>45,608,255,996</b>	<b>43,518,108,945</b>
<b>Total assets</b>	<b>106,496,194,710</b>	<b>100,285,824,057</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	111,686,181	786,573,264	637,393,527
Other components of equity	3,524,458,554	2,712,739,297	3,440,146,758
	<b>8,725,144,735</b>	<b>8,588,312,561</b>	<b>9,166,540,285</b>
Non-controlling interests	8,100,856,205	7,659,743,556	7,304,303,560
<b>Total equity</b>	<b>16,826,000,940</b>	<b>16,248,056,117</b>	<b>16,470,843,845</b>
<b>Non-current liabilities</b>			
Insurance contract liabilities	7,489,875,467	6,546,677,381	6,616,558,062
Interest bearing borrowings	26,950,783,417	25,223,689,143	29,655,413,767
Public deposits	3,817,418,202	1,502,801,625	1,986,055,112
Deferred tax liabilities	486,369,516	331,997,730	491,898,301
Employee benefit liabilities	858,912,601	717,080,811	801,930,111
Other deferred liabilities	134,124,034	10,788,187	153,158,615
Other non-current financial liabilities	34,952,782	39,873,645	28,848,995
	<b>39,772,436,019</b>	<b>34,372,908,522</b>	<b>39,733,862,963</b>
<b>Current liabilities</b>			
Trade and other payables	6,142,895,474	6,775,834,200	6,953,744,115
Amounts due to related parties	15,139,540	16,653,659	17,565,485
Income tax liabilities	80,994,555	249,064,897	371,320,990
Other current financial liabilities	17,881,253,899	13,487,898,214	12,056,238,155
Current portion of interest bearing borrowings	7,193,122,832	7,648,202,419	6,328,018,316
Other current liabilities	1,813,506,963	1,515,849,256	1,435,065,968
Public deposits	12,942,167,522	14,714,052,225	14,049,442,438
Bank overdrafts	3,828,676,966	3,330,627,595	4,215,144,154
	<b>49,897,757,751</b>	<b>47,738,182,465</b>	<b>45,426,539,621</b>
Subsidiary liabilities held-for-sale	-	1,926,676,953	-
	<b>49,897,757,751</b>	<b>49,664,859,418</b>	<b>45,426,539,621</b>
<b>Total equity and liabilities</b>	<b>106,496,194,710</b>	<b>100,285,824,057</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

