



SOFTLOGIC HOLDINGS PLC

INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
30 SEPTEMBER 2018

Dear Shareholders,

Consolidated turnover increased 9.8% to Rs. 34.1 Bn during the 1HFY19 while quarterly revenue grew 14% to Rs. 18.1 Bn.

Top contributors to Group turnover were Retail (52%), Healthcare Services (19.4%) and Financial Services (18.7%). The non-core vertical which includes Automobile and Leisure together contributed 4.8% to Group turnover while the IT sector made up 5.2% of Group topline.

The scale and diversity of the Group helped in weathering the macro-economic shocks of increased interest rates, a fast depreciating currency, adverse tax changes, import margin requirements and price led inflation.

Gross Profit grew 10% to Rs. 12.3 Bn during the 1HFY19 holding GP margins at 36% (35.9% in 1HFY18). Quarterly Gross Profit also improved 13.2% to Rs. 6.5 Bn resulting in a GP margin of 35.6%. Synergy and economies of scale protected profit margins, although there is severe pressure due to waning business sentiment and the ad hoc macroeconomic adjustments imposed by policy-makers.

Distribution expenses declined marginally by 2.7% to Rs. 1.5 Bn while administrative expenses increased 11.8% to Rs. 7.1 Bn during 1HFY19. This resulted in the total operational expenses to increase 8.9% to Rs. 8.7 Bn during the 1HFY19 leading the operational cost margins to improve slightly to 25.4% in 1HFY19 from 25.6% in 1HFY18. Resultantly, total operating costs increased 14.3% to Rs. 4.5 Bn during the quarter.

Other operating income declined 67.1% to Rs. 283 Mn during 1HFY19 as the comparative period had registered one-off disposal gain (Rs. 185.5 Mn in 1HFY18) while fee income from new loans at Softlogic Finance nearly halved consequent to a change in their product mix during the period. Similarly, other operating income for the quarter also reduced 81.5% to Rs. 86.6 Mn owing to the one-off disposal gain registered in 2QFY18 (Rs. 184.9 Mn) Group EBITDA for the cumulative period was Rs. 5.2 Bn while the quarterly EBITDA was Rs. 2.7 Bn.

Cumulative operating profit was Rs. 3.9 Bn while the quarter reported an operating profit of Rs. 2.0 Bn.

AWPLR increased from 11.2% (end-June) to 11.7% as at end-September. However, finance expenses reduced marginally by 2.4% to Rs. 2.7 Bn during 1HFY19 while the quarter witnessed a decline of 5.6% to Rs. 1.4 Bn. In the wake of the equity infusion and repositioning of the retail sector, ICRA rating agency upgraded Softlogic Holdings PLC to BBB+.

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. 810.5 Mn during 1HFY19 as opposed to Rs. 873.3 Mn in 1HFY18. The quarterly transfer was Rs. 546.2 Mn (Rs. 633.8 Mn in 2QFY19).

Profit before tax for 1HFY19 was Rs. 855 Mn while the quarter reported a PBT of Rs. 198.4 Mn.

Softlogic Life Insurance recognized a deferred tax asset of Rs. 2.4 Bn during 1HFY19 by utilizing the available brought forward tax losses already provided for in the books up to 31st March 2018. Hence, a net tax reversal of Rs. 1.5 Bn was evident at Group level in the quarter under review.

Profit after taxation for the first half of FY2018/19 was at Rs. 2.4 Bn as opposed to Rs. 677.9 Mn in 1HFY18. Quarterly PAT reached Rs. 2.0 Bn (Rs. 248.2 Mn in 2QFY18).

Performance Review of Core Verticals

Retail

The Retail sector post restructure, which comprises the consumer electronics, QSR, furniture, departmental store, branded fashion outlets and telecommunications companies registered a growth of 5.1% to Rs. 17.7 Bn during the first half of the financial year while the quarterly revenue improved 6.9% to Rs. 9.5 Bn.

This is currently the Group's most capital-intensive sector which is redefining the country's retail landscape with several new projects in the pipeline. This sector also witnessed numerous challenges in the business environment following tax changes and price inflation which dampens the purchasing power of consumers and depresses the business sentiment. LKR/USD increased from Rs. 158.26 as at 30th June to Rs. 169.24 as at 30th September. Rupee continued to depreciate against the US dollar to reach Rs. 177.3 as of today. Nonetheless, the sector

internally maintains a margin to withstand such foreign exchange fluctuations, however, competition and grey market activity offset repricing adjustments which generally impact profit margins.

A 100% cash margin was imposed on refrigerators, TVs, air-conditioners and phones seriously impacting cash flows due to the recent policy of removing bank accommodation for import bill refinancing requiring cash upfront for establishing import LCs. The imposition of applicable restrictions on selected import items, especially, in the electronics and footwear sector defeats the long-term vision of establishing Sri Lanka as a shopping destination to compete with other regional tourist destinations. Shortsightedness of policy makers could result in several adverse side effects reverberating in the retail sector which is inextricably intertwined with the tourist industry as a whole.

The telco companies maintained its performance during the quarter.

Softlogic Retail opened its 21st Max store in Kalubowila last week taking its total store count to 215 and retail space to 315,798 sq. ft. The redesigned store concept - with the inclusion of furniture and fitness equipment - adds to the product range enhancing our value proposition to customers. ODEL Group and Softlogic Retail continued to be dominant contributors to the sector performance.

Our stores at Colombo City Centre has had positive response. Our brands occupy 40,000 sq.ft at this mall. We are now investing in our 90,000 sq.ft space at One Galle Face by Shangri La which is to open in 2019.

Softlogic Restaurants will soon open its first self-branded Asian fusion – Wangediya -- at the Promenade, Odel Flagship store.

Construction of Odel Mall is progressing to open early 2021.

We opened our first supermarket outlet in Delkanda. This would enhance our position in the country's retail industry. We believe this is a natural progression which will complement the Group's other consumer driven businesses affording visibility and presence across all key consumer value chains to operate under one loyalty platform where consumers could earn and burn points across all sectors of the Group.

Sector operating profit was Rs. 1.6 Bn during 1HFY19 with the quarter reporting Rs. 811.4 Mn. Sector EBITDA was Rs. 1.9 Bn during 1HFY19 while the quarter reported an EBITDA of Rs. 979.2 Mn.

Cumulative sector PBT for the period was Rs. 543.2 Mn while making a PBT of Rs. 271.8 Mn for the quarter.

Retail sector PAT for the cumulative period was Rs. 304.1 Mn while the quarter reported a PAT of Rs. 122.2 Mn. Finance costs and increasing operating cost margins resulting from ongoing capital projects are typically short-term financial hurdles.

Healthcare Services

Performance of Asiri Health continued steadily with quarterly revenue of the sector witnessing a growth of 16.1% to Rs. 3.4 Bn while cumulative sector revenue improved 11.2% to Rs. 6.6 Bn.

The hospital chain's topline was led by Central Hospital (37% contribution), followed by Asiri Hospital Holdings (31% contribution) and Asiri Surgical Hospital (25% contribution).

Asiri Health has been the first private hospital in Sri Lanka to expand outside Colombo. We operate two hospitals in Matara while Asiri Hospital Kandy, a 180-bed multi-specialty hospital, would soon open in the Central Province. To further capture market share in the developing metropolitan towns, Asiri acquired Hemas Southern Hospitals (Pvt) Ltd. in Galle.

Asiri-AOI Cancer Centre, in partnership with the American Oncology Institute (AOI), is scheduled to open the facility on the 18th of November. Asiri-AOI Cancer Centre will not only be Sri Lanka's latest and most comprehensive Cancer Treatment Centre, but also would be positioned as one of the top Oncology facilities in the region.

Sector's operating profit rose 4% to Rs. 1.6 Bn during the first half of the financial year with the quarter witnessing a marginal growth of 0.9% to Rs. 802.6 Mn. Sector's contribution to Group topline is expected to rapidly increase with the initiation of Asiri Hospital Kandy next year.

Financial Services

Financial Services recorded a growth of 24.5% in turnover to Rs. 6.4 Bn during 1HFY19 as quarterly revenue also improved 26.5% to Rs. 3.3 Bn. Cumulative sector operating profit rose marginally by 1.9% to Rs. 835.4 Mn. Sector PBT reached Rs. 239.5

Mn after reporting Rs. 5 Mn for the quarter. Sector PAT rose to Rs. 2.4 Bn (Rs. 281.02 Mn in 1HFY18) as a result of the tax impact at Softlogic Life Insurance.

