



SOFTLOGIC HOLDINGS PLC

INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
30 JUNE 2019

Dear Shareholders,

The first quarter of the financial year witnessed an unexpected disruption to the economy following the Easter Sunday attacks. This woefully affected all sectors of the economy with hotels, hospitals and retail enduring the immediate impact of the aftermath of the Easter attacks. Movenpick Hotel and Centara Ceysands Resort & Spa were the most affected with booking cancellations which led to drastic drop in revenue which negatively impacted earnings.

The ODEL flagship store was closed for an intermittent number of days after the attacks which further depressed consumer sentiments. Our LUVSL brand along with our other brands, where tourist shopping constitutes nearly 35% of Odel sales, saw a sharp decline. However, we have noted a resumption of retail activity stemming predominantly from domestic demand with slight improvement in tourist arrivals toward the latter part of the quarter. Nonetheless, a slow recovery of tourism makes it more challenging for our retail sector which is beset by negative consumer sentiments and low tourist arrivals.

Furthermore, the hospital chain was badly affected during April/ May as patients were circumspect to be in open crowded places and failed to patronize the hospitals during that critical period while Asiri Hospital Kandy commenced operations at the same time adversely skewing results (operational costs being absorbed faster than revenue growth) and both these factors depressed Asiri's performance during the quarter.

Group topline witnessed a 7% growth during the quarter to Rs. 17.1 Bn following the decline in consumer demand and business sentiments. The top contributors to Group revenue were Retail (49%), Financial Services (22%) and Healthcare Services (20%). The non-core vertical which includes Automobile and Leisure & Property together contributed 4% to Group topline.

Gross Profit improved 10% to Rs. 6.4 Bn. A GP margin improvement was evident during the quarter from 36% in 1QFY19 to 37% in 1QFY20.

Operating profit for the quarter was Rs. 1.7 Bn. Operational expenses increased 17% to Rs. 4.8 Bn. Distribution and Administration expenses increased 12% and 18% to Rs. 773 Mn and Rs. 4.1 Bn respectively in 1QFY20 as a result of the opening of

Asiri Hospital Kandy and expansion of supermarket operations. Other operating income which comprises one-off gains declined by 2% to Rs. 193 Mn during the quarter.

EBITDA for the quarter was Rs. 2.5 Bn while EBITDA margin was 14.5%.

The change in insurance contract liabilities, which is the transfer from the life insurance business to the policy holders' account, showed a transfer of Rs. 406 Mn during 1QFY20 as opposed to Rs. 264 Mn in 1QFY19.

A lower interest rate regime today is a good sign for the Group. We saw the AWPLR slip 171 bps from 12.23% in March to 10.52% in July. We expect this declining trend to continue.

Given the challenging business environment, the Group reported a loss of Rs. 476 Mn during the quarter.

Retail

The Easter attacks disrupted our retail operations with many of our outlets being closed for a number of days in the aftermath of the attacks. Our ODEL Flagship store which is a prime shopping destination for tourists in Colombo, saw a sharp reduction in revenue while other brands were similarly affected due to the absence of tourists and depressed local consumer sentiments.

Retail sector revenue improved a marginal 3% to Rs. 8.5 Bn in 1QFY20 amidst weak economic conditions during most weeks of the quarter following the April attacks which depressed consumer demand and threw the country into an unprecedented negative business confidence.

Sector operating profit for the quarter was Rs. 641 Mn. Quarterly sector EBITDA was Rs. 879 Mn.

Consumer Electronics division operates 208 stores across the island with a total retail space of 330,000 sq. ft.

While Crystal Jade restaurant is progressing to open its first outlet in One Galle Face by Shangri La.

We expect to open our outlets at One Galle Face by Shangri La by October/ November.

Encouraging results of our Delkanda and Kottawa Glomark outlets and Glomark Essential stores in Asiri Hospitals has been convincing to pursue the planned expansions in the supermarket proposition. The expansion drive which is pursued by our supermarket business is essential to achieve the critical mass for sustainable growth. We will be opening a Glomark Flagship store in CR & FC, Colombo 07 along with outlets in Mount Lavinia, Negombo, Rajagiriya and Malabe. A Glomark Essential store will be opened in Orion City, a local IT park, in August 2019.

Softlogic's retail operations has been envisioning the concept of a 'Shared Economy' in which synergies from the customers access point to Softlogic retail products including Consumer Electronics, ODEL, fashion brands, QSR and supermarkets all of them in one location and under one roof. A similar store was opened in Kurunegala and has reported exceptional results. The next all-in-one retail store will be opened in Mount Lavinia before Christmas.

Healthcare Services

Asiri Hospitals was also affected in an unprecedented manner by the Easter bombings as patients and employees feared gathering in crowded open spaces and the hospital operations functioned at suboptimal levels during April/ May. Asiri's performance was further skewed by the opening of Asiri Hospital Kandy where revenue was insufficient to absorb operational costs during the initial period. However, month-on-month we are witnessing encouraging revenue growth in both out-patient, in-patient and laboratory services and we hope to breakeven sooner than expected with promising operations where we are envisaging breakeven revenue to be achieved by December 2019/ January 2020.

Strong topline contributions from the Healthcare Services sector continued during the first quarter of the year with sector revenue reporting a 6% growth to Rs. 3.4 Bn. Sector revenue was dominated by Central Hospital and Asiri Medical Hospital each making up 33% equally of hospital revenues followed by a 24% contribution from Asiri Surgical Hospital. Asiri Hospital Galle and Matara add 9% to Group topline. We are expecting strong financial contribution from our brand new hospital, Asiri Hospital Kandy, in the upcoming months which has presently exceeded expectations in its initial months

of operations. The operating profit of the Asiri chain was Rs. 620 Mn during 1QFY20 while sector EBITDA reached Rs. 872 Mn during the quarter.

Asiri Hospital Galle is witnessing a makeover after its acquisition in November 2018. In June, the hospital installed a CT scanner while the first MRI of the private sector in the southern province is being presently installed at Asiri Hospital Galle. Asiri Hospital Matara completed the construction of its ultra-modern theatre complex with three theatres in the complex.

A 3T MRI and 128-slice dual-source CT was set up at Asiri Central Hospital while Asiri Medical Hospital also installed a new 16-slice CT scanner thereby completing our network of high-end diagnostic radiology imaging services accessible island-wide with Asiri Health's notable presence in the Central, Southern and Western Provinces.