14 November 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	-	-	-	-	-	-	-	-	2,463,125	<b>2,463,125</b>	675,403,400	<b>677,866,525</b>
Other comprehensive income	-	-	-	(4,693,721)	169,023,575	-	-	4,644,846	-	<b>168,974,700</b>	207,639,471	<b>376,614,171</b>
<b>Total Comprehensive income</b>	-	-	-	(4,693,721)	169,023,575	-	-	4,644,846	2,463,125	<b>171,437,825</b>	883,042,871	<b>1,054,480,696</b>
Transfer to reserve fund	-	-	-	-	-	24,805,077	-	-	(24,805,077)	-	-	-
Changes in ownership interest in subsidiaries	-	-	-	-	-	-	(109,467,981)	-	-	<b>(109,467,981)</b>	(57,150,112)	<b>(166,618,093)</b>
Dividend paid	-	-	-	-	-	-	-	-	(503,365,394)	<b>(503,365,394)</b>	(29,340,114)	<b>(532,705,508)</b>
<b>As at 30 September 2017</b>	<b>5,089,000,000</b>	<b>(55,921,185)</b>	<b>4,628,655,031</b>	<b>(47,956,305)</b>	<b>(549,478,655)</b>	<b>289,945,183</b>	<b>(600,703,119)</b>	<b>(140,082,396)</b>	<b>111,686,181</b>	<b>8,725,144,735</b>	<b>8,100,856,205</b>	<b>16,826,000,940</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	-	-	-	-	-	-	-	-	195,585,418	<b>195,585,418</b>	594,026,297	<b>789,611,715</b>
Other comprehensive income	-	-	(4,675,761)	(1,149,369)	(2,844,296)	-	-	(12,346,373)	-	<b>(21,015,799)</b>	176,297,629	<b>155,281,830</b>
<b>Total Comprehensive income</b>	-	-	(4,675,761)	(1,149,369)	(2,844,296)	-	-	(12,346,373)	195,585,418	<b>174,569,619</b>	770,323,926	<b>944,893,545</b>
Transfer to reserve fund	-	-	-	-	-	37,062,002	-	-	(37,062,002)	-	-	-
Direct cost on issue of shares	-	-	-	-	-	-	-	-	(18,978,120)	<b>(18,978,120)</b>	(21,740,027)	<b>(40,718,147)</b>
Changes in ownership interest in subsidiaries	-	-	-	-	-	-	30,025,387	-	-	<b>30,025,387</b>	(219,932,416)	<b>(189,907,029)</b>
Dividend paid	-	-	-	-	-	-	-	-	(387,204,151)	<b>(387,204,151)</b>	-	<b>(387,204,151)</b>
Subsidiary dividend to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(412,569,410)	<b>(412,569,410)</b>
<b>As at 30 September 2016</b>	<b>5,089,000,000</b>	<b>(55,921,185)</b>	<b>3,750,029,633</b>	<b>(39,463,748)</b>	<b>(578,195,735)</b>	<b>227,386,202</b>	<b>(472,039,725)</b>	<b>(119,056,145)</b>	<b>786,573,264</b>	<b>8,588,312,561</b>	<b>7,659,743,556</b>	<b>16,248,056,117</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 06 months to 30-09-2017	Unaudited 06 months to 30-09-2016	Audited 12 months to 31-03-2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax from continuing operations	1,017,769,547	1,214,230,603	1,684,746,974
Loss before tax from discontinued operation	-	(109,589,288)	(109,594,288)
	<b>1,017,769,547</b>	<b>1,104,641,315</b>	<b>1,575,152,686</b>
<b>Adjustments for:</b>			
Finance income	(571,288,929)	(487,041,783)	(897,391,473)
Finance cost	2,741,305,350	2,108,368,449	4,809,538,225
Change in fair value of investment property	-	-	(354,120,000)
Share of results of equity accounted investees	(8,780,685)	(15,487,981)	(9,997,782)
Gratuity provision and related cost	106,169,019	86,089,537	170,672,527
Provisions for/ write-off of impaired receivables	71,757,467	81,629,052	343,541,577
Provision for write-off of inventories	66,600,171	64,018,661	293,705,033
Provisions for/ write-off of loans and advances	19,086,781	145,019,721	295,501,773
Provisions for/ write-off of investments in lease and hire purchase	6,654,785	24,213,699	119,817,749
Depreciation of property, plant and equipment	1,174,366,029	809,407,251	1,711,637,099
Profit on sale of property, plant and equipment	(5,591,818)	(12,300,640)	(19,155,280)
Profit on sale of investments	(185,500,000)	(55,134,894)	(40,016,280)
Unrealised loss on foreign exchange	5,255,206	6,195,275	25,237,048
Amortisation/ impairment of intangible assets	181,879,661	152,040,434	348,649,812
Amortisation of prepaid lease rentals	538,282	518,467	1,036,933
Increase/ (decrease) in deferred income	(13,517,827)	25,651,006	210,857,225
Impairment & derecognition of property, plant & equipment	4,171,908	29,467,424	17,441,797
<b>Profit before working capital changes</b>	<b>4,610,874,947</b>	<b>4,067,294,993</b>	<b>8,602,108,669</b>
(Increase) / decrease in inventories	(281,174,340)	474,491,552	(558,242,986)
(Increase) / decrease in trade and other receivables	(383,225,341)	(1,223,057,026)	(1,047,862,418)
(Increase) / decrease in loans and advances	1,026,932,757	(1,930,207,186)	(3,049,035,458)
(Increase) / decrease in investments in lease and hire purchase	(53,279,614)	650,598,588	368,007,230
(Increase) / decrease in other current assets	(1,593,633,699)	(668,206,829)	137,717,128
(Increase) / decrease in amounts due from related parties	(168,319)	491,041	474,310
Increase / (decrease) in trade and other payables	(772,921,430)	613,797,718	482,958,568
Increase / (decrease) in amounts due to related parties	(2,425,945)	(30,686,300)	(29,774,474)
Increase / (decrease) in other current liabilities	352,132,956	502,742,912	416,807,717
Increase / (decrease) in public deposits	724,088,174	2,225,011,463	2,043,655,163
Increase / (decrease) in insurance contract liabilities	873,317,405	12,559,204	82,439,974
<b>Cash generated from operations</b>	<b>4,500,517,551</b>	<b>4,694,830,130</b>	<b>7,449,253,423</b>
Finance income received	442,015,612	429,865,857	809,710,656
Finance expenses paid	(2,754,794,390)	(2,191,469,969)	(4,752,244,036)
Dividend received	3,015,010	1,800,014	1,800,014
Tax paid	(633,207,656)	(599,815,477)	(1,088,653,474)
Gratuity paid	(54,989,791)	(38,986,337)	(88,753,665)
<b>Net cash flow from operating activities</b>	<b>1,502,556,336</b>	<b>2,296,224,218</b>	<b>2,331,112,918</b>
<b>CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES</b>			
Purchase and construction of property, plant and equipment	(2,218,335,500)	(3,080,196,167)	(6,010,132,128)
Addition to intangible assets	(94,238,563)	(56,649,102)	(221,672,346)
(Increase)/ decrease in other non-current assets	(79,456,574)	(73,303,146)	564,222
(Purchase) / disposal of short term investments (net)	133,762,061	(1,137,155,953)	(1,601,965,821)
Dividends received	13,729,601	7,988,325	99,942,789
(Purchase) / disposal of non-current financial assets	316,101,035	(325,655,985)	(387,387,490)
Acquisition of subsidiaries (A)	(208,522,909)	-	-
Disposal of business, net of cash disposed	-	-	1,313,733,268
Proceeds from sale of property, plant and equipment	60,027,859	109,665,347	154,864,022
<b>Net cash flow used in investing activities</b>	<b>(2,076,932,990)</b>	<b>(4,555,306,681)</b>	<b>(6,652,053,484)</b>
<b>CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES</b>			
Dividend paid to non-controlling interest	(29,340,114)	(412,569,410)	(959,115,494)
Proceeds from long term borrowings	1,629,535,598	8,078,229,965	15,661,103,460
(Increase) / decrease of controlling interest	(185,103,118)	(189,902,253)	(247,887,644)
(Increase) / decrease in other non-current financial liabilities	(3,219,613)	11,141,064	116,414
Repayment of long term borrowings	(3,537,862,430)	(3,686,450,546)	(8,551,815,195)
Proceeds from / (repayment of) other current financial liabilities (net)	5,568,981,145	(1,387,368,462)	(2,819,028,521)
Direct cost on issue of shares/ share repurchase	-	(40,718,147)	(40,718,147)
Dividend paid to equity holders of parent	(503,365,394)	(387,204,152)	(387,204,151)
<b>Net cash flow from financing activities</b>	<b>2,939,626,074</b>	<b>1,985,158,059</b>	<b>2,655,450,722</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>2,365,249,420</b>	<b>(273,924,404)</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	(83,179)	(24,321)	(80,260)
<b>CASH AND CASH EQUIVALENTS AT THE END</b>	<b>3,231,593,790</b>	<b>2,258,048,928</b>	<b>866,427,549</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>			
<b>Favourable balances</b>			
Cash in hand and at Bank	3,096,132,202	2,538,036,606	2,794,607,770
Short term investments	3,964,138,554	3,032,119,537	2,286,963,933
<b>Unfavourable balances</b>			
Bank overdrafts	(3,828,676,966)	(3,330,627,595)	(4,215,144,154)
<b>Cash and cash equivalents</b>	<b>3,231,593,790</b>	<b>2,239,528,548</b>	<b>866,427,549</b>
<b>Cash and cash equivalents from discontinuing operations</b>	<b>-</b>	<b>18,520,380</b>	<b>-</b>
<b>Cash and cash equivalents</b>	<b>3,231,593,790</b>	<b>2,258,048,928</b>	<b>866,427,549</b>

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

# Softlogic Holdings PLC

## CONSOLIDATED CASH FLOW STATEMENT

### (A) Acquisition of subsidiaries

In July 2017, Softlogic Retail (Pvt) Ltd, a subsidiary of Softlogic Holdings PLC acquired 67% ordinary shares of Suzuki Motors Lanka Ltd at a price of Rs. 43.40 per share.

The acquisition had the following effect on the Group's assets and liabilities.

In Rs.	Unaudited 06 months to 30-09-2017
Property, plant and equipment	100,849,088
Lease rentals paid in advance	3,873,795
Non-current financial assets	27,655,432
Inventories	123,752,836
Trade and other receivables	98,525,523
Income tax refund due	9,777,271
Other current assets	2,418,362
	-
Interest bearing borrowings	(10,779,612)
Employee benefit liabilities	(5,803,262)
Other non-current financial liabilities	(9,323,400)
Trade and other payables	43,182,413
Other current financial liabilities	(256,034,599)
Other current liabilities	(20,791,286)
Bank overdrafts	(43,522,209)
Net identifiable assets	63,780,352
Non controlling interest holding	18,268
Goodwill recognised on acquisition	122,561,290
	186,359,910
Investment by Non controlling interest	(21,359,210)
	165,000,700
<b>Total purchase price paid</b>	
Cash consideration	165,000,700
Cash at bank and in hand acquired	43,522,209
	208,522,909

The assets and liabilities as at the acquisition date are stated at their provisional fair values and may be amended.