Softlogic Life Insurance recorded a GWP of Rs. 4.9 Bn during 1HFY19, a growth of 34% compared to the previous year, while registering a GWP growth of 30% to Rs. 2.5 Bn during 2QFY19. Softlogic Life continued its growth momentum to double to that of the industry with a market share of 13%. Softlogic Life Insurance is one of the top three finalists for the 22nd Asia Insurance Industry Awards for the year in the category of Life Insurance Company. Softlogic Life is the only company to achieve this leadership milestone within a short period of time in the history of the Sri Lankan Insurance Industry.

Softlogic Finance PLC's assets was Rs. 21.3 Bn as at 30th September 2018 while Customer Deposits was Rs. 15.6 Bn. The company's renewed interest in leasing business is expected to augur well for the future as it repositions strongly in the B2C segment. However, the industry has some challenges to overcome with more stringent standards concurrently imposed by the regulator to ensure stability.

Performance Review of Non-Core Vertical

Information Technology

IT business continued smoothly despite its import-oriented hardware operations being affected corporate investment slowdown and ensuing currency depreciation.

IT segment's revenue improved 50.9% to Rs. 1.8 Bn during 1HFY19 while the quarterly revenue crossed Rs. 1 Bn mark (Rs. 422.2 Mn in 2QFY18). Sector's quarterly operating profit recovered to Rs. 72 Mn as opposed to a loss of Rs. 1.5 Mn reported in the comparative quarter. Cumulative operating earnings of the sector improved 45.4% to Rs. 119.6 Mn. Sector PBT was Rs. 36.3 Mn during 1HFY19 while the quarter witnessed a recovery from a loss of Rs. 20.6 Mn in 2QFY18 to Rs. 17.9 Mn in 2QFY19. Sector's PAT for the period was Rs. 29.6 Mn.

This sector will soon be transferred to the core verticals.

Automobile

Automobile sector revenue was Rs. 462.6 Mn for the first half of financial year. The wait-and-see approach taken by customers following duties and exchange rate depreciation dragged down the performance of this sector. The Ford sales is primarily generated from Corporate and Government tenders which are now affected by the political uncertainty prevailing in the country.

Suzuki Motors has been continuously strengthening its distribution network. The company now has 93 dealers (26 dealers at time of acquisition). Suzuki launched "Suzuki Intruder", a Cruiser type 150cc motorcycle, which is the only available class in Sri Lanka. In addition, Suzuki is planning to launch new 125cc Scooter in December to make inroads into the Scooter market.

Leisure & Real Estates

Leisure sector recorded strong revenues with better-than-expected occupancy levels at the two hotels.

Sector registered a topline growth of 10.3% to Rs. 1.2 Bn during 1HFY19 while the quarter made a turnover of Rs. 670.4 Mn (up 6.8%).

Future Outlook

Government plays a vital role in driving an economy and ensuring investment growth. Political vacillation and policy inconsistencies have affected consumer spending patterns slowing down the economy. Notwithstanding this, Softlogic has pursued expansionary goals in its core verticals with the aim of strategically positioning itself anticipating that Softlogic's proposition is a fundamental need in today's sophisticated market and that the economy will be fast-tracked with Tourism, Leisure and Retail swinging into top gear.

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Ashok Pathirage

Chairman

15 November 2018

Softlogic Holdings PLC

CONSOLIDATED INCOME STATEMENT

In Rs. '000	Un-audited 06 months to 30-09-2018	Un-audited 06 months to 30-09-2017	Change as a %	Un-audited 03 months to 30-09-2018	Un-audited 03 months to 30-09-2017	Change as a %	Audited 12 months to 31-03-2018
Continuing operations							
Revenue	34,127,764	31,086,017	9.78	18,144,055	15,922,928	13.95	66,018,915
Cost of sales	(21,857,732)	(19,934,325)	9.65	(11,681,818)	(10,211,565)	14.40	(42,346,048)
Gross profit	12,270,032	11,151,692	10.03	6,462,237	5,711,363	13.15	23,672,867
Other operating income	283,038	860,138	(67.09)	86,645	468,782	(81.52)	1,761,747
Distribution expenses	(1,545,512)	(1,588,868)	(2.73)	(857,510)	(921,097)	(6.90)	(3,114,739)
Administrative expenses	(7,125,047)	(6,370,648)	11.84	(3,685,863)	(3,053,070)	20.73	(14,013,166)
Results from operating activities	3,882,511	4,052,314	(4.19)	2,005,509	2,205,978	(9.09)	8,306,709
Finance income	450,663	571,289	(21.11)	136,763	259,743	(47.35)	1,103,805
Finance expenses	(2,675,867)	(2,741,305)	(2.39)	(1,398,563)	(1,481,827)	(5.62)	(5,959,866)
Net finance cost	(2,225,204)	(2,170,016)	2.54	(1,261,800)	(1,222,084)	3.25	(4,856,061)
Change in fair value of investment property	-	-	-	-	-	-	198,000
Share of profit of equity accounted investees	8,258	8,781	(5.96)	878	7,982	(89.00)	19,787
Change in insurance contract liabilities	(810,526)	(873,308)	(7.19)	(546,236)	(633,754)	(13.81)	(1,374,037)
Change in contract liability due to transfer of one-off surplus	-	-	-	-	-	-	798,004
Profit before tax	855,039	1,017,771	(15.99)	198,351	358,122	(44.61)	3,092,402
Tax expense	1,571,513	(339,903)	(562.34)	1,838,376	(109,886)	(1,772.98)	(814,359)
Profit for the period	2,426,552	677,868	257.97	2,036,727	248,236	720.48	2,278,043
Attributable to:							
Equity holders of the parent	421,453	2,463	17,011.37	371,721	(41,116)	(1,004.08)	204,200
Non-controlling interest	2,005,099	675,405	196.87	1,665,006	289,352	475.43	2,073,843
	2,426,552	677,868	257.97	2,036,727	248,236	720.48	2,278,043
Earnings per share - Basic (Rs.)	0.40	-	-	0.35	(0.05)	765.02	0.26
Dividend per share - Rs.	0.50	0.65	(23.08)	0.50	-	-	0.65

Note : Figures in brackets indicate deductions.

Softlogic Holdings PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In Rs. '000	Un-audited 06 months to 30-09-2018	Un-audited 06 months to 30-09-2017	Change as a %	Un-audited 03 months to 30-09-2018	Un-audited 03 months to 30-09-2017	Change as a %	Audited 12 months to 31-03-2018
Profit for the period	2,426,552	677,868	257.97	2,036,727	248,236	720.48	2,278,043
Other comprehensive income							
Continuing operations							
Other comprehensive income to be reclassified to income statement in subsequent periods							
Currency translation of foreign operations	(3,240)	(4,694)	(30.98)	(5,053)	(2,219)	127.72	(3,063)
Net change in fair value on derivative financial instruments	(367,986)	4,654	(8,006.88)	(298,429)	22,115	(1,449.44)	(34,266)
Net (loss) / gain on available-for-sale financial assets	(417,546)	371,116	(212.51)	(215,899)	23,238	(1,029.08)	463,171
Available-for-sale financial assets reclassified to income statement	(5,098)	5,537	(192.07)	(16,346)	45,613	(135.84)	17,641
Net other comprehensive income/ (loss) to be reclassified to income statement in subsequent periods	(793,870)	376,613	(310.79)	(535,727)	88,747	(703.66)	443,483
Other comprehensive income not to be reclassified to income statement in subsequent periods							
Revaluation of land and buildings	-	-	-	-	-	-	2,580,861
Re-measurement gain/ (loss) on employee benefit liabilities	-	-	-	-	-	-	(74,103)
Share of other comprehensive income of equity accounted investments (net of tax)	-	-	-	-	-	-	(80)
Tax on other comprehensive income not to be reclassified to income statement in subsequent periods	-	-	-	-	-	-	(2,401,415)
Net other comprehensive income not to be reclassified to income statement in subsequent periods	-	-	-	-	-	-	105,263
Other comprehensive income/ (loss) from continuing operations for the period, net of tax	(793,870)	376,613	(310.79)	(535,727)	88,747	(703.66)	548,746
Total comprehensive income for the period, net of tax	1,632,682	1,054,481	54.83	1,501,000	336,983	345.42	2,826,789
Attributable to:							
Equity holders of the parent	(118,988)	171,438	(169.41)	(16,745)	224,265	(107.47)	450,413
Non-controlling interest	1,751,670	883,043	98.37	1,517,745	112,718	1,246.50	2,376,376
	1,632,682	1,054,481	54.83	1,501,000	336,983	345.42	2,826,789

Note : Figures in brackets indicate deductions.