Asiri Surgical opened a state-of-the-art Urology Centre for diagnosis, treatment and surgery of genitor urinary related diseases. The Gastro Centre, which was opened at Asiri Surgical Hospital in July, provides diagnosis and treatment of gastro intestinal diseases. This Gastro unit consists of two endoscopy suites and facility for ERCP (Endoscopic Retrograde Cholangio Pancreatography).

Asiri Kandy Hospital which commenced its cardiac surgery programme in June 2019 has performed 36 cardiac surgeries by end of June adding immense value to the people in Central province.

Financial Services

Financial Services witnessed a topline growth of 20% to Rs. 3.7 Bn during the quarter with the life insurance provider emerging to be the core contributor. Sector's quarterly operating profit was Rs. 563 Mn, a 44% growth. PBT of the sector rose to Rs. 581 Mn as opposed to Rs. 234 Mn before closing the quarter with a PAT growth of 74% to Rs. 395 Mn.

Softlogic Life Insurance achieved a Gross Written Premiums growth of 24% to Rs. 2.95 Bn for the quarter. Being the top 4th player in the local arena, the company is now contemplating international expansion.

Softlogic Finance PLC's assets improved by 3% to Rs. 22.2 Bn as at 30th June 2019 whilst customer deposits was Rs. 17.3 Bn (up 10%).

Information Technology

The IT business revenues increased a strong 22% growth to Rs. 813 Mn for the quarter following realization of project revenues. Operating profit reached Rs. 81 Mn (up 70%) during the quarter. PAT for the quarter was Rs.48 Mn (Rs. 13 Mn in 1QFY19).

As the wave of digital transformation continues to affect industries at a breathtaking pace, Softlgic's IT segment has continued to reposition itself to capitalize on such technology-driven innovation. Our alignment with disruptive technologies such as block chain, data analytics, IoT and Artificial Intelligence will be key to the next wave of growth to the sector.

We will capitalize on our 25 year old strong partnerships with global expertise and tie-ups with new organizations to be the frontrunners in this technological transformation.

Automobile

Quarterly automobile sector revenue was Rs. 282 Mn.

In addition to the ambulance project to Ministry of Health, we have initiated the supply of luxury coaches to Sri Lanka Transport Board during the quarter. Part of this order would be carried into the next quarter.

Suzuki Motors Lanka has continuously expanded its island-wide reach. New models coupled with expanding distribution channel has been the core ingredients to the success of Suzuki motorcycles in such a short time period.

Suzuki Motors Lanka Limited has continuously invested to expand its distribution channels. Suzuki doubled its market share from 2% to 4% of the two-wheeler industry during the quarter under review. The Company went onto further consolidate the 125cc scooter segment with 22% market share. New models coupled with the expansion of a distribution channel has been the key contributor to the success of Suzuki motorcycles in such a short period of time. Suzuki has planned to launch their new Gixxer range with 155cc and 250cc variants coming with the latest innovative features. This is the first time that Suzuki is launching a 250cc Motorcycle in Sri Lanka.

Leisure & Property

Adverse travel advisories from key source markets within a few days of the Easter attacks led Movenpick City Hotel and Centara Ceysands Resort & Spa to experience cancellations of hotel bookings on a large scale.

Leisure & Property witnessed a marginal de-growth of 7% in topline during the quarter to Rs. 463 Mn. However, revising the travel advisories by key tourist countries has bolstered expectations of Sri Lanka recovering faster than expected from the significant setback that the bombing wrecked on the economy. A notable recovery in forward bookings at Movenpick Hotel is seen at present.

The quarter under discussion was an off-peak period for the resort. Local tourism drove occupancy at Centara towards the latter part of the quarter.

Future Outlook

Despite the economic sluggishness recently taking its toll across the economy, there is buoyancy and positive market sentiments being witnessed due to the upcoming Presidential Elections. The macroeconomic status will not pick up overnight due to the systemic risks that were endured as a result of the Easter attacks. However, a change of economic vision and strong leadership will augur well for business climate in the periods to come. We are also hopeful that the high interest rate regime will stabilise at a much lower interest rate than currently reflected thereby spurring economic activity and the consumption drive which is strongly needed at this point of time. Despite the gloomy backdrop, we are emboldened to consider taking investments offshore for the greater good of the Group and the value creation that it will entail.

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Ashok Pathirage
Chairman
15 August 2019

Softlogic Holdings PLC

CONSOLIDATED INCOME STATEMENT

In Rs. '000	Un-audited 03 months to 30-06-2019	Un-audited 03 months to 30-06-2018	Change as a %	Audited 12 months to 31-03-2019
Continuing operations				
Revenue from contract with customers	13,416,522	12,916,745	3.87	61,635,079
Revenue from insurance contracts	2,724,301	2,223,708	22.51	9,833,075
Interest income	992,862	843,256	17.74	3,674,450
Total revenue	17,133,685	15,983,709	7.19	75,142,604
Cost of sales	(10,770,219)	(10,175,914)	5.84	(47,506,880)
Gross profit	6,363,466	5,807,795	9.57	27,635,724
Other operating income	192,794	196,394	(1.83)	954,483
Distribution expenses	(773,303)	(688,002)	12.40	(3,521,670)
Administrative expenses	(4,065,743)	(3,439,184)	18.22	(16,708,267)
Results from operating activities	1,717,214	1,877,003	(8.51)	8,360,270
Finance income	571,537	313,900	82.08	1,398,974
Finance expenses	(2,027,060)	(1,277,304)	58.70	(7,116,287)
Net finance cost	(1,455,523)	(963,404)	51.08	(5,717,313)
Change in fair value of investment property	-	-	-	245,000
Share of profit of equity accounted investees	(4,883)	7,380	(166.17)	7,080
Change in insurance contract liabilities	(406,121)	(264,290)	53.66	(1,152,037)
Profit/ (loss) before tax	(149,313)	656,689	(122.74)	1,743,000
Tax expense	(326,620)	(266,863)	22.39	1,247,284
Profit/ (loss) for the period	(475,933)	389,826	(222.09)	2,990,284
Attributable to:				
Equity holders of the parent	(752,607)	49,732	(1,613.33)	104,669
Non-controlling interest	276,674	340,094	(18.65)	2,885,615
	(475,933)	389,826	(222.09)	2,990,284
Earnings per share - Basic (Rs.)	(0.63)	0.05	(1,491.01)	0.09
Dividend per share - Rs.	-	-	-	0.50