Note : Figures in brackets indicate deductions.

The above figures are not audited unless otherwise stated.

# Softlogic Holdings PLC

## COMPANY INCOME STATEMENT

In Rs.	Unaudited 06 months to 30-09-2017	Unaudited 06 months to 30-09-2016	Change as a %	Unaudited 03 months to 30-09-2017	Unaudited 03 months to 30-09-2016	Change as a %	Audited 12 months to 31-03-2017
Revenue	327,505,536	309,806,431	5.71	166,187,019	153,569,538	8.22	628,427,166
Cost of sales	(104,897,765)	(96,295,823)	8.93	(52,244,175)	(47,532,064)	9.91	(200,180,876)
<b>Gross profit</b>	<b>222,607,771</b>	<b>213,510,608</b>	<b>4.26</b>	<b>113,942,844</b>	<b>106,037,474</b>	<b>7.46</b>	<b>428,246,290</b>
Dividend income	4,786,470	374,543,387	(98.72)	4,786,389	127,034,624	(96.23)	1,343,212,899
Other operating income	22,154,179	1,102,927,409	(97.99)	10,908,243	2,692,601	305.12	1,137,299,866
Administrative expenses	(202,734,208)	(296,880,947)	(31.71)	(113,222,926)	(122,919,012)	(7.89)	(898,733,172)
<b>Results from operating activities</b>	<b>46,814,212</b>	<b>1,394,100,457</b>	<b>(96.64)</b>	<b>16,414,550</b>	<b>112,845,687</b>	<b>(85.45)</b>	<b>2,010,025,883</b>
Finance income	435,626,484	386,133,909	12.82	122,878,332	203,675,699	(39.67)	1,045,636,385
Finance expenses	(1,167,806,151)	(918,071,750)	27.20	(601,217,469)	(506,286,195)	18.75	(2,039,862,417)
<b>Net finance cost</b>	<b>(732,179,667)</b>	<b>(531,937,841)</b>	<b>37.64</b>	<b>(478,339,137)</b>	<b>(302,610,496)</b>	<b>58.07</b>	<b>(994,226,032)</b>
Change in fair value of investment property	-	-	-	-	-	-	62,176,317
<b>Profit/ (loss) before tax</b>	<b>(685,365,455)</b>	<b>862,162,616</b>	<b>(179.49)</b>	<b>(461,924,587)</b>	<b>(189,764,809)</b>	<b>143.42</b>	<b>1,077,976,168</b>
Tax expense	(48,197,124)	(15,000,000)	221.31	(26,124,456)	(2,500,000)	944.98	(52,560,266)
<b>Profit/ (loss) for the period</b>	<b>(733,562,579)</b>	<b>847,162,616</b>	<b>(186.59)</b>	<b>(488,049,043)</b>	<b>(192,264,809)</b>	<b>153.84</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 06 months to 30-09-2017	Unaudited 06 months to 30-09-2016	Change as a %	Unaudited 03 months to 30-09-2017	Unaudited 03 months to 30-09-2016	Change as a %	Audited 12 months to 31-03-2017
Profit/ (loss) for the period	(733,562,579)	847,162,616	(186.59)	(488,049,043)	(192,264,809)	153.84	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>(733,562,579)</b>	<b>847,162,616</b>	<b>(186.59)</b>	<b>(488,049,043)</b>	<b>(192,264,809)</b>	<b>153.84</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 30-09-2017	Unaudited as at 30-09-2016	Audited as at 31-03-2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	202,754,169	189,660,153	201,286,750
Investment property	611,525,000	547,208,683	609,385,000
Intangible assets	1,777,669	2,871,250	1,040,254
Investments in subsidiaries	15,227,320,904	13,287,813,791	13,598,298,652
Investments in associates	11,000,000	11,000,000	11,000,000
Other non current financial assets	493,746,013	2,076,867,245	1,490,000,000
	<b>16,548,123,755</b>	<b>16,115,421,122</b>	<b>15,911,010,656</b>
<b>Current assets</b>			
Trade and other receivables	268,140,570	123,713,255	453,324,075
Amounts due from related parties	7,028,305,496	4,877,339,140	5,675,892,404
Other current assets	37,477,746	56,041,181	16,829,848
Short term investments	1,622,925,071	1,482,032,670	1,665,030,219
Cash in hand and at bank	466,133,102	82,978,958	92,204,224
	<b>9,422,981,985</b>	<b>6,622,105,204</b>	<b>7,903,280,770</b>
<b>Total assets</b>	<b>25,971,105,740</b>	<b>22,737,526,326</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	768,262,435	1,830,884,988	2,008,175,014
<b>Total equity</b>	<b>5,857,262,435</b>	<b>6,919,884,988</b>	<b>7,097,175,014</b>
<b>Non-current liabilities</b>			
Interest bearing borrowings	7,254,844,889	7,550,322,986	8,509,979,172
Deferred tax liabilities	23,696,010	22,689,470	23,696,010
Employee benefit liabilities	51,759,793	43,299,099	49,130,021
Other deferred liabilities	129,729,730	-	147,747,752
Other non current financial liabilities	186,200,000	165,000,000	186,200,000
	<b>7,646,230,422</b>	<b>7,781,311,555</b>	<b>8,916,752,955</b>
<b>Current liabilities</b>			
Trade and other payables	75,330,950	99,005,115	24,132,882
Amounts due to related parties	9,640,489	126,733,689	68,063,660
Income tax liabilities	-	51,662,162	56,554,781
Other current financial liabilities	9,504,506,074	5,533,780,139	4,447,997,514
Current portion of interest bearing borrowings	2,647,004,730	2,099,666,407	2,580,018,501
Other current liabilities	92,239,360	22,947,993	73,349,280
Bank overdrafts	138,891,280	102,534,278	550,246,839
	<b>12,467,612,883</b>	<b>8,036,329,783</b>	<b>7,800,363,457</b>
<b>Total equity and liabilities</b>	<b>25,971,105,740</b>	<b>22,737,526,326</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

14 November 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	<b>7,097,175,014</b>
Loss for the period	-	(733,562,579)	<b>(733,562,579)</b>
<b>Total comprehensive income</b>	-	(733,562,579)	<b>(733,562,579)</b>
Dividend paid	-	(506,350,000)	<b>(506,350,000)</b>
<b>As at 30 September 2017</b>	<b>5,089,000,000</b>	<b>768,262,435</b>	<b>5,857,262,435</b>
<b>As at 01 April 2016</b>	5,089,000,000	1,373,222,372	<b>6,462,222,372</b>
Profit for the period	-	847,162,616	<b>847,162,616</b>
<b>Total comprehensive income</b>	-	847,162,616	<b>847,162,616</b>
Dividend paid	-	(389,500,000)	<b>(389,500,000)</b>
<b>As at 30 September 2016</b>	<b>5,089,000,000</b>	<b>1,830,884,988</b>	<b>6,919,884,988</b>