Softlogic Holdings PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In Rs. '000	Un-audited as at 30-09-2018	Un-audited as at 30-09-2017	Audited as at 31-03-2018
ASSETS			
Non-current assets			
Property, plant and equipment	42,683,770	37,505,738	41,337,923
Lease rentals paid in advance	805,023	856,067	805,601
Investment property	1,249,500	1,037,000	1,238,300
Intangible assets	8,842,181	8,604,158	8,610,364
Investments in equity accounted investments	79,394	100,959	111,885
Non-current financial assets	11,408,232	12,231,935	10,564,380
Rental receivable on lease assets and hire purchase	750,092	438,200	1,042,759
Other non-current assets	2,108,152	316,003	928,503
Deferred tax assets	3,112,351	551,636	749,406
	71,038,695	61,641,696	65,389,121
Current assets			
Inventories	11,547,418	9,318,290	11,250,539
Trade and other receivables	11,492,127	10,375,680	11,838,130
Loans and advances	11,748,473	11,577,515	13,098,641
Rental receivable on lease assets and hire purchase	1,255,036	436,391	523,777
Amounts due from related parties	1,225	502	807
Other current assets	4,768,806	3,878,193	3,449,051
Short term investments	6,659,508	5,455,212	7,120,608
Cash in hand and at bank	2,924,667	3,096,132	6,151,833
	50,397,260	44,137,915	53,433,386
Total assets	121,435,955	105,779,611	118,822,507
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Stated capital	12,119,235	5,089,000	8,195,383
Revenue reserves	(752,222)	(417,349)	(577,403)
Other components of equity	3,408,389	3,434,341	3,973,279
	14,775,402	8,105,992	11,591,259
Non-controlling interests	10,753,691	7,871,762	9,325,667
Total equity	25,529,093	15,977,754	20,916,926
Non-current liabilities			
Insurance contract liabilities	8,003,117	7,489,875	7,192,591
Interest bearing borrowings	23,741,527	26,950,783	25,729,331
Public deposits	3,576,037	3,817,418	3,237,633
Deferred tax liabilities	2,864,852	453,567	2,829,959
Employee benefit liabilities	1,074,407	858,913	1,012,888
Other deferred liabilities	119,565	134,124	127,635
Other non-current financial liabilities	115,529	34,953	122,502
	39,495,034	39,739,633	40,252,539
Current liabilities			
Trade and other payables	7,163,598	6,142,895	7,268,577
Amounts due to related parties	7,242	15,140	7,566
Income tax liabilities	260,302	245,461	348,372
Other current financial liabilities	19,718,448	17,881,254	23,607,505
Current portion of interest bearing borrowings	9,197,249	7,193,123	7,244,641
Other current liabilities	1,656,268	1,813,506	1,467,326
Public deposits	11,885,252	12,942,168	13,063,838
Bank overdrafts	6,523,469	3,828,677	4,645,217
	56,411,828	50,062,224	57,653,042
Total equity and liabilities	121,435,955	105,779,611	118,822,507

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

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Group Chief Financial Officer

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

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Chairman

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Director

15 November 2018
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	Treasury shares	Restricted regulatory reserve	Revaluation reserve	Foreign currency translation reserve	Available-for-sale reserve	Statutory reserve fund	Other reserves	Cash flow hedge reserve	Revenue reserve			Total
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
Profit for the period	-	-	-	-	-	-	-	-	-	421,453	421,453	2,005,099	2,426,552
Other comprehensive income	-	-	-	-	(3,240)	(169,531)	-	-	(367,670)	-	(540,441)	(253,429)	(793,870)
Total Comprehensive income	-	-	-	-	(3,240)	(169,531)	-	-	(367,670)	421,453	(118,988)	1,751,670	1,632,682
Issue of shares	3,923,852	-	-	-	-	-	-	-	-	-	3,923,852	-	3,923,852
Acquisitions, disposals and changes in non-controlling interest	-	-	-	-	-	-	-	(24,449)	-	-	(24,449)	(322,021)	(346,470)
Dividend paid	-	-	-	-	-	-	-	-	-	(596,272)	(596,272)	-	(596,272)
Subsidiary dividend to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(1,625)	(1,625)
As at 30 September 2018	12,119,235	-	309,613	4,774,665	(49,565)	(700,418)	215,063	(594,333)	(546,636)	(752,222)	14,775,402	10,753,691	25,529,093
As at 01 April 2017	5,089,000	(55,921)	-	4,628,655	(43,263)	(718,502)	175,022	(491,235)	(144,727)	108,358	8,547,387	7,075,209	15,622,596
Profit for the period	-	-	-	-	-	-	-	-	-	2,463	2,463	675,405	677,868
Other Comprehensive income	-	-	-	-	(4,694)	169,024	-	-	4,645	-	168,975	207,638	376,613
Total Comprehensive income	-	-	-	-	(4,694)	169,024	-	-	4,645	2,463	171,438	883,043	1,054,481
Transfer to reserve fund	-	-	-	-	-	-	24,805	-	-	(24,805)	-	-	-
Acquisitions, disposals and changes in non-controlling interest	-	-	-	-	-	-	-	(109,468)	-	-	(109,468)	(57,150)	(166,618)
Dividend paid	-	-	-	-	-	-	-	-	-	(503,365)	(503,365)	-	(503,365)
Subsidiary dividend to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(29,340)	(29,340)
As at 30 September 2017	5,089,000	(55,921)	-	4,628,655	(47,957)	(549,478)	199,827	(600,703)	(140,082)	(417,349)	8,105,992	7,871,762	15,977,754

Note : Figures in brackets indicate deductions.