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. '000	Un-audited 03 months to 30-06-2019	Un-audited 03 months to 30-06-2018	Change as a %	Audited 12 months to 31-03-2019
Profit/ (loss) for the period	(475,933)	389,826	(222.09)	2,990,284
Other comprehensive income				
Continuing operations				
Other comprehensive income to be reclassified to income statement in subsequent periods				
Currency translation of foreign operations	950	1,813	(47.60)	(5,447)
Net change in fair value on derivative financial instruments	(35,636)	(69,558)	(48.77)	(481,700)
Net gain/(loss) on financial instruments at fair value through other comprehensive income	62,520	(43,048)	(245.23)	(110,386)
Net other comprehensive income/ (loss) to be reclassified to income statement in subsequent periods	27,834	(110,793)	(125.12)	(597,533)
Other comprehensive income not to be reclassified to income statement in subsequent periods				
Revaluation of land and buildings	-	-	-	1,541,245
Re-measurement gain/ (loss) on employee benefit liabilities	-	-	-	65,512
Share of other comprehensive income of equity accounted investments (net of tax)	-	-	-	34
Net loss on equity instruments at fair value through other comprehensive income	(207,642)	(147,351)	40.92	(519,221)
Tax on other comprehensive income not to be reclassified to income statement in subsequent periods	-	-	-	(353,223)
Net other comprehensive income not to be reclassified to income statement in subsequent periods	(207,642)	(147,351)	40.92	734,347
Other comprehensive income/ (loss) from continuing operations for the period, net of tax	(179,808)	(258,144)	(30.35)	136,814
Total comprehensive income/ (loss) for the period, net of tax	(655,741)	131,682	(597.97)	3,127,098
Attributable to:				
Equity holders of the parent	(845,375)	(102,243)	726.83	352,881
Non-controlling interest	189,634	233,925	(18.93)	2,774,217
	(655,741)	131,682	(597.97)	3,127,098

Note : Figures in brackets indicate deductions.
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Softlogic Holdings PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In Rs. '000	Un-audited as at 30-06-2019	Un-audited as at 30-06-2018	Audited as at 31-03-2019
ASSETS			
Non-current assets			
Property, plant and equipment	48,307,503	41,924,475	46,594,012
Lease rentals paid in advance	786,247	805,312	789,095
Investment property	1,696,178	1,252,800	1,695,261
Right of use asses	4,722,114	-	-
Intangible assets	8,726,782	8,573,983	8,764,534
Investments in equity accounted investments	73,366	119,265	78,249
Non-current financial assets	14,575,669	10,540,197	13,157,132
Rental receivable on lease assets and hire purchase	1,110,816	994,875	1,135,517
Other non-current assets	3,407,899	1,143,552	3,215,787
Deferred tax assets	3,103,968	804,479	3,247,950
	86,510,542	66,158,938	78,677,537
Current assets			
Inventories	11,747,063	12,239,107	10,689,021
Trade and other receivables	12,588,471	10,927,778	14,351,620
Loans and advances	11,029,158	12,398,115	11,664,401
Rental receivable on lease assets and hire purchase	1,107,587	928,324	835,051
Amounts due from related parties	4,209	963	13,692
Other current assets	5,727,984	4,860,588	5,343,713
Short term investments	6,232,117	5,960,594	6,049,396
Cash in hand and at bank	1,915,701	3,736,348	3,196,350
	50,352,290	51,051,817	52,143,244
Total assets	136,862,832	117,210,755	130,820,781
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Stated capital	12,119,235	12,119,235	12,119,235
Revenue reserves	(2,491,904)	(1,165,137)	(1,716,945)
Other components of equity	3,918,136	3,774,013	4,020,858
	13,545,467	14,728,111	14,423,148
Non-controlling interests	10,724,348	8,992,918	10,566,762
Total equity	24,269,815	23,721,029	24,989,910
Non-current liabilities			
Insurance contract liabilities	8,699,735	7,456,880	8,309,628
Interest bearing borrowings	29,365,228	24,288,257	25,115,045
Public deposits	4,214,501	4,042,270	4,601,829
Deferred tax liabilities	3,279,171	2,838,101	3,306,076
Employee benefit liabilities	1,112,568	1,041,051	1,081,320
Other deferred liabilities	110,948	115,663	148,841
Other non-current financial liabilities	69,661	117,379	115,205
	46,851,812	39,899,601	42,677,944
Current liabilities			
Trade and other payables	8,682,854	6,856,144	8,428,255
Amounts due to related parties	2,719	6,934	2,731
Income tax liabilities	341,360	395,765	351,689
Other current financial liabilities	24,705,948	21,136,788	23,128,625
Current portion of interest bearing borrowings	10,063,857	7,805,435	9,782,952
Other current liabilities	1,460,717	1,197,226	1,312,392
Public deposits	12,968,637	11,559,537	12,385,059
Bank overdrafts	7,515,113	4,632,296	7,761,224
	65,741,205	53,590,125	63,152,927
Total equity and liabilities	136,862,832	117,210,755	130,820,781