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 06 months to 30-09-2017	Unaudited 06 months to 30-09-2016	Audited 12 months to 31-03-2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/ (loss) before tax	(685,365,455)	862,162,616	1,077,976,168
<b>Adjustments for:</b>			
Finance income	(435,626,484)	(386,133,909)	(1,045,636,385)
Dividend income	(4,786,470)	(374,543,387)	(1,343,212,899)
Finance cost	1,167,806,151	918,071,750	2,039,862,417
Change in fair value of investment property	-	-	(62,176,317)
Gratuity provision and related costs	4,821,684	4,431,762	10,075,034
Provisions for/ write-off of impaired receivables	-	41,666,665	506,296,744
Provisions for/ write off of impaired investments	-	54,008,330	-
Depreciation of property, plant and equipment	17,392,103	13,325,108	28,898,601
Profit on sale of property, plant and equipment	(3,830,650)	(5,366,041)	(4,577,585)
Profit on sale of investments	-	(1,097,248,468)	(1,112,455,617)
Amortisation/ impairment of intangible assets	1,639,322	1,885,104	3,716,100
Deferred revenue	(18,018,022)	-	(18,018,014)
<b>Profit before working capital changes</b>	<b>44,032,179</b>	<b>32,259,530</b>	<b>80,748,247</b>
(Increase) / decrease in trade and other receivable	185,183,504	86,544,135	(279,253,210)
(Increase) / decrease in other current assets	(24,379,084)	(7,979,661)	13,305,725
(Increase) / decrease in amount due from related parties	(1,846,159,105)	(1,454,199,474)	(866,777,748)
Increase / (decrease) in trade and other payables	51,198,074	67,643,343	(7,228,890)
Increase / (decrease) in amount due to related parties	(58,423,171)	(143,950,146)	(202,742,045)
Increase / (decrease) in other current liabilities	18,890,080	(7,385,596)	194,166,463
<b>Cash generated used in operations</b>	<b>(1,629,657,523)</b>	<b>(1,427,067,869)</b>	<b>(1,067,781,458)</b>
Finance income received	477,731,632	366,964,486	843,469,413
Finance expenses paid	(1,219,504,632)	(890,938,339)	(1,992,112,198)
Dividend received	4,786,470	374,543,387	1,343,212,899
Tax paid	(101,020,718)	(2,773,179)	(16,133,737)
Gratuity paid	(2,191,912)	(4,522,214)	(5,550,554)
<b>Net cash flow used in operating activities</b>	<b>(2,469,856,683)</b>	<b>(1,583,793,728)</b>	<b>(894,895,635)</b>
<b>CASH FLOWS FROM /(USED IN) INVESTING ACTIVITIES</b>			
Purchase and construction of property, plant and equipment	(21,303,708)	(35,394,717)	(51,195,814)
Addition to investment property	(2,140,000)	(708,683)	(708,683)
Addition to intangible assets	(2,376,738)	(2,245,532)	(2,245,531)
(Purchase) / disposal of short term investments (net)	-	-	(2,500,000)
(Purchase) / disposal of other non current financial assets	-	(1,184,954,296)	(1,021,042,975)
Proceeds from disposal of controlling interest	-	1,153,205,820	1,173,296,412
Increase in interest in subsidiaries	(139,022,252)	-	(1,650,322,600)
Proceeds from sale of property, plant and equipment	6,274,837	17,235,875	17,308,425
<b>Net cash flow used in investing activities</b>	<b>(158,567,861)</b>	<b>(52,861,533)</b>	<b>(1,537,410,766)</b>
<b>CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES</b>			
Proceeds from long term borrowings	66,929,892	4,507,140,407	6,932,770,102
Repayment of long term borrowings	(1,203,379,471)	(1,821,417,396)	(2,825,300,622)
Proceeds from / (repayment of) short term borrowings (net)	5,056,508,560	(1,193,413,565)	(2,279,196,189)
Increase/ (decrease) in other non current financial liabilities	-	-	21,200,000
Dividend paid to equity holders of parent	(506,350,000)	(389,500,000)	(389,500,000)
<b>Net cash flow from financing activities</b>	<b>3,413,708,981</b>	<b>1,102,809,446</b>	<b>1,459,973,291</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>785,284,437</b>	<b>(533,845,815)</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>327,241,822</b>	<b>(19,555,320)</b>	<b>(458,042,615)</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>			
<b>Favourable balances</b>			
Cash in hand and at bank	466,133,102	82,978,958	92,204,224
<b>Unfavourable balances</b>			
Bank overdrafts	(138,891,280)	(102,534,278)	(550,246,839)
<b>Cash and cash equivalents</b>	<b>327,241,822</b>	<b>(19,555,320)</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 six months period ended 30 September	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
	Continuing operations															
Revenue																
Total revenue	8,815,647,429	9,678,445,476	1,118,027,700	462,471,617	10,171,072,400	9,932,447,139	1,208,167,859	878,054,929	5,129,133,011	4,328,754,507	6,128,350,017	5,105,290,530	341,195,167	322,571,439	32,911,593,583	30,708,035,637
Inter group	(615,456,660)	(479,679,224)	(60,130,428)	(64,271,328)	(590,898,472)	(330,181,598)	(26,875,730)	(84,267,663)	(7,807,276)	(10,399,269)	(188,675,136)	(182,658,455)	(335,732,825)	(316,725,050)	(1,825,576,529)	(1,482,182,587)
<b>Total external revenue</b>	<b>8,200,190,769</b>	<b>9,198,766,252</b>	<b>1,057,897,272</b>	<b>398,200,289</b>	<b>9,580,173,928</b>	<b>9,602,265,541</b>	<b>1,181,292,129</b>	<b>779,787,266</b>	<b>5,121,325,733</b>	<b>4,318,355,238</b>	<b>5,939,674,881</b>	<b>4,922,632,075</b>	<b>5,462,342</b>	<b>5,846,389</b>	<b>31,086,017,054</b>	<b>29,225,853,050</b>
Operating profit/ (loss)	411,904,871	433,511,609	(95,474,632)	(31,448,704)	1,382,143,975	1,010,182,020	3,992,466	(8,824,137)	819,851,600	565,576,163	1,508,548,750	983,747,705	21,346,658	(47,987,350)	4,052,313,688	2,903,757,306
Finance income	10,883,830	12,084,466	1,425,053	3,962,059	43,576,879	37,446,947	311,223	51,041	504,163,452	336,784,780	8,862,358	9,941,322	2,066,134	11,960,816	571,288,929	412,231,431
Finance cost	(136,396,372)	(182,443,596)	(255,025,243)	(68,045,413)	(1,005,610,880)	(677,809,476)	(61,538,696)	(76,221,115)	(132,940,456)	(105,765,693)	(441,829,426)	(394,950,078)	(707,964,277)	(599,451,540)	(2,741,305,350)	(2,104,686,911)
Share of results of equity accounted investments	-	-	-	-	-	-	-	-	-	-	11,707,488	15,487,981	-	8,780,685	15,487,981	15,487,981
Change in insurance contract liabilities	-	-	-	-	-	-	-	-	(873,308,405)	(12,559,204)	-	-	-	-	(873,308,405)	(12,559,204)
<b>Profit/ (loss) before taxation</b>	<b>286,392,329</b>	<b>263,152,479</b>	<b>(349,074,822)</b>	<b>(85,532,058)</b>	<b>420,109,974</b>	<b>369,819,491</b>	<b>(57,235,007)</b>	<b>(85,994,211)</b>	<b>317,766,191</b>	<b>784,036,046</b>	<b>1,072,654,879</b>	<b>598,738,949</b>	<b>(672,843,997)</b>	<b>(619,990,093)</b>	<b>1,017,769,547</b>	<b>1,214,230,603</b>
Tax expense	(57,561,560)	(63,007,728)	45,057,586	(1,285,887)	(106,297,544)	(112,271,417)	(589,220)	(5,847,511)	(36,750,850)	(77,662,617)	(133,433,500)	(13,454,560)	(50,327,934)	(40,083,172)	(339,903,022)	(313,612,892)
<b>Profit/ (loss) from continuing operations</b>	<b>228,830,769</b>	<b>200,144,751</b>	<b>(304,017,236)</b>	<b>(86,817,945)</b>	<b>313,812,430</b>	<b>257,548,074</b>	<b>(57,824,227)</b>	<b>(91,841,722)</b>	<b>281,015,341</b>	<b>706,373,429</b>	<b>939,221,379</b>	<b>585,284,389</b>	<b>(723,171,931)</b>	<b>(660,073,265)</b>	<b>677,866,525</b>	<b>900,617,711</b>
Loss for the period from discontinued operation	-	-	-	-	-	-	-	-	-	(111,005,996)	-	-	-	-	-	(111,005,996)
<b>Profit/ (loss) after taxation</b>	<b>228,830,769</b>	<b>200,144,751</b>	<b>(304,017,236)</b>	<b>(86,817,945)</b>	<b>313,812,430</b>	<b>257,548,074</b>	<b>(57,824,227)</b>	<b>(91,841,722)</b>	<b>281,015,341</b>	<b>595,367,433</b>	<b>939,221,379</b>	<b>585,284,389</b>	<b>(723,171,931)</b>	<b>(660,073,265)</b>	<b>677,866,525</b>	<b>789,611,715</b>
Depreciation of property, plant & equipment (PPE)	38,847,148	35,691,332	311,425,632	89,402,622	219,405,358	182,921,239	54,825,639	19,467,394	80,345,057	87,500,358	451,980,682	380,974,417	17,536,513	13,449,889	1,174,366,029	809,407,251
Amortisation of lease rentals paid in advance	-	-	-	-	-	-	19,815	-	-	-	518,467	518,467	-	-	538,282	518,467
Amortisation of intangible assets	22,845,784	29,699,199	9,879,141	7,554,466	33,856,685	30,034,685	-	-	109,398,790	78,606,041	4,260,939	4,260,939	1,639,322	1,885,104	181,879,661	152,040,434
Retirement benefit obligations and related cost	10,956,870	10,780,771	7,277,081	2,587,707	25,877,615	16,494,919	1,020,182	934,397	14,426,995	12,415,311	41,539,962	38,393,136	4,970,364	4,483,296	106,169,019	86,089,537
Purchase and construction of PPE	13,702,627	28,408,012	284,576,997	1,716,608,167	966,513,341	295,971,055	38,944,133	12,161,312	102,418,877	62,568,011	788,813,973	960,870,743	23,666,652	84,805,698	2,218,335,500	3,161,401,198
Additions to intangible assets	57,674,012	35,602,598	15,546,905	208,800	18,315,408	16,652,847	-	-	325,501	1,939,325	-	-	2,376,737	2,245,532	94,238,563	56,649,102