Softlogic Holdings PLC

CONSOLIDATED CASH FLOW STATEMENT

In Rs. '000	Un-audited 06 months to 30-09-2018	Un-audited 06 months to 30-09-2017	Audited 12 months to 31-03-2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax from continuing operations	855,039	1,017,771	3,092,402
Adjustments for:			
Finance income	(450,663)	(571,289)	(1,103,805)
Finance cost	2,675,867	2,741,305	5,959,866
Change in fair value of investment property	-	-	(198,000)
Share of results of equity accounted investees	(8,258)	(8,781)	(19,787)
Gratuity provision and related cost	114,897	106,169	218,953
Provisions for/ write-off of impaired receivables	99,184	71,757	252,445
Provision for write-off of inventories	34,866	66,600	108,930
Provisions for/ write-off of loans and advances	(607)	19,087	102,829
Provisions for/ write-off of investments in lease and hire purchase	4,203	6,655	(18,091)
Depreciation of property, plant and equipment	1,185,237	1,174,366	2,284,583
Loss/ (profit) on sale of property, plant and equipment	(7,678)	(5,592)	(19,558)
Loss/ (profit) on sale of investments	49	(185,500)	(335,499)
Unrealised (profit)/ loss on foreign exchange	40,496	5,255	19,271
Amortisation/ impairment of intangible assets	173,786	181,880	358,068
Amortisation of prepaid lease rentals	578	538	1,116
Increase/ (decrease) in deferred income	(24,329)	(13,518)	(7,483)
Impairment & derecognition of property, plant & equipment	16,747	4,172	18,705
Profit before working capital changes	4,709,414	4,610,875	10,714,945
(Increase) / decrease in inventories	(143,005)	(281,174)	(2,255,849)
(Increase) / decrease in trade and other receivables	129,794	(383,225)	(3,125,663)
(Increase) / decrease in loans and advances	1,095,080	1,026,933	1,092,599
(Increase) / decrease in investments in lease and hire purchase	(442,795)	(53,280)	(720,680)
(Increase) / decrease in other current assets	(1,469,549)	(1,593,634)	(735,564)
(Increase) / decrease in amounts due from related parties	(418)	(168)	(474)
Increase / (decrease) in trade and other payables	(333,884)	(772,921)	295,561
Increase / (decrease) in amounts due to related parties	(324)	(2,426)	(10,000)
Increase / (decrease) in other current liabilities	205,200	352,133	(11,009)
Increase / (decrease) in public deposits	(840,182)	724,088	265,973
Increase / (decrease) in insurance contract liabilities	810,526	873,317	576,033
Cash generated from/ (used in) operations	3,719,857	4,500,518	6,085,872
Finance income received	552,772	442,016	947,843
Finance expenses paid	(2,500,308)	(2,754,794)	(5,899,483)
Dividend received	35,045	3,015	3,015
Tax paid	(484,121)	(633,208)	(1,265,120)
Gratuity paid	(61,898)	(54,990)	(87,901)
Net cash flow from/ (used in) operating activities	1,261,347	1,502,557	(215,774)
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES			
Purchase and construction of property, plant and equipment	(2,548,580)	(2,218,336)	(4,510,011)
Addition to investment property	(11,200)	-	(3,300)
Addition to intangible assets	(100,106)	(94,239)	(256,485)
(Increase)/ decrease in other non-current assets	(1,138,124)	(79,457)	(691,957)
(Purchase) / disposal of short term investments (net)	(1,914,210)	133,762	(1,125,217)
Dividends received	7,382	13,730	68,279
(Purchase) / disposal of non-current financial assets	(747,705)	316,101	991,812
Acquisition of subsidiaries (A)	(509,183)	(208,523)	(214,050)
Increase in interest in subsidiaries	(339,848)	(185,103)	(513,932)
Proceeds from disposal of controlling interest	-	-	794,836
Proceeds from sale of treasury shares (net)	-	-	89,863
Proceeds from sale of property, plant and equipment	31,192	60,028	59,385
Net cash flow used in investing activities	(7,270,382)	(2,262,037)	(5,310,777)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES			
Proceeds from issue of equity shares	3,923,852	-	3,106,383
Dividend paid to non-controlling interest	(1,625)	(29,340)	(615,648)
Proceeds from long term borrowings	2,950,771	1,629,536	3,878,419
Repayment of long term borrowings	(3,742,866)	(3,537,862)	(6,697,977)
(Increase) / decrease in other non-current financial liabilities	(6,973)	(3,220)	84,339
Proceeds from / (repayment of) other current financial liabilities (net)	(3,889,057)	5,568,981	11,297,002
Dividend paid to equity holders of parent	(596,272)	(503,365)	(503,365)
Net cash flow from financing activities	(1,362,170)	3,124,730	10,549,153
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(7,371,205)	2,365,250	5,022,602
CASH AND CASH EQUIVALENTS AT THE BEGINNING	5,888,960	866,428	866,428
Effect of exchange rate changes	17	(83)	(70)
CASH AND CASH EQUIVALENTS AT THE END	(1,482,228)	3,231,595	5,888,960
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Favourable balances			
Cash in hand and at Bank	2,924,667	3,096,132	6,151,833
Short term investments	2,116,574	3,964,140	4,382,344
Unfavourable balances			
Bank overdrafts	(6,523,469)	(3,828,677)	(4,645,217)
Cash and cash equivalents	(1,482,228)	3,231,595	5,888,960

Note : Figures in brackets indicate deductions.

Softlogic Holdings PLC

CONSOLIDATED CASH FLOW STATEMENT

(A) Obtaining control of subsidiaries

During FY 1819

On 28 August 2018, Odel PLC, a subsidiary of Softlogic Holdings PLC acquired 100.00% ordinary shares of Cotton Collection (Pvt) Ltd and it became a subsidiary of the Group.

During FY 1718

In July 2017, Softlogic Retail (Pvt) Ltd, a subsidiary of Softlogic Holdings PLC acquired 66.51% ordinary shares of Suzuki Motors Lanka Ltd and it became a subsidiary of the Group.

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

In Rs. '000	2018	2017
For the six months ended 30 September		
Property, plant and equipment	17,783	100,849
Lease rentals paid in advance	-	3,874
Intangible assets	1,193	-
Non-current financial assets	-	27,655
Other non-current assets	41,525	-
Inventories	188,743	123,753
Trade and other receivables	146,070	98,526
Income tax refund due	-	9,777
Other current assets	-	2,418
Cash in hand and at bank	17,640	-
Interest bearing borrowings	(693)	(10,780)
Employee benefit liabilities	(7,670)	(5,803)
Other non-current financial liabilities	-	(9,323)
Trade and other payables	(188,408)	43,182
Other current financial liabilities	-	(256,035)
Other current liabilities	-	(20,791)
Bank overdrafts	(226,823)	(43,522)
Net identifiable assets	(10,640)	63,780
Non controlling interest holding	6,866	18
Intangible recognised on acquisition	304,018	122,562
	300,244	186,360
Investment by Non controlling interest	(244)	(21,359)
	300,000	165,001
Total purchase price paid		
Cash consideration	300,000	165,001
Cash at bank and in hand acquired	209,183	43,522
	509,183	208,523

Softlogic Holdings PLC

COMPANY INCOME STATEMENT

In Rs. '000	Un-audited 06 months to 30-09-2018	Un-audited 06 months to 30-09-2017	Change as a %	Un-audited 03 months to 30-09-2018	Un-audited 03 months to 30-09-2017	Change as a %	Audited 12 months to 31-03-2018
Revenue	320,688	327,506	(2.08)	160,478	166,187	(3.44)	649,823
Cost of sales	(113,996)	(104,898)	8.67	(59,753)	(52,244)	14.37	(216,633)
Gross profit	206,692	222,608	(7.15)	100,725	113,943	(11.60)	433,190
Dividend income	51,006	4,786	965.73	35,086	4,786	633.10	893,013
Other operating income	20,606	22,154	(6.99)	11,447	10,908	4.94	4,634,942
Administrative expenses	(227,326)	(202,734)	12.13	(118,276)	(113,223)	4.46	(523,053)
Results from operating activities	50,978	46,814	8.89	28,982	16,414	76.57	5,438,092
Finance income	555,296	435,626	27.47	340,581	122,878	177.17	1,122,857
Finance expenses	(1,076,553)	(1,167,806)	(7.81)	(592,247)	(601,217)	(1.49)	(2,695,998)
Net finance cost	(521,257)	(732,180)	(28.81)	(251,666)	(478,339)	(47.39)	(1,573,141)
Change in fair value of investment property	-	-	-	-	-	-	92,475
Profit/ (loss) before tax	(470,279)	(685,366)	(31.38)	(222,684)	(461,925)	(51.79)	3,957,426
Tax expense	(37,736)	(48,197)	(21.70)	(20,360)	(26,124)	(22.06)	(258,757)
Profit/ (loss) for the period	(508,015)	(733,563)	(30.75)	(243,044)	(488,049)	(50.20)	3,698,669

Note : Figures in brackets indicate deductions.

Softlogic Holdings PLC

STATEMENT OF COMPREHENSIVE INCOME

In Rs. '000	Un-audited 06 months to 30-09-2018	Un-audited 06 months to 30-09-2017	Change as a %	Un-audited 03 months to 30-09-2018	Un-audited 03 months to 30-09-2017	Change as a %	Audited 12 months to 31-03-2018
Profit/ (loss) for the period	(508,015)	(733,563)	(30.75)	(243,044)	(488,049)	(50.20)	3,698,669
Other comprehensive income							
Other comprehensive income not to be reclassified to income statement in subsequent periods							
Actuarial loss on retirement benefits	-	-	-	-	-	-	(10,219)
Net other comprehensive loss not to be reclassified to income statement in subsequent periods	-	-	-	-	-	-	(10,219)
Tax on other comprehensive income	-	-	-	-	-	-	2,861
Other comprehensive loss for the period, net of tax	-	-	-	-	-	-	(7,358)
Total comprehensive income/ (loss) for the period, net of tax	(508,015)	(733,563)	(30.75)	(243,044)	(488,049)	(50.20)	3,691,311

Note : Figures in brackets indicate deductions.