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

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Group Finance Director

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

-sgd-

Chairman

-sgd-

Director

15 August 2019

Colombo

Softlogic Holdings PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

GROUP

In Rs. '000	Attributable to equity holders of parent									Non-controlling interest	Total equity	
	Stated capital	Restricted regulatory reserve	Revaluation reserve	Foreign currency translation reserve	Fair value reserve of financial assets at FVOCI	Statutory reserve fund	Other reserves	Cash flow hedge reserve	Revenue reserve			Total
As at 01 April 2019	12,119,235	309,613	5,724,098	(51,772)	(783,273)	263,436	(780,990)	(660,254)	(1,716,945)	14,423,148	10,566,762	24,989,910
Profit/ (loss) for the period	-	-	-	-	-	-	-	-	(752,607)	(752,607)	276,674	(475,933)
Other Comprehensive income	-	-	-	950	(58,114)	-	-	(35,604)	-	(92,768)	(87,040)	(179,808)
Equity investments at FVOCI reclassified to retained earnings	-	-	-	-	22,352	-	-	-	(22,352)	-	-	-
Total Comprehensive income	-	-	-	950	(35,762)	-	-	(35,604)	(774,959)	(845,375)	189,634	(655,741)
Changes in ownership interest in subsidiaries	-	-	-	-	-	-	(32,306)	-	-	(32,306)	(32,048)	(64,354)
As at 30 June 2019	12,119,235	309,613	5,724,098	(50,822)	(819,035)	263,436	(813,296)	(695,858)	(2,491,904)	13,545,467	10,724,348	24,269,815
As at 01 April 2018	8,195,383	309,613	4,774,665	(46,325)	(530,887)	215,063	(569,884)	(178,966)	(577,403)	11,591,259	9,325,667	20,916,926
Impact of adopting SLFRS 9	-	-	-	-	-	-	-	-	(637,466)	(637,466)	(273,427)	(910,893)
Restated balance under SLFRS 9 as at 01 April 2018	8,195,383	309,613	4,774,665	(46,325)	(530,887)	215,063	(569,884)	(178,966)	(1,214,869)	10,953,793	9,052,240	20,006,033
Profit for the period	-	-	-	-	-	-	-	-	49,732	49,732	340,094	389,826
Other comprehensive income	-	-	-	1,813	(84,291)	-	-	(69,497)	-	(151,975)	(106,169)	(258,144)
Total Comprehensive income	-	-	-	1,813	(84,291)	-	-	(69,497)	49,732	(102,243)	233,925	131,682
Issue of shares	3,923,852	-	-	-	-	-	-	-	-	3,923,852	-	3,923,852
Changes in ownership interest in subsidiaries	-	-	-	-	-	-	(47,291)	-	-	(47,291)	(291,622)	(338,913)
Subsidiary dividend to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(1,625)	(1,625)
As at 30 June 2018	12,119,235	309,613	4,774,665	(44,512)	(615,178)	215,063	(617,175)	(248,463)	(1,165,137)	14,728,111	8,992,918	23,721,029

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

Softlogic Holdings PLC

CONSOLIDATED CASH FLOW STATEMENT

In Rs. '000	Un-audited 03 months to 30-06-2019	Un-audited 03 months to 30-06-2018	Audited 12 months to 31-03-2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/ (loss) before tax from continuing operations	(149,313)	656,689	1,743,000
Adjustments for:			
Finance income	(571,537)	(313,900)	(1,398,975)
Finance cost	2,027,060	1,277,304	7,116,286
Change in fair value of investment property	-	-	(245,000)
Share of results of equity accounted investees	4,883	(7,380)	(7,080)
Gratuity provision and related cost	57,890	61,274	221,936
Provisions for/ write-off of impaired receivables	52,450	50,988	353,623
Provision for write-off of inventories	21,250	15,625	75,137
Provisions for/ write-off of loans and advances	9,839	(25,405)	110,757
Provisions for/ write-off of investments in lease and hire purchase	-	3,992	61,500
Depreciation of property, plant and equipment	694,808	604,643	2,520,118
Loss/ (profit) on sale of property, plant and equipment	2,692	490	(7,589)
Loss/ (profit) on sale of investments	-	12	377
Unrealised (profit)/ loss on foreign exchange	22,289	2,188	23,873
Amortisation/ impairment of intangible assets	68,209	94,209	341,578
Amortisation of prepaid lease rentals	2,848	289	16,506
Increase/ (decrease) in deferred income	(75,718)	(15,843)	(63,360)
Impairment & derecognition of property, plant & equipment	75	863	21,318
Profit before working capital changes	2,167,725	2,406,038	10,884,005
(Increase) / decrease in inventories	(1,079,293)	(1,004,195)	661,206
(Increase) / decrease in trade and other receivables	1,664,192	243,442	(3,573,802)
(Increase) / decrease in loans and advances	8,740	762,393	(224,169)
(Increase) / decrease in investments in lease and hire purchase	(247,837)	(360,654)	(465,530)
(Increase) / decrease in other current assets	(1,012,262)	(1,411,537)	(2,036,868)
(Increase) / decrease in amounts due from related parties	9,483	(156)	(12,885)
Increase / (decrease) in trade and other payables	232,314	(414,621)	861,518
Increase / (decrease) in amounts due to related parties	(12)	(632)	(4,835)
Increase / (decrease) in other current liabilities	152,444	(266,229)	(70,370)
Increase / (decrease) in public deposits	196,251	(699,664)	685,416
Increase / (decrease) in insurance contract liabilities	390,108	264,290	1,117,037
Cash generated from/ (used in) operations	2,481,853	(481,525)	7,820,723
Finance income received	349,273	279,073	1,261,411
Finance expenses paid	(1,985,773)	(1,157,442)	(6,500,079)
Dividend received	-	-	35,045
Tax paid	(210,371)	(193,284)	(953,375)
Gratuity paid	(26,642)	(33,112)	(108,089)
Net cash flow from/ (used in) operating activities	608,340	(1,586,290)	1,555,636
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES			
Purchase and construction of property, plant and equipment	(2,216,863)	(1,224,713)	(5,728,410)
Addition to investment property	(917)	(14,500)	(18,237)
Addition to intangible assets	(30,457)	(55,249)	(141,234)
(Increase)/ decrease in other non-current assets	(192,113)	(215,049)	(2,245,759)
(Purchase) / disposal of short term investments (net)	(450,777)	(1,304,889)	115,631
Dividends received	14,396	5,188	124,551
(Purchase) / disposal of non-current financial assets	(610,247)	(593,977)	(1,825,340)
Acquisition of subsidiaries	-	-	(952,452)
Proceeds from sale of property, plant and equipment	283	27,397	54,075
Net cash flow used in investing activities	(3,486,695)	(3,375,792)	(10,617,175)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES			
Proceeds from issue of equity shares	-	3,923,852	3,923,852
Dividend paid to non-controlling interest	-	(1,625)	(828,433)
Increase in interest in subsidiaries	(47,094)	(338,913)	(561,897)
Proceeds from long term borrowings	2,665,636	836,736	7,585,232
Repayment of long term borrowings	(2,822,365)	(1,801,890)	(6,874,434)
(Increase) / decrease in other non-current financial liabilities	(4,257)	(5,123)	(7,297)
Proceeds from / (repayment of) other current financial liabilities (net)	1,577,323	(2,470,717)	(478,880)
Dividend paid to equity holders of parent	-	-	(596,272)
Net cash flow from financing activities	1,369,243	142,320	2,161,871
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,509,112)	(4,819,762)	(6,899,668)
CASH AND CASH EQUIVALENTS AT THE BEGINNING	(1,010,674)	5,888,960	5,888,960
Effect of exchange rate changes	216	(19)	34
CASH AND CASH EQUIVALENTS AT THE END	(2,519,570)	1,069,179	(1,010,674)
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Favourable balances			
Cash in hand and at Bank	1,915,701	3,736,348	2,596,037
Restricted cash at bank	-	-	600,313
Short term investments	3,079,842	1,965,127	3,554,200
Unfavourable balances			
Bank overdrafts	(7,515,113)	(4,632,296)	(7,761,224)
Cash and cash equivalents	(2,519,570)	1,069,179	(1,010,674)

Note : Figures in brackets indicate deductions.