  

REVENUE AND PROFIT For the three months period ended 30 September	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
	Continuing operations															
Revenue																
Total revenue	4,642,074,677	4,951,917,577	667,936,379	263,368,070	5,081,791,201	5,006,475,048	738,191,588	410,564,753	2,594,953,703	2,197,475,910	3,025,862,216	2,684,392,748	173,717,975	159,426,258	16,923,747,739	15,673,620,364
Inter group	(324,851,916)	(272,969,181)	(40,176,613)	(24,767,670)	(351,468,893)	(150,075,334)	(10,349,278)	(11,812,493)	(4,903,273)	(4,775,839)	(99,994,537)	(96,962,577)	(169,975,277)	(158,052,734)	(1,000,919,787)	(719,415,908)
<b>Total external revenue</b>	<b>4,317,222,761</b>	<b>4,678,948,396</b>	<b>627,759,766</b>	<b>238,600,400</b>	<b>4,730,322,308</b>	<b>4,856,399,714</b>	<b>727,842,310</b>	<b>398,752,260</b>	<b>2,590,050,430</b>	<b>2,192,700,071</b>	<b>2,925,867,679</b>	<b>2,587,430,171</b>	<b>3,742,698</b>	<b>1,373,524</b>	<b>15,922,827,952</b>	<b>14,954,204,456</b>
Operating profit/ (loss)	199,739,870	172,602,781	(3,057,110)	(4,602,495)	682,731,242	582,207,793	(1,337,004)	(19,416,026)	486,626,798	249,254,013	795,623,369	555,439,080	45,650,328	(2,990,321)	2,205,977,493	1,532,494,825
Finance income	4,527,650	8,059,566	592,348	2,149,882	19,985,303	23,202,357	272,942	25,520	228,260,947	209,797,391	4,898,686	3,638,453	1,205,609	7,798,260	259,743,485	254,671,429
Finance cost	(66,093,498)	(94,636,716)	(119,133,299)	(34,159,591)	(573,259,343)	(384,064,464)	(37,341,154)	(46,580,712)	(74,588,033)	(82,432,625)	(220,308,694)	(209,145,973)	(391,102,432)	(353,715,035)	(1,481,826,653)	(1,204,735,118)
Share of results of equity accounted investments	-	-	-	-	-	-	-	-	-	-	2,423,611	-	5,558,846	7,493,871	7,982,457	7,493,871
Change in insurance contract liabilities	-	-	-	-	-	-	-	-	(633,753,724)	18,224,788	-	-	-	-	(633,753,724)	18,224,788
<b>Profit/ (loss) before taxation</b>	<b>138,174,022</b>	<b>86,025,629</b>	<b>(121,598,061)</b>	<b>(36,612,204)</b>	<b>129,457,202</b>	<b>221,345,686</b>	<b>(38,405,216)</b>	<b>(65,971,218)</b>	<b>6,545,988</b>	<b>394,843,567</b>	<b>582,636,772</b>	<b>349,931,560</b>	<b>(338,687,649)</b>	<b>(341,413,225)</b>	<b>358,123,058</b>	<b>608,149,795</b>
Tax expense	(15,533,909)	(13,472,355)	45,041,103	(526,218)	(38,445,439)	(57,263,969)	(610,863)	(5,847,511)	(2,190,052)	(47,615,460)	(70,532,926)	(60,661,131)	(27,613,973)	(29,078,772)	(109,886,059)	(214,465,416)
<b>Profit/ (loss) from continuing operations</b>	<b>122,640,113</b>	<b>72,553,274</b>	<b>(76,556,958)</b>	<b>(37,138,422)</b>	<b>91,011,763</b>	<b>164,081,717</b>	<b>(39,016,079)</b>	<b>(71,818,729)</b>	<b>4,355,936</b>	<b>347,228,107</b>	<b>512,103,846</b>	<b>289,270,429</b>	<b>(366,301,622)</b>	<b>(370,491,997)</b>	<b>248,236,999</b>	<b>393,684,379</b>
Loss for the period from discontinued operation	-	-	-	-	-	-	-	-	-	(32,474,105)	-	-	-	-	-	(32,474,105)
<b>Profit/ (loss) after taxation</b>	<b>122,640,113</b>	<b>72,553,274</b>	<b>(76,556,958)</b>	<b>(37,138,422)</b>	<b>91,011,763</b>	<b>164,081,717</b>	<b>(39,016,079)</b>	<b>(71,818,729)</b>	<b>4,355,936</b>	<b>314,754,002</b>	<b>512,103,846</b>	<b>289,270,429</b>	<b>(366,301,622)</b>	<b>(370,491,997)</b>	<b>248,236,999</b>	<b>361,210,274</b>
Depreciation of property, plant & equipment (PPE)	19,946,243	17,788,241	155,725,586	44,692,051	113,864,921	92,434,163	45,722,182	(1,014,164)	38,855,792	51,566,383	206,728,739	195,376,977	8,946,207	6,894,688	589,789,670	407,738,339
Amortisation of lease rentals paid in advance	-	-	-	-	-	-	19,815	-	-	-	259,234	259,234	-	-	259,234	259,234
Amortisation of intangible assets	11,190,979	13,935,205	5,115,452	3,779,408	17,600,095	15,013,768	-	-	34,946,482	41,506,187	2,130,469	2,130,470	1,005,801	952,797	71,989,278	77,517,635
Retirement benefit obligations and related cost	5,743,434	5,387,349	2,594,553	1,077,117	17,746,716	7,763,937	495,053	374,694	7,213,498	6,245,551	20,784,007	23,504,653	2,485,152	2,241,648	57,062,413	46,504,949
Purchase and construction of PPE	7,816,232	23,274,130	168,326,044	1,040,703,004	724,070,608	172,994,211	37,950,490	(925,765)	64,544,986	(10,439,092)	454,074,227	561,667,841	22,917,545	76,389,729	1,479,700,132	1,863,664,068
Additions to intangible assets	34,382,129	24,791,330	6,183,865	208,800	2,979,924	(105,422)	-	-	8,357	833,036	-	-	2,376,738	2,245,532	45,930,513	27,973,276