Softlogic Holdings PLC

COMPANY STATEMENT OF FINANCIAL POSITION

In Rs. '000	Un-audited as at 30-09-2018	Un-audited as at 30-09-2017	Audited as at 31-03-2018
ASSETS			
Non-current assets			
Property, plant and equipment	188,442	202,754	208,459
Investment property	704,000	611,525	704,000
Intangible assets	-	1,778	593
Investments in subsidiaries	20,026,700	15,227,321	19,856,700
Investments in associates	11,000	11,000	11,000
Other non current financial assets	1,247,097	493,746	828,355
	22,177,239	16,548,124	21,609,107
Current assets			
Trade and other receivables	546,703	268,140	362,930
Amounts due from related parties	10,253,591	7,028,305	8,588,380
Other current assets	30,641	37,478	16,709
Short term investments	1,589,817	1,622,925	1,719,676
Cash in hand and at bank	38,434	466,133	2,916,160
	12,459,186	9,422,981	13,603,855
Total assets	34,636,425	25,971,105	35,212,962
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Stated capital	12,119,235	5,089,000	8,195,383
Revenue reserves	4,088,849	768,262	5,193,136
Total equity	16,208,084	5,857,262	13,388,519
Non-current liabilities			
Interest bearing borrowings	6,059,166	7,254,845	7,453,907
Deferred tax liabilities	157,916	23,696	157,916
Employee benefit liabilities	73,432	51,760	68,252
Other deferred liabilities	93,694	129,730	111,712
Other non current financial liabilities	186,200	186,200	186,200
	6,570,408	7,646,231	7,977,987
Current liabilities			
Trade and other payables	48,843	75,331	44,415
Amounts due to related parties	21,348	9,640	17,877
Income tax liabilities	9,208	-	33,309
Other current financial liabilities	7,884,541	9,504,506	10,526,355
Current portion of interest bearing borrowings	3,109,288	2,647,005	2,984,531
Other current liabilities	74,900	92,239	86,221
Bank overdrafts	709,805	138,891	153,748
	11,857,933	12,467,612	13,846,456
Total equity and liabilities	34,636,425	25,971,105	35,212,962

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

-sgd-

Group Chief Financial Officer

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

-sgd-

Chairman

-sgd-

Director

15 November 2018
Colombo

Softlogic Holdings PLC

COMPANY STATEMENT OF CHANGES IN EQUITY

COMPANY

In Rs. '000	Stated capital	Revenue reserve	Total
As at 01 April 2018	8,195,383	5,193,136	13,388,519
Loss for the period	-	(508,015)	(508,015)
Total comprehensive income	-	(508,015)	(508,015)
Issue of shares	3,923,852	-	3,923,852
Dividend paid	-	(596,272)	(596,272)
As at 30 September 2018	12,119,235	4,088,849	16,208,084
As at 01 April 2017	5,089,000	2,008,175	7,097,175
Loss for the period	-	(733,563)	(733,563)
Total comprehensive income	-	(733,563)	(733,563)
Dividend paid	-	(506,350)	(506,350)
As at 30 September 2017	5,089,000	768,262	5,857,262

Note : Figures in brackets indicate deductions.

Softlogic Holdings PLC

COMPANY STATEMENT OF CASH FLOW

In Rs. '000	Un-audited 06 months to 30-09-2018	Un-audited 06 months to 30-09-2017	Audited 12 months to 31-03-2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/ (loss) before tax	(470,279)	(685,366)	3,957,426
Adjustments for:			
Finance income	(555,296)	(435,626)	(1,122,857)
Dividend income	(51,006)	(4,786)	(893,013)
Finance cost	1,076,553	1,167,806	2,695,998
Change in fair value of investment property	-	-	(92,475)
Gratuity provision and related costs	6,349	4,822	13,222
Provisions for/ write-off of impaired receivables	-	-	64,000
Provisions for/ write off of impaired investments	-	-	24,900
Depreciation of property, plant and equipment	18,245	17,392	36,039
Profit on sale of property, plant and equipment	(2,288)	(3,831)	(10,100)
Profit on sale of investments	-	-	(4,588,114)
Amortisation/ impairment of intangible assets	593	1,639	5,738
Increase / (decrease) in deferred income	(18,018)	(18,018)	(36,036)
Profit before working capital changes	4,853	44,032	54,728
(Increase) / decrease in trade and other receivable	(183,773)	185,184	90,394
(Increase) / decrease in other current assets	(17,889)	(24,379)	120
(Increase) / decrease in amount due from related parties	(2,253,952)	(1,846,159)	(3,495,009)
Increase / (decrease) in trade and other payables	4,426	51,198	20,282
Increase / (decrease) in amount due to related parties	3,471	(58,423)	(50,186)
Increase / (decrease) in other current liabilities	(11,321)	18,890	12,872
Cash generated used in operations	(2,454,185)	(1,629,657)	(3,366,799)
Finance income received	685,155	477,732	1,067,003
Finance expenses paid	(1,100,906)	(1,219,505)	(2,689,213)
Dividend received	51,006	4,786	893,013
Tax paid	(57,879)	(101,021)	(136,584)
Gratuity paid	(1,168)	(2,192)	(4,319)
Net cash flow used in operating activities	(2,877,977)	(2,469,857)	(4,236,899)
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES			
Purchase and construction of property, plant and equipment	(1,123)	(21,304)	(49,384)
Addition to investment property	-	(2,140)	(2,140)
Addition to intangible assets	-	(2,377)	(2,377)
(Purchase) / disposal of short term investments (net)	-	-	1,208
(Purchase) / disposal of other non current financial assets	-	-	(341,522)
Increase in interest in subsidiaries	-	(139,022)	(179,381)
Proceeds from sale of property, plant and equipment	5,181	6,275	16,241
Net cash flow used in investing activities	4,058	(158,568)	(557,355)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES			
Proceeds from issue of shares	3,923,852	-	3,106,383
Proceeds from long term borrowings	-	66,930	1,866,930
Repayment of long term borrowings	(1,245,630)	(1,203,379)	(2,530,612)
Proceeds from / (repayment of) short term borrowings (net)	(2,641,814)	5,056,509	6,078,358
Dividend paid to equity holders of parent	(596,272)	(506,350)	(506,350)
Net cash flow from financing activities	(559,864)	3,413,710	8,014,709
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,433,783)	785,285	3,220,455
CASH AND CASH EQUIVALENTS AT THE BEGINNING	2,762,412	(458,043)	(458,043)
CASH AND CASH EQUIVALENTS AT THE END	(671,371)	327,242	2,762,412
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Favourable balances			
Cash in hand and at bank	38,434	466,133	2,916,160
Unfavourable balances			
Bank overdrafts	(709,805)	(138,891)	(153,748)
Cash and cash equivalents	(671,371)	327,242	2,762,412

Note : Figures in brackets indicate deductions.