Softlogic Holdings PLC

COMPANY INCOME STATEMENT

In Rs. '000	Un-audited 03 months to 30-06-2019	Un-audited 03 months to 30-06-2018	Change as a %	Audited 12 months to 31-03-2019
Revenue from contract with customers	191,261	160,210	19.38	645,766
Cost of sales	(70,485)	(54,243)	29.94	(240,599)
Gross profit	120,776	105,967	13.98	405,167
Dividend income	-	15,920	(100.00)	514,513
Other operating income	9,160	9,159	0.01	28,618
Administrative expenses	(107,511)	(109,050)	(1.41)	(442,305)
Results from operating activities	22,425	21,996	1.95	505,993
Finance income	503,353	214,715	134.43	1,502,906
Finance expenses	(785,478)	(484,306)	62.19	(2,626,433)
Net finance cost	(282,125)	(269,591)	4.65	(1,123,527)
Change in fair value of investment property	-	-	-	40,000
Loss before tax	(259,700)	(247,595)	4.89	(577,534)
Tax expense	(15,000)	(17,376)	(13.67)	(90,593)
Loss for the period	(274,700)	(264,971)	3.67	(668,127)

Note : Figures in brackets indicate deductions.

The above figures are not audited unless otherwise stated.

Softlogic Holdings PLC

STATEMENT OF COMPREHENSIVE INCOME

In Rs. '000	Un-audited 03 months to 30-06-2019	Un-audited 03 months to 30-06-2018	Change as a %	Audited 12 months to 31-03-2019
Loss for the period	(274,700)	(264,971)	3.67	(668,127)
Other comprehensive income				
Other comprehensive income not to be reclassified to income statement in subsequent periods				
Actuarial loss on retirement benefits	-	-	-	(3,474)
Net other comprehensive loss not to be reclassified to income statement in subsequent periods	-	-	-	(3,474)
Tax on other comprehensive income	-	-	-	973
Other comprehensive loss for the period, net of tax	-	-	-	(2,501)
Total comprehensive loss for the period, net of tax	(274,700)	(264,971)	3.67	(670,628)

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. '000	Un-audited as at 30-06-2019	Un-audited as at 30-06-2018	Audited as at 31-03-2019
ASSETS			
Non-current assets			
Property, plant and equipment	162,646	199,377	170,963
Investment property	744,000	704,000	744,000
Intangible assets	29	-	686
Investments in subsidiaries	20,049,705	19,856,700	20,028,700
Investments in associates	11,000	11,000	11,000
Other non current financial assets	1,532,755	1,063,415	1,465,042
	22,500,135	21,834,492	22,420,391
Current assets			
Trade and other receivables	542,565	401,495	912,093
Amounts due from related parties	14,896,328	9,981,471	14,176,360
Other current assets	31,455	44,355	28,273
Short term investments	129,844	1,579,358	130,625
Cash in hand and at bank	232,440	986,672	18,294
	15,832,632	12,993,351	15,265,645
Total assets	38,332,767	34,827,843	37,686,036
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Stated capital	12,119,235	12,119,235	12,119,235
Revenue reserves	3,596,183	4,872,812	3,870,883
Total equity	15,715,418	16,992,047	15,990,118
Non-current liabilities			
Interest bearing borrowings	6,477,898	6,730,293	6,817,719
Deferred tax liabilities	173,435	157,916	173,435
Employee benefit liabilities	83,889	70,489	81,109
Other deferred liabilities	66,667	102,703	75,676
Other non current financial liabilities	186,200	186,200	186,200
	6,988,089	7,247,601	7,334,139
Current liabilities			
Trade and other payables	211,223	57,960	108,894
Amounts due to related parties	38,809	5,678	16,671
Income tax liabilities	31,910	18,511	16,910
Other current financial liabilities	11,283,576	7,277,046	10,003,875
Current portion of interest bearing borrowings	3,845,858	3,005,918	3,958,498
Other current liabilities	61,209	81,547	82,229
Bank overdrafts	156,675	141,535	174,702
	15,629,260	10,588,195	14,361,779
Total equity and liabilities	38,332,767	34,827,843	37,686,036

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

-sgd-

Group Finance Director

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

-sgd-

Chairman

-sgd-

Director

15 August 2019
Colombo

Softlogic Holdings PLC

COMPANY STATEMENT OF CHANGES IN EQUITY

COMPANY

In Rs. '000	Stated capital	Revenue reserve	Total
As at 01 April 2019	12,119,235	3,870,883	15,990,118
Loss for the period	-	(274,700)	(274,700)
Total comprehensive income	-	(274,700)	(274,700)
As at 30 June 2019	12,119,235	3,596,183	15,715,418
As at 31 March 2018	8,195,383	5,193,136	13,388,519
Impact of adopting SLFRS 9	-	(55,353)	(55,353)
Restated balance under SLFRS 9 as at 01 April 2018	8,195,383	5,137,783	13,333,166
Loss for the period	-	(264,971)	(264,971)
Total comprehensive income	-	(264,971)	(264,971)
Issue of shares	3,923,852	-	3,923,852
As at 30 June 2018	12,119,235	4,872,812	16,992,047