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 & 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	168,333,963	208,649,573	11,124,178,365	9,984,079,593	7,669,557,122	6,366,702,734	399,892,557	339,549,345	1,015,592,532	836,022,430	14,665,144,181	12,834,276,978	203,424,406	190,270,606	35,245,821,126	30,759,551,259
Lease rentals paid in advance	-	-	-	-	-	-	3,863,892	-	-	-	852,203,568	853,240,505	-	-	856,067,460	853,240,505
Investment property	205,530,000	217,620,000	1,100,000,000	1,075,000,000	1,442,000,000	1,056,602,258	-	-	-	-	-	-	611,525,000	547,208,683	3,359,055,000	2,896,430,941
Intangible assets	293,669,361	217,790,342	32,170,675	5,162,461	332,050,010	355,945,376	-	-	121,799,080	71,241,907	-	-	1,777,670	2,871,250	781,466,676	653,011,336
Non-current financial assets	16,787	5,019,928	-	-	615,739,177	389,024,164	21,755,442	-	11,301,937,555	9,875,315,012	320,521,253	401,104,093	-	-	12,259,970,214	10,670,463,197
Rental receivable on lease assets and hire purchase	-	-	-	-	-	-	-	-	438,200,438	240,929,804	-	-	-	-	438,200,438	240,929,804
Other non-current assets	8,980,154	24,754,495	11,029,744	10,939,512	281,322,120	213,444,978	6,337,168	3,827,169	3,500,000	3,500,000	4,833,335	5,833,335	-	48,113,826	310,413,315	410,413,315
<b>Segment non-current assets</b>	<b>676,530,265</b>	<b>673,834,338</b>	<b>12,267,378,784</b>	<b>11,075,181,566</b>	<b>10,340,366,429</b>	<b>8,381,719,510</b>	<b>431,849,059</b>	<b>343,376,514</b>	<b>12,881,029,605</b>	<b>11,027,009,153</b>	<b>15,842,702,337</b>	<b>14,094,454,911</b>	<b>816,727,076</b>	<b>788,464,365</b>	<b>53,256,583,555</b>	<b>46,384,040,357</b>
Investments in equity accounted investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100,959,086	73,729,303
Goodwill	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,238,384,815	4,115,823,525
Intangible assets through business combinations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,584,305,980	3,836,652,405
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	551,636,228	298,675,292
Eliminations/ adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(62,138,316)	(31,352,821)
<b>Total non-current assets</b>	<b>676,530,265</b>	<b>673,834,338</b>	<b>12,267,378,784</b>	<b>11,075,181,566</b>	<b>10,340,366,429</b>	<b>8,381,719,510</b>	<b>431,849,059</b>	<b>343,376,514</b>	<b>12,881,029,605</b>	<b>11,027,009,153</b>	<b>15,842,702,337</b>	<b>14,094,454,911</b>	<b>816,727,076</b>	<b>788,464,365</b>	<b>61,669,731,348</b>	<b>54,677,568,061</b>
Inventories	1,077,741,578	1,109,484,632	861,793,198	105,658,171	6,036,239,743	5,131,287,666	655,441,597	890,328,368	135,329,114	413,889,986	551,744,809	516,381,397	-	-	9,318,290,039	8,167,030,220
Trade and other receivables	2,488,119,767	2,992,195,195	247,513,630	109,122,595	4,521,273,685	4,303,026,110	470,142,412	194,382,417	877,772,197	952,421,541	676,561,166	443,537,689	14,036,860	10,753,569	9,295,419,717	9,005,439,116
Loans and advances	-	-	-	-	-	-	-	-	12,202,345,712	14,266,103,302	-	-	-	-	12,202,345,712	14,266,103,302
Rental receivable on lease assets and hire purchase	-	-	-	-	-	-	-	-	436,391,183	521,399,563	-	-	-	-	436,391,183	521,399,563
Other current assets	370,128,125	364,967,774	354,177,760	302,794,072	2,737,721,833	1,880,335,230	76,222,636	95,861,226	859,729,197	675,860,894	586,346,716	705,288,637	37,844,550	56,275,200	5,022,170,817	4,081,383,033
Short term investments	5,096,795	11,443,968	323,071	315,221	61,619,179	25,248,703	1,500,000	-	5,142,428,076	3,814,247,632	109,000,000	141,000,000	135,244,828	135,156,510	5,455,211,949	4,127,412,034
Cash in hand and at bank	234,333,861	595,973,299	115,762,101	221,218,444	298,703,145	332,977,974	19,764,922	3,759,302	1,343,226,232	913,753,652	610,606,537	383,990,148	473,735,404	86,363,787	3,096,132,202	2,538,036,606
<b>Segment current assets</b>	<b>4,175,420,126</b>	<b>5,074,064,868</b>	<b>1,579,569,760</b>	<b>739,108,503</b>	<b>13,655,557,585</b>	<b>11,672,875,683</b>	<b>1,223,071,567</b>	<b>1,184,331,313</b>	<b>20,997,221,711</b>	<b>21,557,676,570</b>	<b>2,534,259,228</b>	<b>2,190,197,871</b>	<b>660,861,642</b>	<b>288,549,066</b>	<b>44,825,961,619</b>	<b>42,706,803,874</b>
Subsidiary assets held-for-sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,901,135,429
Amounts due from related parties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	501,743	316,693
<b>Total current assets</b>	<b>4,175,420,126</b>	<b>5,074,064,868</b>	<b>1,579,569,760</b>	<b>739,108,503</b>	<b>13,655,557,585</b>	<b>11,672,875,683</b>	<b>1,223,071,567</b>	<b>1,184,331,313</b>	<b>20,997,221,711</b>	<b>21,557,676,570</b>	<b>2,534,259,228</b>	<b>2,190,197,871</b>	<b>660,861,642</b>	<b>288,549,066</b>	<b>44,826,463,362</b>	<b>45,608,255,996</b>