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 Rs. '000 For the six months ended 30 September	Information Technology		Leisure & Property		Retail & Telecommunication		Automobiles		Financial Services		Healthcare Services		Others		Group	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2017	2016	2018	2017	2018	2017
	Continuing operations															
Revenue																
Total revenue	2,056,582	1,435,546	1,263,693	1,118,028	18,563,146	17,816,007	502,136	943,335	6,376,257	5,129,133	6,642,014	6,128,350	337,090	341,195	35,740,918	32,911,594
Inter group	(281,702)	(259,040)	(96,971)	(60,130)	(827,436)	(947,315)	(39,545)	(26,876)	(1,840)	(7,807)	(34,737)	(188,675)	(330,923)	(335,734)	(1,613,154)	(1,825,577)
Total external revenue	1,774,880	1,176,506	1,166,722	1,057,898	17,735,710	16,868,692	462,591	916,459	6,374,417	5,121,326	6,607,277	5,939,675	6,167	5,461	34,127,764	31,086,017
Operating profit/ (loss)	119,636	82,290	(46,816)	(95,475)	1,569,779	1,724,889	(15,703)	(9,138)	835,376	819,852	1,568,783	1,508,549	(148,544)	21,347	3,882,511	4,052,314
Finance income	184	2,137	3,868	1,425	34,960	52,558	74	77	356,677	504,163	16,883	8,862	38,017	2,067	450,663	571,289
Finance cost	(83,502)	(42,725)	(459,630)	(255,025)	(1,061,497)	(1,110,465)	(81,317)	(50,356)	(142,024)	(132,940)	(417,360)	(441,829)	(430,537)	(707,965)	(2,675,867)	(2,741,305)
Share of results of equity accounted investments	-	-	-	-	-	-	-	-	-	-	(5,003)	(2,927)	13,261	11,708	8,258	8,781
Change in insurance contract liabilities	-	-	-	-	-	-	-	-	(810,526)	(873,308)	-	-	-	-	(810,526)	(873,308)
Profit/ (loss) before taxation	36,318	41,702	(502,578)	(349,075)	543,242	666,982	(96,946)	(59,417)	239,503	317,767	1,163,303	1,072,655	(527,803)	(672,843)	855,039	1,017,771
Tax expense	(6,672)	(4,085)	772	45,058	(239,109)	(160,385)	-	22	2,144,270	(36,751)	(282,067)	(133,434)	(45,681)	(50,328)	1,571,513	(339,903)
Profit/ (loss) after taxation	29,646	37,617	(501,806)	(304,017)	304,133	506,597	(96,946)	(59,395)	2,383,773	281,016	881,236	939,221	(573,484)	(723,171)	2,426,552	677,868
Depreciation of property, plant & equipment (PPE)	31,210	26,139	285,588	311,426	315,943	232,113	17,768	54,826	92,293	80,345	424,070	451,981	18,365	17,536	1,185,237	1,174,366
Amortisation of lease rentals paid in advance	-	-	-	-	60	20	-	-	-	-	518	518	-	-	578	538
Amortisation/ impairment of intangible assets	6,839	22,846	10,906	9,878	38,344	33,857	-	-	112,843	109,399	4,261	4,261	593	1,639	173,786	181,880
Retirement benefit obligations and related cost	7,710	7,240	3,840	7,277	32,554	29,694	942	1,020	17,460	14,427	45,903	41,540	6,488	4,971	114,897	106,169
Purchase and construction of PPE	14,692	8,463	75,017	284,576	1,025,295	971,753	1,913	38,944	74,829	102,419	1,357,595	788,514	1,319	23,667	2,550,660	2,218,336
Additions to intangible assets	25,589	57,674	-	15,547	33,022	18,315	-	-	41,495	326	-	-	-	2,377	100,106	94,239

REVENUE AND PROFIT Rs. '000 For the three months ended 30 September	Information Technology		Leisure & Property		Retail & Telecommunication		Automobiles		Financial Services		Healthcare Services		Others		Group	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2017	2016	2018	2017	2018	2017
	Continuing operations															
Revenue																
Total revenue	1,238,917	497,740	717,770	667,936	9,999,938	9,490,959	197,497	473,358	3,276,399	2,594,954	3,396,649	3,025,082	168,895	173,718	18,996,065	16,923,747
Inter group	(130,528)	(75,496)	(47,410)	(40,177)	(494,591)	(600,825)	(13,163)	(10,349)	(69)	(4,903)	(424)	(99,095)	(165,825)	(169,974)	(852,010)	(1,000,819)
Total external revenue	1,108,389	422,244	670,360	627,759	9,505,347	8,890,134	184,334	463,009	3,276,330	2,590,051	3,396,225	2,925,987	3,070	3,744	18,144,055	15,922,928
Operating profit/ (loss)	72,001	(1,492)	(40,071)	(3,057)	811,420	897,093	(5,496)	(14,467)	445,057	486,627	802,608	795,623	(80,010)	45,651	2,005,509	2,205,978
Finance income	87	2,081	2,578	592	15,670	22,667	37	38	113,678	228,261	5,046	4,899	(333)	1,205	136,763	259,743
Finance cost	(54,194)	(21,194)	(291,414)	(119,133)	(555,328)	(629,342)	(43,101)	(26,158)	(7,477)	(74,588)	(183,621)	(220,309)	(263,428)	(391,103)	(1,398,563)	(1,481,827)
Share of results of equity accounted investments	-	-	-	-	-	-	-	-	-	-	(3,148)	2,424	4,026	5,558	878	7,982
Change in insurance contract liabilities	-	-	-	-	-	-	-	-	(546,236)	(633,754)	-	-	-	-	(546,236)	(633,754)
Profit/ (loss) before taxation	17,894	(20,605)	(328,907)	(121,598)	271,762	290,418	(48,560)	(40,587)	5,022	6,546	620,885	582,637	(339,745)	(338,689)	198,351	358,122
Tax expense	(938)	7,003	446	45,041	(149,585)	(61,593)	-	-	2,152,049	(2,190)	(161,637)	(70,533)	(1,959)	(27,614)	1,838,376	(109,886)
Profit/ (loss) after taxation	16,956	(13,602)	(328,461)	(76,557)	122,177	228,825	(48,560)	(40,587)	2,157,071	4,356	459,248	512,104	(341,704)	(366,303)	2,036,727	248,236
Depreciation of property, plant & equipment (PPE)	12,500	7,238	134,344	155,726	156,770	126,573	7,515	45,722	46,438	38,856	213,960	206,729	9,068	8,946	580,595	589,790
Amortisation of lease rentals paid in advance	-	-	-	-	30	20	-	-	-	-	259	259	-	-	289	279
Amortisation/ impairment of intangible assets	4,062	13,810	5,462	5,115	10,997	17,600	-	-	56,926	34,946	2,130	2,130	-	1,006	79,577	74,607
Retirement benefit obligations and related cost	5,835	2,027	2,052	2,595	11,273	21,464	-	495	8,267	7,213	22,959	20,784	3,237	2,485	53,623	57,063
Purchase and construction of PPE	-	2,576	51,894	168,326	448,095	729,311	-	37,950	38,587	64,545	786,383	454,074	988	22,918	1,325,947	1,479,700
Additions to intangible assets	3,363	34,382	-	6,183	-	2,980	-	-	41,495	8	-	-	-	2,377	-	-