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. '000	Un-audited 03 months to 30-06-2019	Un-audited 03 months to 30-06-2018	Audited 12 months to 31-03-2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax	(259,700)	(247,595)	(577,534)
Adjustments for:			
Finance income	(504,134)	(214,715)	(1,502,906)
Dividend income	-	(15,920)	(514,513)
Finance cost	785,478	484,306	2,626,434
Change in fair value of investment property	-	-	(40,000)
Gratuity provision and related costs	2,907	3,174	13,759
Provisions for/ write-off of impaired receivables	-	-	2,472
Depreciation of property, plant and equipment	8,775	9,216	36,051
Profit on sale of property, plant and equipment	-	-	(2,140)
Loss on sale of investments	-	-	10,575
Amortisation/ impairment of intangible assets	657	593	7,079
Depreciation in market value of quoted shares	781	-	-
Amortisation of loan processing fee and debenture issue expenses	1,175	-	-
Increase / (decrease) in deferred income	(9,009)	(9,009)	(36,036)
Profit before working capital changes	26,930	10,050	23,241
(Increase) / decrease in trade and other receivable	369,530	(78,000)	(144,382)
(Increase) / decrease in other current assets	(3,182)	(27,644)	(21,074)
(Increase) / decrease in amount due from related parties	(719,969)	(1,628,151)	(5,587,037)
Increase / (decrease) in trade and other payables	102,327	13,545	64,481
Increase / (decrease) in amount due to related parties	22,138	(12,199)	(1,207)
Increase / (decrease) in other current liabilities	(21,020)	(4,674)	(3,992)
Cash generated used in operations	(223,246)	(1,727,073)	(5,669,970)
Finance income received	504,134	355,034	1,531,157
Finance expenses paid	(784,783)	(482,410)	(2,499,773)
Dividend received	-	-	50,965
Tax paid	-	(32,174)	(80,989)
Gratuity paid	(128)	(937)	(4,375)
Net cash flow used in operating activities	(504,023)	(1,887,560)	(6,672,985)
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES			
Purchase and construction of property, plant and equipment	-	(135)	(1,870)
Addition to intangible assets	-	-	(2,635)
(Purchase) / disposal of short term investments (net)	-	-	1,550,225
(Purchase) / disposal of other non current financial assets	(67,713)	-	(636,686)
Proceeds from sale of property, plant and equipment	-	-	5,455
Net cash flow used in investing activities	(67,713)	(135)	914,489
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES			
Proceeds from issue of shares	-	3,923,852	3,923,852
Increase in interest in subsidiaries	(21,005)	-	(172,000)
Proceeds from long term borrowings	500,000	-	2,500,000
Repayment of long term borrowings	(954,786)	(704,123)	(2,307,649)
Proceeds from / (repayment of) short term borrowings (net)	1,279,700	(3,249,309)	(508,255)
Dividend paid to equity holders of parent	-	-	(596,272)
Net cash flow from/ (used in) financing activities	803,909	(29,580)	2,839,676
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	232,173	(1,917,275)	(2,918,820)
CASH AND CASH EQUIVALENTS AT THE BEGINNING	(156,408)	2,762,412	2,762,412
CASH AND CASH EQUIVALENTS AT THE END	75,765	845,137	(156,408)
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Favourable balances			
Cash in hand and at bank	232,440	986,672	18,294
Unfavourable balances			
Bank overdrafts	(156,675)	(141,535)	(174,702)
Cash and cash equivalents	75,765	845,137	(156,408)

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

The following tables present revenue, profit information and other disclosures regarding Group's business segments.

REVENUE AND PROFIT In Rs. '000 For the three months ended 30 June	Information Technology		Leisure & Property		Retail & Telecommunication		Automobiles		Financial Services		Healthcare Services		Others		Group	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Continuing operations																
Revenue																
Total revenue	1,003,303	817,664	485,224	545,924	8,876,799	8,563,209	325,016	304,639	3,733,766	3,099,858	3,498,354	3,245,365	199,586	168,195	18,122,048	16,744,854
Inter group	(190,497)	(151,174)	(22,513)	(49,561)	(423,087)	(332,844)	(42,968)	(26,382)	(28,346)	(1,770)	(84,846)	(34,313)	(196,106)	(165,101)	(988,363)	(761,145)
Total external revenue	812,806	666,490	462,711	496,363	8,453,712	8,230,365	282,048	278,257	3,705,420	3,098,088	3,413,508	3,211,052	3,480	3,094	17,133,685	15,983,709
Operating profit/ (loss)	80,786	47,634	(206,907)	(6,744)	640,898	758,359	1,262	(10,207)	562,627	390,319	619,866	766,175	18,682	(68,533)	1,717,214	1,877,003
Finance income	-	96	384	1,290	51,966	19,290	40	37	519,264	242,999	571	11,837	(688)	38,351	571,537	313,900
Finance cost	(20,289)	(29,308)	(194,664)	(168,217)	(958,821)	(506,169)	(71,073)	(38,216)	(94,306)	(134,547)	(412,900)	(233,739)	(275,007)	(167,109)	(2,027,060)	(1,277,305)
Share of results of equity accounted investments	-	-	-	-	-	-	-	-	-	-	(3,494)	(1,856)	(1,389)	9,236	(4,883)	7,380
Change in insurance contract liabilities	-	-	-	-	-	-	-	-	(406,121)	(264,290)	-	-	-	-	(406,121)	(264,290)
Profit/ (loss) before taxation	60,497	18,422	(401,187)	(173,671)	(265,957)	271,480	(69,771)	(48,386)	581,464	234,481	204,043	542,417	(258,402)	(188,055)	(149,313)	656,688
Tax expense	(12,150)	(5,734)	(7,616)	326	(1,725)	(89,523)	6,728	-	(186,836)	(7,778)	(109,268)	(120,430)	(15,753)	(43,722)	(326,620)	(266,861)
Profit/ (loss) after taxation	48,347	12,688	(408,803)	(173,345)	(267,682)	181,957	(63,043)	(48,386)	394,628	226,703	94,775	421,987	(274,155)	(231,777)	(475,933)	389,827
Depreciation of property, plant & equipment (PPE)	15,262	18,711	146,501	151,244	218,674	159,173	8,815	10,253	49,073	45,855	247,639	210,110	8,844	9,297	694,808	604,643
Amortisation of lease rentals paid in advance	-	-	-	-	30	30	-	-	-	-	2,818	259	-	-	2,848	289
Amortisation/ impairment of intangible assets	5,096	2,777	5,538	5,444	19,796	27,347	-	-	34,975	55,918	2,147	2,130	657	593	68,209	94,209
Retirement benefit obligations and related cost	4,325	1,875	(117)	1,788	13,143	21,249	581	974	10,109	9,193	26,826	22,944	3,023	3,251	57,890	61,274
Purchase and construction of PPE	38,697	14,727	8,267	21,853	548,226	577,199	7,627	3,149	39,856	36,242	1,871,715	571,212	-	331	2,514,388	1,224,713
Additions to intangible assets	21,497	8,463	-	-	8,960	46,786	-	-	-	-	-	-	-	-	30,457	55,249

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 period ended 30 June 2019 were authorised for issue by the Board of Directors on 15 August 2019.