<b>Total assets</b>															<b>106,496,194,710</b>	<b>100,285,824,057</b>
Insurance contract liabilities	-	-	-	-	-	-	-	-	7,489,875,467	6,546,677,381	-	-	-	-	7,489,875,467	6,546,677,381
Interest bearing borrowings	84,243,481	16,812,134	6,167,916,946	5,956,726,801	3,660,823,949	2,408,419,967	59,203,444	90,468,475	3,062,917,889	2,712,988,075	6,660,832,821	6,487,950,907	7,254,844,887	7,550,322,984	26,590,783,417	25,223,689,143
Public deposits	-	-	-	-	-	-	-	-	3,617,418,202	1,502,801,625	-	-	-	-	3,617,418,202	1,502,801,625
Employee benefit liabilities	131,353,640	103,467,484	18,269,596	12,347,441	113,468,030	108,420,151	11,278,194	5,022,016	109,471,529	75,438,939	422,684,840	367,556,155	52,386,772	43,828,625	898,912,601	717,080,811
Other deferred liabilities	4,394,304	10,590,279	-	-	-	197,908	-	-	-	-	-	-	129,729,730	-	134,124,034	10,788,187
Other non-current financial liabilities	-	35,350,009	25,842,782	4,523,636	-	-	9,110,000	-	-	-	-	-	-	-	34,952,782	39,873,645
<b>Segment non-current liabilities</b>	<b>219,991,425</b>	<b>166,219,906</b>	<b>6,212,029,324</b>	<b>5,973,597,678</b>	<b>3,774,291,979</b>	<b>2,518,038,026</b>	<b>79,591,638</b>	<b>95,490,491</b>	<b>14,479,683,087</b>	<b>10,837,906,020</b>	<b>7,083,517,661</b>	<b>6,855,507,062</b>	<b>7,436,961,389</b>	<b>7,594,151,609</b>	<b>39,286,066,503</b>	<b>34,040,910,792</b>
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	486,369,516	331,997,730
<b>Total non-current liabilities</b>	<b>219,991,425</b>	<b>166,219,906</b>	<b>6,212,029,324</b>	<b>5,973,597,678</b>	<b>3,774,291,979</b>	<b>2,518,038,026</b>	<b>79,591,638</b>	<b>95,490,491</b>	<b>14,479,683,087</b>	<b>10,837,906,020</b>	<b>7,083,517,661</b>	<b>6,855,507,062</b>	<b>7,436,961,389</b>	<b>7,594,151,609</b>	<b>39,772,436,019</b>	<b>34,372,908,522</b>
Trade and other payables	2,417,103,609	2,554,556,237	303,444,146	261,312,045	1,551,169,234	1,765,160,035	(40,233,568)	9,655,126	910,879,812	1,262,321,433	954,547,501	825,029,098	45,984,740	97,800,227	6,142,895,474	6,775,834,201
Other current financial liabilities	1,782,329,275	2,187,166,530	159,111,880	32,224,863	10,178,637,655	7,498,579,059	900,618,622	665,957,850	9,356,708	1,458,296,980	-	-	9,504,506,074	5,533,780,139	22,534,560,214	17,376,005,421
Current portion of interest bearing borrowings	26,000,000	65,000,000	724,311,577	600,517,041	1,674,605,971	2,897,510,748	31,618,626	28,488,770	888,518,983	1,001,094,325	1,201,062,945	955,925,122	2,647,004,730	2,099,666,413	7,193,122,832	7,648,202,419
Other current liabilities	298,620,651	473,572,341	473,625,868	114,526,191	203,277,291	158,231,170	35,231,537	12,154,460	708,650,182	620,224,806	9,197,872	113,370,495	84,903,562	23,769,793	1,515,506,963	1,515,849,256
Public deposits	-	-	-	-	-	-	-	-	12,942,167,522	14,714,052,225	-	-	-	-	12,942,167,522	14,714,052,225
Bank overdrafts	47,608,914	85,295,222	558,547,040	108,052,728	1,058,904,949	690,523,239	67,933,457	55,490,107	631,164,337	928,918,234	1,325,626,989	1,359,813,788	138,891,280	102,534,277	3,828,676,966	3,330,627,595
<b>Segment current liabilities</b>	<b>4,571,662,449</b>	<b>5,365,590,330</b>	<b>2,219,040,511</b>	<b>1,116,632,868</b>	<b>14,666,595,100</b>	<b>13,010,004,251</b>	<b>995,168,674</b>	<b>771,746,313</b>	<b>16,090,737,544</b>	<b>19,984,908,003</b>	<b>3,490,435,307</b>	<b>3,254,138,503</b>	<b>12,421,290,386</b>	<b>7,857,550,849</b>	<b>54,544,929,971</b>	<b>51,360,571,117</b>
Subsidiary liabilities held-for-sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,926,676,953
Income tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	80,994,555	249,064,897
Amounts due to related parties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,139,540	16,653,659
Eliminations/ adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,653,306,315)	(3,888,107,208)
<b>Total current liabilities</b>	<b>4,571,662,449</b>	<b>5,365,590,330</b>	<b>2,219,040,511</b>	<b>1,116,632,868</b>	<b>14,666,595,100</b>	<b>13,010,004,251</b>	<b>995,168,674</b>	<b>771,746,313</b>	<b>16,090,737,544</b>	<b>19,984,908,003</b>	<b>3,490,435,307</b>	<b>3,254,138,503</b>	<b>12,421,290,386</b>	<b>7,857,550,849</b>	<b>49,897,757,751</b>	<b>49,664,859,418</b>
<b>Total liabilities</b>															<b>89,670,193,770</b>	<b>84,037,767,940</b>
Total segment assets	4,851,950,391	5,747,899,206	13,846,948,544	11,814,290,069	23,995,924,014	20,054,595,193	1,654,920,626	1,527,707,827	33,878,251,316	32,584,685,723	18,376,961,565	16,284,652,782	1,477,588,718	1,077,013,431	98,082,545,174	89,090,844,231
Total segment liabilities	4,791,653,874	5,531,810,236	8,431,069,835	7,090,230,546	18,440,887,079	15,528,042,277	1,074,760,312	867,236,804	30,570,420,631	30,822,814,023	10,573,952,968	10,109,645,565	19,858,251,775	15,451,702,458	93,740,996,474	85,401,481,909