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

Rs. '000 As at 30 September	Information Technology		Leisure & Property		Retail		Automobiles		Financial Services		Healthcare Services		Others		Group	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Property, plant and equipment	87,568	114,312	10,781,339	11,124,178	5,935,914	7,823,301	300,670	299,869	1,114,330	1,015,593	18,059,252	14,665,144	189,160	203,424	36,468,233	35,245,821
Lease rentals paid in advance	-	-	-	-	3,745	3,864	-	-	-	-	801,278	852,203	-	-	805,023	856,067
Investment property	201,791	205,530	1,612,440	1,100,000	5,024,500	1,442,000	-	-	-	-	-	-	704,000	611,525	7,542,731	3,359,055
Intangible assets	346,068	290,435	25,734	32,171	411,578	335,284	-	-	136,540	121,799	-	-	-	1,778	919,920	781,467
Non-current financial assets	66,020	-	-	-	997,185	609,476	-	-	10,071,417	11,301,938	273,610	320,521	-	-	11,408,232	12,231,935
Rental receivable on lease assets and hire purchase	-	-	-	-	-	-	-	-	750,092	438,200	-	-	-	-	750,092	438,200
Other non-current assets	2,685	2,866	1,554,648	11,030	538,848	287,436	4,637	6,337	3,500	3,500	3,834	4,834	-	-	2,108,152	316,003
Segment non-current assets	704,132	613,143	13,974,161	12,267,379	12,911,770	10,501,361	305,307	306,206	12,075,879	12,881,030	19,137,974	15,842,702	893,160	816,727	60,002,383	53,228,548
Investments in equity accounted investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	79,394	100,959
Goodwill	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,542,403	4,238,385
Intangible assets through business combinations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,379,858	3,584,306
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,112,351	551,636
Eliminations/ adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(77,694)	(62,138)
Total non-current assets	704,132	613,143	13,974,161	12,267,379	12,911,770	10,501,361	305,307	306,206	12,075,879	12,881,030	19,137,974	15,842,702	893,160	816,727	71,038,695	61,641,696
Inventories	637,058	587,149	1,256,126	861,793	8,459,178	6,704,578	577,951	477,697	135,198	135,329	481,907	551,744	-	-	11,547,418	9,318,290
Trade and other receivables	865,662	798,063	185,616	247,514	8,353,705	7,382,641	101,421	379,092	1,389,261	877,772	530,534	676,561	65,928	14,037	11,492,127	10,375,680
Loans and advances	-	-	-	-	-	-	-	-	11,748,473	11,577,515	-	-	-	-	11,748,473	11,577,515
Rental receivable on lease assets and hire purchase	-	-	-	-	-	-	-	-	1,255,036	436,391	-	-	-	-	1,255,036	436,391
Other current assets	109,958	176,585	282,400	354,178	2,286,296	1,853,437	151,561	73,791	1,225,626	796,010	682,134	586,347	30,831	37,845	4,768,806	3,878,193
Short term investments	123	2,597	342	323	49,200	64,119	1,500	1,500	6,238,704	5,142,428	236,893	109,000	132,746	135,245	6,659,508	5,455,212
Cash in hand and at bank	74,811	32,237	220,320	115,762	986,977	510,078	4,962	10,487	1,257,353	1,343,226	335,670	610,607	44,574	473,735	2,924,667	3,096,132
Segment current assets	1,687,612	1,596,631	1,944,804	1,579,570	20,135,356	16,514,853	837,395	942,567	23,249,651	20,308,671	2,267,138	2,534,259	274,079	660,862	50,396,035	44,137,413
Amounts due from related parties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,225	502
Total current assets	1,687,612	1,596,631	1,944,804	1,579,570	20,135,356	16,514,853	837,395	942,567	23,249,651	20,308,671	2,267,138	2,534,259	274,079	660,862	50,397,260	44,137,915
Total assets															121,435,955	105,779,611
Insurance contract liabilities	-	-	-	-	-	-	-	-	8,003,117	7,489,875	-	-	-	-	8,003,117	7,489,875
Interest bearing borrowings	63,132	84,243	6,727,785	6,167,917	3,407,007	3,667,824	24,226	52,203	1,498,183	3,062,918	5,962,028	6,660,833	6,059,166	7,254,845	23,741,527	26,950,783
Public deposits	-	-	-	-	-	-	-	-	3,576,037	3,817,418	-	-	-	-	3,576,037	3,817,418
Employee benefit liabilities	113,866	87,828	25,180	18,270	227,977	162,926	8,172	5,346	139,148	109,472	485,606	422,685	74,458	52,386	1,074,407	858,913
Other deferred liabilities	15,007	2,591	-	-	10,864	1,803	-	-	-	-	-	-	93,694	129,730	119,565	134,124
Other non-current financial liabilities	-	-	110,779	25,843	4,750	9,110	-	-	-	-	-	-	-	-	115,529	34,953
Segment non-current liabilities	192,005	174,662	6,863,744	6,212,030	3,650,598	3,841,663	32,398	57,549	13,216,485	14,479,683	6,447,634	7,083,518	6,227,318	7,436,961	36,630,182	39,286,066
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,864,852	453,567
Total non-current liabilities	192,005	174,662	6,863,744	6,212,030	3,650,598	3,841,663	32,398	57,549	13,216,485	14,479,683	6,447,634	7,083,518	6,227,318	7,436,961	39,495,034	39,739,633
Trade and other payables	911,668	949,686	569,591	303,444	3,251,284	2,968,887	5,256	9,466	1,290,974	910,880	1,091,645	954,548	43,180	45,984	7,163,598	6,142,895
Other current financial liabilities	864,621	725,013	38,576	159,112	16,163,309	11,587,184	344,700	549,389	859,357	9,357	-	-	7,884,541	9,504,506	26,155,104	22,534,561
Current portion of interest bearing borrowings	24,000	24,000	1,150,179	724,312	1,630,163	1,680,191	29,801	28,034	1,765,516	888,519	1,488,303	1,201,063	3,109,287	2,647,004	9,197,249	7,193,123
Other current liabilities	104,958	152,081	601,450	473,626	368,624	374,001	7,246	11,048	466,424	708,650	32,635	9,198	74,931	84,904	1,656,268	1,813,508
Public deposits	-	-	-	-	-	-	-	-	11,885,252	12,942,168	-	-	-	-	11,885,252	12,942,168
Bank overdrafts	48,028	33,090	601,274	558,547	1,826,775	1,073,424	40,508	67,933	1,014,823	631,164	2,292,180	1,325,627	699,881	138,891	6,523,469	3,828,676
Segment current liabilities	1,953,275	1,883,870	2,961,070	2,219,041	23,240,155	17,683,687	427,511	665,870	17,282,346	16,090,738	4,904,763	3,490,436	11,811,820	12,421,289	62,580,940	54,454,931
Income tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	260,302	245,461
Amounts due to related parties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,242	15,140
Eliminations/ adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,436,656)	(4,653,308)
Total current liabilities	1,953,275	1,883,870	2,961,070	2,219,041	23,240,155	17,683,687	427,511	665,870	17,282,346	16,090,738	4,904,763	3,490,436	11,811,820	12,421,289	56,411,828	50,062,224
Total liabilities															95,906,862	89,801,857
Total segment assets	2,391,744	2,209,774	15,918,965	13,846,949	33,047,126	27,016,214	1,142,702	1,248,773	35,325,530	33,189,701	21,405,112	18,376,961	1,167,239	1,477,589	110,398,418	97,365,961
Total segment liabilities	2,145,280	2,058,532	9,824,814	8,431,071	26,890,753	21,525,350	459,909	723,419	30,498,831	30,570,421	11,352,397	10,573,954	18,039,138	19,858,250	99,211,122	93,740,997

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 year ended 30 September 2018 were authorised for issue by the Board of Directors on 15 November 2018.

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.

The interim financial statements are presented in Sri Lankan Rupees.

3. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

SLFRS 15 – Revenue from Contracts with Customers

SLFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including LKAS 18 Revenue, LKAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

SLFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Under SLFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group adopted SLFRS 15 using the full retrospective method of adoption. Based on the assessment performed, the Group concluded that SLFRS 15 does not have a material impact on the Group's consolidated financial statements.

SLFRS - 9 Financial Instruments

SLFRS 9 replaces the existing guidance in LKAS 39 Financial Instruments: Recognition and Measurement. SLFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from LKAS 39.

SLFRS 9 is effective for annual periods beginning on or after 1 January 2018. However, paragraph 7.2.16 of SLFRS 9 permits an entity not to apply the requirements of this Standard to interim periods prior to the date of initial application, if it is impracticable.

However, the Institute of Chartered Accountants of Sri Lanka has issued a "Statement of Alternative Treatment (SoAT) on the figures in the Interim Financial Statements" in which the companies were granted with an option to prepare interim financial statements continuing with the application of LKAS 39 with disclosures on impact to the statement of comprehensive income for the period if SLFRS 9 had been applied during financial year commencing on or after January 2018.

Accordingly, as permitted by the above SoAT, the Group has prepared the Interim Financial Statements for the quarter ended 30 September 2018 based on LKAS 39.

4. TAX EXPENSE

In Rs. '000	Group		Company	
	2018	2017	2018	2017
Income statement				
Current income tax	557,255	388,100	37,736	48,197
Deferred tax charge/ (reversal)	(2,128,768)	(48,197)	-	-
	(1,571,513)	339,903	37,736	48,197

Deferred tax asset - Softlogic Life Insurance PLC

With the introduction of the new tax base in terms of Section 67 of the Inland Revenue Act No. 24 of 2017, the gains and profits from the Life Insurance business of Softlogic Life Insurance PLC ('SLI') are liable for income tax at 28%. Therefore, during the quarter ended 30 September 2018, SLI recognized a deferred tax asset amounting to Rs. 2.40 bn by recognizing available brought forward tax losses up to 31 March 2018.

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

5. CHANGE IN LIFE INSURANCE CONTRACT LIABILITIES

5.1 Valuation of Life Insurance Fund

No surplus was declared for the quarter ended 30 September 2018. An amount of Rs. 266.00 mn declared as surplus for the quarter ended 30 June 2018 from Non Participating Life Insurance Fund/ Insurance Contract Liabilities, as approved by appointed Actuary Mr. Kunj Behari Maheshwari, FIA, FIAI, of Messrs. Willis Towers Watson India (Pvt) Ltd., was recognized in that quarter.

The Financial Statements of Softlogic Life Insurance PLC as at 30 September 2018 were audited by Messrs. KPMG, Chartered Accountants.

5.2 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 9.3 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 September 2018.