2. BASIS OF PREPARATION

The interim condensed financial statements have been prepared in compliance with Sri Lanka Accounting Standard LKAS 34 - Interim Financial Reporting.

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.

However, SLFRS 9 : Financial Instruments and SLFRS 15 : Revenue from Contracts with Customers, became applicable for financial periods beginning on or after 1 January 2018. However, Group previously presented the Interim Financial Statements for the period ended 30 June 2018 by applying LKAS 39 – “Financial Instruments – Recognition and Measurement” as permitted by the “Statement of Alternative Treatment (SoAT) on the figures in the Interim Financial Statements” issued by CA Sri Lanka. Therefore, the comparative Financial Statements for the three months period ended 30 June 2018 is reported under LKAS 39 and is not comparable to the information presented for 2019. Differences arising from the adoption of SLFRS 9 and SLFRS 15 have been recognised directly in Retained Earnings as of 1 April 2018.

The interim financial statements are presented in Sri Lankan Rupees.

3. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 March 2019, except for the adoption of new standards effective as of 1 April 2018.

SLFRS 16 : Leasing, sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer (‘Lessee’) and the supplier (‘Lessor’). SLFRS 16 replaced Sri Lanka Accounting Standard – LKAS 17 (Leases) and related interpretations. The Group has adopted SLFRS 16 using modified retrospective method from 1 April 2019, without restating comparative information.

Lessor accounting under SLFRS 16 is substantially unchanged from LKAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in LKAS 17. Therefore, SLFRS 16 does not have an impact for leases where the Group is the lessor.

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

4. CHANGE IN LIFE INSURANCE CONTRACT LIABILITIES

4.1 Valuation of Life Insurance Fund

Transfer of a sum of Rs. 618.00 mn from the Non Participating Life Insurance Fund/ Insurance Contract Liabilities to the shareholders' fund for the quarter ended 30 June 2019, as approved by appointed Actuary Mr. Kunj Behari Maheshwari, FIA, FIAI, of Messrs. Willis Towers Watson India (Pvt) Ltd.

The Financial Statements of Softlogic Life Insurance PLC as at 30 June 2019 were audited by Messrs. KPMG, Chartered Accountants.

4.2 Transfer of One-off Surplus from Policyholder Fund to Shareholder Fund

The Insurance Regulatory Commission of Sri Lanka (IRCSL) has issued a Direction No 16 on 20 March 2018 on "Guidelines/ directions for Identification and Treatment of One-off Surplus" and has instructed all life insurance companies to comply with the new direction. Based on the new guidelines life insurance companies are directed to transfer the one-off surplus attributable to policyholder non-participating fund to shareholder fund in the reporting period ended 31 December 2017. The transfer has been presented as a separate line item in the Income Statement as "change in contract liability due to transfer of one-off surplus" and as a separate reserve in the Statement of Financial Position as "Restricted Regulatory Reserve" under equity in accordance with above Direction. As required by the said direction, the Company received approval for this transfer on 29 March 2018.

Further distribution of one-off surplus to shareholders, held as part of the "Restricted Regulatory Reserve", is subject to meeting governance requirements stipulated by the IRCSL and can only be released as dividends upon receiving approval from the IRCSL. The one-off surplus in the shareholder fund will remain invested in government debt securities and deposits as disclosed in Note 4.3 as per the directions of the IRCSL.

One-off surplus in respect of participating business is held within the participating fund as part of the unallocated valuation surplus and may only be transferred to the shareholder fund by means of bonuses to policyholders in line with Section 38 of the "Regulation of Insurance Industry, Act No. 43 of 2000". Please refer Note 4.3 for details of assets supporting the restricted regulatory reserve as at 30 June 2019.

In Rs. '000	Participating fund	Non- participating fund	Total
Value of insurance contract liability based on Independent Actuary - NPV as at 31 December 2015	3,866,780	2,472,575	6,339,355
Value of insurance contract liability based on Independent Actuary - GPV as at 31 December 2015	2,810,245	1,674,571	4,484,816
Surplus created due to change in valuation method from NPV to GPV One off surplus as at 01 January 2016	1,056,535	798,004	1,854,539
Transfer of one off surplus from long term fund to Restricted Regulatory Reserve as at 31 December 2017	-	(798,004)	(798,004)
Surplus created due to change in valuation method from NPV to GPV One off surplus as at 30 June 2019	1,056,535	-	1,056,535

The distribution of one-off surplus to shareholders as dividends shall remain restricted until company develops appropriate policies and procedures for effective management of its business

4.3 Composition of investments supporting the Restricted Regulatory Reserve as at 30 June 2019

In Rs. '000	Face value	Market value as at 30 June 2019 Rs. '000
Government Securities		
Treasury Bonds - LKB03044A010	100,000,000	126,312
Deposits		
Sampath Bank PLC		136,990
Seylan Bank PLC		191,768
Seylan Bank PLC		150,090
Seylan Bank PLC		111,671
National Savings Bank		100,060
Total market value of the assets		816,891

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

5. SHARE INFORMATION

5.1 Public share holdings

Percentage of shares held by the public and the number of public shareholders is as given below:

As at	30-06-2019
Public shareholding (%)	13.41
Public shareholders	10,850
Float adjusted market capitalization (Rs. Mn.)	2,575

Minimum public holding percentage - The Company was non compliant with the Minimum Public Holding Requirements specified in Rule 7.13.1(a) of the Listing Rules of the CSE as of 30 June 2019. However the Company was in compliance with the same Rule 7.13.1(a) of the Listing Rules of the CSE as of 13 August 2019.