# 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 2017 were authorised for issue by the Board of Directors on 14 November 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

No surplus was declared for the quarter ended 30 September 2017. However an amount of Rs. 235.00 mn declared as surplus for the quarter ended 30 June 2017 in addition to the surplus of Rs. 440.00 mn declared in quarter ended 31 March 2017 from Non Participating Fund, as approved by appointed Actuary Mr. Kunj Behari Maheshwari, Messrs. Wills Towers Watson subject to strict conditions of Insurance Regulatory Commission of Sri Lanka being complied with by the Softlogic Life Insurance PLC. The Softlogic Life Insurance PLC undertakes to transfer back the retained earnings to Non-participating fund in the event of any deficit recorded in the non-participating fund.

The Financial Statements of Softlogic Life Insurance PLC as at 30 September 2017 were audited by Messrs. KPMG, Chartered Accountants.

### 4. SHARE INFORMATION

#### 4.1 Public share holdings

The percentage of shares held by the public as at 30 September 2017 was 27.74% (number of public shareholders - 12,572)

#### 4.2 Directors' share holdings

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

As at	30-09-2017
A K Pathirage - Chairman/ Managing Director	368,807,169
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
	<b>554,041,969</b>

# Softlogic Holdings PLC

## NOTES TO THE FINANCIAL STATEMENTS

### 4.3 Twenty largest shareholders of the company are as follows:

As at	Number of shares 30-09-2017	%
1 Mr. A K Pathirage	329,857,169	42.34
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	20,947,814	2.69
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 September 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 September 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.

	30-09-2017
Closing price on (Rs.)	12.10
Highest price recorded for the three months ending (Rs.)	13.20
Lowest price recorded for the three months ending (Rs.)	12.00
Market Capitalisation (Rs. mn)	9,425.90

#### 6.2 Ratios

Net assets per share at the period end (Rs.)	11.27
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#### 6.3 Share trading information from 01 July 2017 to 30 September 2017

Number of shares traded	5,229,818
Value of shares traded (Rs.)	65,397,432

# 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 September 2017, the group had capital commitments contracted but not provided in the financial statements amounting to Rs. 2,970 mn (30 September 2016 - 855 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 other than the followings.

#### Sale of shares - Softlogic Life Insurance PLC

The Directors of Softlogic Capital PLC, a subsidiary of Softlogic Holdings PLC announced that on 13 November 2017, Softlogic Capital PLC divested 28,132,050 shares of Softlogic Life Insurance PLC amounting to a stake of 7.50% therein, for a total consideration of Rs. 582.34 mn.

# Softlogic Holdings PLC

## NOTES TO THE FINANCIAL STATEMENTS

### 10. RELATED PARTY TRANSACTIONS

#### 10.1 Transactions with related parties

In Rs.	Group		Company	
	06 months to 30-09-2017	06 months to 30-09-2016	06 months to 30-06-2017	06 months to 30-06-2016
<b>Subsidiaries</b>				
(Purchases) / sales of goods	-	-	(1,708,979)	(1,105,605)
(Receiving) / rendering of services	-	-	305,103,047	227,577,531
(Purchases) / sale of property plant & equipment	-	-	(19,210,935)	(20,658,716)
Loans given / (obtained)	-	-	740,233,750	743,011,109
Interest received / (paid)	-	-	365,471,971	268,166,969
Rent received / (paid)	-	-	26,743,494	21,216,667
Dividend received	-	-	1,771,460	373,111,249
Profit on disposal of shares	-	-	-	1,097,248,468
Guarantee charges received	-	-	93,379,527	70,462,195
Guarantees given / (obtained)	-	-	20,663,000,000	20,946,000,000
<b>Associates</b>				
(Purchases) / sale of property plant & equipment	11,685,958	596,584	-	-
(Receiving) / rendering of services	(767,736)	801,711	5,341,429	5,726,530
Dividend received	-	-	3,015,010	1,800,014
<b>Key management personnel</b>				
Loans given/ (received)	(8,839,174)	(11,616,343)	(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)	(70,295,768)	(85,240,570)	-	-
Advances given/ (received)	(133,808,553)	-	-	-
<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