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 September 2018	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

5.3 Composition of investments supporting the Restricted Regulatory Reserve as at 30 September 2018

In Rs. '000	Face value	Market value as at 30 September 2018 Rs. '000
Government Securities		
Treasury Bonds - LKB03044A010	100,000,000	124,499
Deposits		
Sampath Bank PLC	263,618,836	271,496
Sampath Bank PLC	125,000,000	125,675
Seylan Bank PLC	175,000,000	175,944
Hatton National Bank PLC	110,658,219	113,900
Total market value of the assets		811,514

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

6. SHARE INFORMATION

6.1 Public share holdings

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

As at	30-09-2018
Public shareholding (%)	14.05%
Public shareholders	10,655
Float adjusted market capitalization (Rs. Mn.)	3,669
Minimum public holding percentage - The company is in compliance with this under Option 4 of Listing Rule 7.13.1(a).	

6.2 Directors' share holdings

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

As at	30-09-2018
A K Pathirage - Chairman/ Managing Director	477,843,941
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
R A Ebell	Nil
Prof. A S Dharmasiri	Nil
A Russell-Davison	Nil
S Saraf	Nil
C K Gupta (alternate director to Mr. S Saraf)	Nil
	707,535,093

6.3 Twenty largest shareholders of the company are as follows:

As at	Number of shares 30-09-2018	%
1 Mr. A K Pathirage	305,658,641	25.63
2 Samena Ceylon Holdings Ltd	247,432,455	20.75
3 Commercial Bank of Ceylon PLC/ Mr. A K Pathirage	77,185,300	6.47
4 Samena Special Situations Fund III L.P.	64,803,654	5.43
5 Seylan Bank PLC/ Mr. A K Pathirage	63,000,000	5.28
6 Pemberton Asian Opportunities Fund	57,040,000	4.78
7 Mr. H K Kaimal	56,339,792	4.72
8 Mr. R J Perera	52,707,508	4.42
9 Mr. G W D H U Gunawardena	49,963,852	4.19
10 Peoples Bank/ Mr. A K Pathirage	32,000,000	2.68
11 Sampath Bank PLC/ Mr. H K Kaimal	24,100,000	2.02
12 Sampath Bank PLC/ Mr. R J Perera	22,730,000	1.91
13 Sampath Bank PLC/ Mr. G W D H U Gunawardena	21,370,000	1.79
14 J. B. Cocoshell (Pvt) Ltd	8,068,054	0.68
15 Employees Provident Fund	7,230,500	0.61
16 Mrs. A Selliah	5,252,640	0.44
17 Mr. S J Fancy	4,960,000	0.42
18 Arunodhaya Investments (Private) Limited	4,898,000	0.41
Arunodhaya Industries (Private) Limited	4,898,000	0.41
Arunodhaya (Private) Limited	4,898,000	0.41
19 Mrs. A Kailasapillai	4,712,000	0.40
Miss. S Subramaniam	4,712,000	0.40
20 Dr. K M P Karunaratne	4,480,532	0.38

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

7. STATED CAPITAL MOVEMENTS

7.1 No of shares

	No of shares
As at 01 April 2018	961,728,395
No of shares issued during the period *	230,814,814
As at 30 September 2018	1,192,543,209

7.2 Value of shares

	Rs. '000
As at 01 April 2018	8,195,383
Total value of shares issued during the period *	3,923,852
As at 30 September 2018	12,119,235

* The issue and listing of 230,814,814 ordinary shares by way of a Rights Issue at a price of Rs. 17.00 per share was completed on 10 May 2018.

8. INVESTOR INFORMATION

8.1 Market value of shares

30-09-2018

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

Closing price on (Rs.)	21.90
Highest price recorded for the three months ending (Rs.)	23.00
Lowest price recorded for the three months ending (Rs.)	18.00
Market Capitalisation (Rs. mn)	26,116.70

8.2 Ratios

Net assets per share at the period end (Rs.)	13.59
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8.3 Share trading information from 01 July 2018 to 30 September 2018

Number of shares traded	4,435,573
Value of shares traded (Rs. mn.)	96.03

9. 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 2018 other than the below.

Asiri Surgical Hospital PLC

A dispute has arisen with the Department of Inland Revenue on the tax exemption applicable as per the agreement between the subsidiary Asiri Surgical Hospital PLC and the Board of Investment (BOI) in 2000.

Since there is litigation in the Court of Appeal in CA (Writ) 386/2016 with regard to this matter, in accordance with Paragraph 92 of LKAS 37, the group is unable to provide further information on this and associated risks, in order not to impair the outcome and/ or prejudice the subsidiary's position in this matter. The aforesaid matter is coming up for argument on 15 February 2019 at the Court of Appeal.

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

10. PRIVATE PLACEMENT AND RIGHTS ISSUE OF SHARES - SOFTLOGIC HOLDINGS PLC

Utilisation of funds raised through private placement and rights issue of shares

Total Funds raised through private placement in FY 1718 and rights issue in FY 1819 amounting to Rs. 3,106 mn and Rs. 3,924 mn respectively was fully utilised for the objectives stated in the circular to shareholders issued in respect of the above.

Objective number	Objective as per circular	Amount allocated as per circular in Rs.	Proposed date of utilisation as per circular	Amount allocated from proceeds in Rs. (A)	% of total proceeds	Amount utilised in Rs. (B)	% of utilised against allocation [(B)/(A)]	Clarification if not fully utilised including if not utilised where are the funds invested (e.g. whether lent to related parties)
Utilisation of funds raised through private placement of shares								
	Settlement of commercial papers	3,106,382,715	Within two months	3,106,382,715	-	3,106,382,715	100.00	NA
Utilisation of funds raised through rights issue of shares								
1	Settlement of commercial papers	Maximum of 3,923,851,838	Within three months	Maximum of 3,923,851,838	-	3,173,851,838	80.89	NA
2	Short term loan settlement - Seylan Bank PLC	Maximum of 3,923,851,838	Within three months	Maximum of 3,923,851,838	-	750,000,000	19.11	NA

11. CAPITAL COMMITMENTS

As at 30 September 2018, the group had capital commitments contracted but not provided in the financial statements amounting to Rs. 9,469 mn (30 September 2017 - 2,970 mn).

12. 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.

12.1 Asiri Hospital Holdings PLC - Acquisition of Hemas Southern Hospitals (Pvt) Ltd

Asiri Hospital Holdings PLC, a subsidiary of Softlogic Holdings PLC announced that Asiri Hospital Holdings PLC acquired the entire issued share capital of Hemas Southern Hospitals (Pvt) Ltd from Hemas Hospitals (Pvt) Ltd on 02 November 2018 for a total consideration of Rs. 450.00 mn.

12.2 Restructuring of Softlogic Group Retail Sector

Softlogic Retail Holdings (Pvt) Ltd, a fully owned subsidiary of Softlogic Holdings PLC acquired 249,250,869 (91.60%) Odel PLC shares from Softlogic Holdings PLC and Softlogic Retail (Pvt) Ltd on 13 November 2018 for a consideration of Rs. 25.00 per share.

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

13. RELATED PARTY TRANSACTIONS

13.1 Transactions with related parties

In Rs. '000	Group		Company	
	06 months to 30-09-2018	06 months to 30-09-2017	06 months to 30-09-2018	06 months to 30-09-2017
Subsidiaries				
(Purchases) / sales of goods	-	-	(1,843)	(1,709)
(Receiving) / rendering of services	-	-	268,217	305,103
(Purchases) / sale of property plant & equipment	-	-	(897)	(19,211)
Loans given / (obtained)	-	-	1,140,558	740,234
Interest received / (paid)	-	-	543,678	365,472
Rent received / (paid)	-	-	26,147	26,743
Dividend received	-	-	15,920	1,771
Guarantee charges received	-	-	67,505	93,380
Guarantees given / (obtained)	-	-	18,931,687	20,663,000
Associates				
(Purchases) / sale of property plant & equipment	157	11,686	-	-
(Receiving) / rendering of services	9,293	(768)	5,978	5,341
Dividend received	-	-	35,045	3,015
Key management personnel				
Loans given/ (received)	(1,854)	(8,839)	(1,992)	(1,992)
Guarantees given/ (received)	(410,000)	(510,000)	(100,000)	(100,000)
Loans given/ (customer deposits received)	(45,291)	(70,296)	-	-
Advances given/ (received)	(263,341)	(133,809)	-	-
Close family members of KMP				
(Receiving) / rendering of services	-	-	-	-

13.2 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

S Saraf

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

Audit Committee

R A Ebell - 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

R A Ebell

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

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Contact for Media

Softlogic Holdings PLC

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Sri Lanka

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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