5.2 Directors' share holdings

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

As at	30-06-2019
A K Pathirage - Chairman/ Managing Director	479,858,334
G W D H U Gunawardena	71,333,852
R J Perera	75,437,508
H K Kaimal	80,439,792
M P R Rassool	Nil
Dr S Selliah	2,480,000
W M P L De Alwis, PC	Nil
G L H Premaratne	Nil
Prof. A S Dharmasiri	Nil
A Russell-Davison	Nil
S Saraf	Nil
C K Gupta (alternate director to Mr. S Saraf)	Nil
J D N Kekulawala	Nil
	709,549,486

5.3 Twenty largest shareholders of the company are as follows:

As at	Number of shares 30-06-2019	%
1 Mr. A K Pathirage	479,858,334	40.24
2 Samena Ceylon Holdings Ltd	247,432,455	20.75
3 Mr. H K Kaimal	80,439,792	6.75
4 Mr. R J Perera	75,437,508	6.33
5 Mr. G W D H U Gunawardena	71,333,852	5.98
6 Pemberton Asian Opportunities Fund	57,040,000	4.78
7 Samena Special Situations Fund III L.P.	53,653,654	4.50
8 Samena Special Situations Fund II L.P.	15,000,000	1.26
9 J. B. Cocoshell (Pvt) Ltd	7,948,074	0.67
10 Employees Provident Fund	7,230,500	0.61
11 Mrs. A Selliah	5,252,640	0.44
12 Mr. S J Fancy	4,960,000	0.42
13 Arunodhaya Industries (Private) Limited	4,757,864	0.40
14 Miss. S Subramaniam	4,712,000	0.40
15 Dr. K M P Karunaratne	4,515,000	0.38
16 Mrs. A Kailasapillai	4,512,000	0.38
17 Arunodhaya (Private) Limited	4,400,000	0.37
Arunodhaya Investments (Private) Limited	4,400,000	0.37
18 Mr. K Aravinthan	3,801,018	0.32
19 Mellon Bank N.A-Acadian Frontier Markets Equity Fund	3,480,207	0.29
20 Dr. S Selliah	2,480,000	0.21

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

6. STATED CAPITAL MOVEMENTS

6.1 No of shares

	No of shares
As at 01 April 2019	1,192,543,209
As at 30 June 2019	1,192,543,209

6.2 Value of shares

	Rs. '000
As at 01 April 2019	12,119,235
As at 30 June 2019	12,119,235

7. INVESTOR INFORMATION

7.1 Market value of shares

30-06-2019

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

Closing price on (Rs.)	14.90
Highest price recorded for the three months ending (Rs.)	16.50
Lowest price recorded for the three months ending (Rs.)	14.20
Market Capitalisation (Rs. mn)	17,768.89

7.2 Ratios

Net assets per share at the period end (Rs.)	13.18
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7.3 Share trading information from 01 April 2019 to 30 June 2019

Number of shares traded	2,508,406
Value of shares traded (Rs. mn.)	39.18

8. CONTINGENCIES

CONTINGENT LIABILITIES

As at reporting date, there were 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 2019.

9. CAPITAL COMMITMENTS

As at 30 June 2019, the group had capital commitments contracted but not provided in the financial statements amounting to Rs. 10,044 mn (30 June 2018 - 9,028 mn).

10. EVENTS AFTER THE REPORTING PERIOD

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

Dividend Announcement - Softlogic Holdings PLC

The directors of Softlogic Holdings PLC declared a final dividend of Rs. 0.50 per share for the financial year ended 31 March 2019, payable on 21 August 2019.

As required by section 56 (2) of the companies Act No. 07 of 2007, the board of directors has confirmed that the company satisfies the solvency test in accordance with section 57 of the companies Act No. 07 of 2007, and has obtained a certificate of solvency from the auditors to this effect.

Amalgamation Announcement - Asiri Hospital Holdings PLC

On 14 December 2018, the Board of Directors of Asiri Hospital Holdings PLC and Asiri Hospital Kandy (Pvt) Ltd, fully owned subsidiary of Asiri Hospital Holdings PLC have resolved to amalgamate Asiri Hospital Kandy (Pvt) Ltd with Asiri Hospital Holdings PLC.

The amalgamation was effective from 26 July 2019 as per Certificate of Amalgamation issued to a Limited Company pursuant to section 244(1)(a) of the Companies Act No. 07 of 2007 by Registrar General of Companies.

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

11. RELATED PARTY TRANSACTIONS

11.1 Transactions with related parties

In Rs. '000	Group		Company	
	03 months to 30-06-2019	03 months to 30-06-2018	03 months to 30-06-2019	03 months to 30-06-2018
Subsidiaries				
(Purchases) / sales of goods	-	-	1,851	(1,184)
(Receiving) / rendering of services	-	-	165,694	137,268
(Purchases) / sale of property plant & equipment	-	-	425	(135)
Loans given / (obtained)	-	-	213,165	1,140,529
Interest received / (paid)	-	-	395,352	266,523
Rent received / (paid)	-	-	14,488	12,410
Dividend received	-	-	-	15,920
Guarantee charges received	-	-	36,621	39,668
Guarantees given / (obtained)	-	-	24,830,823	25,907,870
Associates				
(Purchases) / sale of property plant & equipment	2	52	-	-
(Receiving) / rendering of services	12,711	21,520	3,118	2,850
Interest received / (paid)	62	-	62	-
Key management personnel				
Loans given/ (received)	(1,748)	(12,191)	(1,992)	(1,992)
Guarantees given/ (received)	(410,000)	(510,000)	-	(100,000)
Loans given/ (customer deposits received)	(48,516)	(49,399)	-	-
Advances given/ (received)	(251,720)	(430,367)	-	-
Close family members of KMP				
(Receiving) / rendering of services	-	-	-	-

11.2 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

Prof. A S Dharmasiri

A Russell-Davison

S Saraf

C K Gupta (alternative director to Mr. S Saraf)

J D N Kekulawala

Audit Committee

J D N Kekulawala - Chairman

Dr S Selliah

Prof. A S Dharmasiri

W M P L De Alwis, PC

Related Party Transaction Committee

Dr S Selliah - Chairman

H K Kaimal

W M P L De Alwis, PC

HR and Remuneration Committee

Prof. A S Dharmasiri - Chairman

W M P L De Alwis, PC

G L H Premaratne

Secretaries

Softlogic Corporate Services (Pvt) Ltd

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Tel : +94 11 5575 000

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Contact for Media

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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